MADISON EXPLORATIONS, INC.
Form 10-K/A
September 22, 2014

United states

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/a

(Amendment No. 2)

[X] Annual report pursuant to section 13 Or 15(d) of the securities exchange act of 1934

For the fiscal year ended **December 31, 2013**

[ ] 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 registrant as specified in its charter)

Incorporated in the State of Nevada (State or other jurisdiction of incorporation or organization)	**00-0000000** (I.R.S. Employer Identification No.)
2825 E. Cottonwood Parkway, Suite 500, Salt Lake City, Utah (Address of principal executive offices)	**84121** (Zip Code)

Registrant's telephone number, including area code: (801) 326-0110

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
None	N/A

Securities registered pursuant to Section 12(g) of the Act:

Common Stock - $0.001 par value
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

[ ] Yes [X] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

[ ] Yes [X] No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act from their obligations under those sections.

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 last 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 (§ 229.405 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 if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. **[ ]**

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 Act).

[X] Yes [ ] No

State the aggregate market value of the voting and non-voting common equity held by **non-affiliates** computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: **$901,875 ($0.0185 X 48,750,000) as of June 30, 2013**

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 March 28, 2014**
Common Stock - $0.001 par value	113,020,000

Documents incorporated by reference: Exhibit 3.1 (Articles of Incorporation and Certificate of Amendment) and Exhibit 3.2 (By-laws) both filed as exhibits to Madison's registration statement on Form 10-SB-2 filed on May 4, 2005; Exhibit 10.1 (Mineral Property Agreement) filed as an exhibit to Madison's Form 10-SB-2 filed on May 4, 2005.

EXPLANATORY NOTE

This Amendment No. 2 (this "Amendment") to the Annual Report on Form 10-K of Madison Explorations, Inc. (the "Company") for the year ended December 31, 2013, originally filed with the U.S. Securities and Exchange Commission (the "SEC") on March 28, 2014, (the "Original Filing"), is being re-filed with amended auditor report to correct date error and to amend Note #6 in the notes to the financial statements.

This amendment to the Report does not alter any part of the content of the Report, except for the changes and additional information provided in this amendment, and this amendment continues to speak as of the date of the Report. Madison has not updated the disclosures contained in this amendment to reflect any events that occurred at a date subsequent to the filing of the Report. The filing of this amendment is not a representation that any statements contained in the Report or this amendment are true or complete as of any date subsequent to the date of the Report. This amendment does not affect the information originally set forth in the Report, the remaining portions of which have not been amended. Accordingly, this Form 10-K/A should be read in conjunction with Madison's filings made with the SEC subsequent to the filing of the original Form 10-K on March 28, 2014
(SEC Accession No. 0001493152-14-000874).

Item 8. Financial Statements and Supplementary Data.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

Consolidated Financial Statements

December 31, 2013

(Audited)

Contents

K. R. Margetson Ltd.
Chartered **A**ccountant

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders:

Madison Explorations, Inc.

We have audited the accompanying consolidated balance sheets of Madison Explorations, Inc. (an Exploration Stage Enterprise) as of December 31, 2013 and 2012 and the related statements of operations and comprehensive loss, stockholders' equity (deficiency) and cash flows for the years ended December 31, 2013 and 2012 and for the period from inception, June 15, 1998, to December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the period from date of inception (June 15, 1998) to December 31, 2007. That period was audited by other auditors, whose report dated March 25, 2008, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, these financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012 and the results of its operations and changes in equity (deficiency) and cash flows for the years ended December 31, 2013 and 2012 and for the period from date of inception (June 15, 1998) to December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared using accounting principles generally accepted in the Unites States of America assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is an exploration stage enterprise and has yet to reach profitable levels of operation, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to their planned financing and other matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

	"K R. Margetson Ltd."
North Vancouver, Canada	Chartered Accountant
March 28, 2014	

210, 905 West Pender Street	Tel: 604-641-4450
Vancouver BC	Fax: 1-877-874-9583
Canada	

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

Consolidated Balance Sheets

	December 31, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash	$9,941	$3,969
Total Assets	$9,941	$3,969
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$31,842	$32,390
Notes Payable and accrued interest - Note 3	80,310	79,542
Convertible notes payable - Note 6	76,000	57,250
Related party advance - Note 4	261	561
TOTAL LIABILITIES	188,413	169,743
STOCKHOLDERS' DEFICIT		
Common Stock - Note 5 Par Value:$0.0001 Authorized 500,000,000 shares Issued and outstanding: 113,020,000 shares	113,020	113,020
Additional Paid in Capital	72,882	47,882
Accumulated other comprehensive loss	(5,814)	(8,484)
Accumulated deficit during exploration stage	(358,560)	(318,192)
Total stockholders' deficiency	(178,472)	(165,774)
Total liabilities and stockholders' deficiency	$9,941	$3,969

Going Concern – Note 2

See Accompanying Notes to Consolidated Financial Statements.

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MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

Consolidated Statements of Operations AND COMPREHENSIVE LOSS

	For the year ended December 31, 2013	**For the year ended December 31, 2012**	**June 15,1998 (inception) to December 31, 2013**
Revenues	$ -	$ -	$ 144,000
Operating expenses			
Exploration and development	-	-	109,040
General and administrative	18,179	30,607	285,973
	18,179	30,607	395,013
Income (loss) before other expense	(18,179)	(30,607)	(251,013)
Other expense - interest	(22,189)	(21,999)	(107,547)
Net loss	(40,368)	(52,606)	(358,560)
Other Comprehensive income (loss)			
Translation gain (loss)	2,670	(857)	(5,814)
Total comprehensive loss	$ (37,698)	$ (53,463)	$ (364,374)
Net loss per share -Basic and diluted	$ (0.000)	$ (0.000)	
Average number of shares of common stock outstanding	113,020,000	113,020,000	

See Accompanying Notes to Consolidated Financial Statements.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

Consolidated StatementS of stockholders' equity (DEFICIency)

	Common Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Deficit Accumulated During the Exploration Stage	Total
Balance, June 15, 1998 (Inception)	-	-	-	-	-	-
Issuance of common stock	53,750,000	$53,750	$(53,320)	$ -	$ -	$430
Net loss and comprehensive loss		-	-	-	-	-
Balance, December 31, 1999	53,750,000	53,750	(53,320)	-	-	430
Net loss and comprehensive loss		-	-	-	-	-
Balance, December 31, 2000	53,750,000	53,750	(53,320)	-	-	430
Net loss and comprehensive loss		-	-	-	-	-
Balance, December 31, 2001	53,750,000	53,750	(53,320)	-	-	430
Net loss and comprehensive loss		-	-	-	-	-
Balance, December 31, 2002	53,750,000	53,750	(53,320)	-	-	430
Net loss and comprehensive loss		-	-	-	-	-
Balance, December 31, 2003	53,750,000	53,750	(53,320)	-	-	430
Balance, December 31, 2003	53,750,000	53,750	(53,320)	-	-	430
Issuance of common stock	59,070,000	59,070	(58,598)	-	-	472
Capital contribution		-	5,000	-	-	5,000
Foreign currency adjustments		-	-	(2,554)	-	(2,554)
Net loss		-	-	-	(49,088)	(49,088)
Balance, December 31, 2004	112,820,000	112,820	(106,918)	(2,554)	(49,088)	(45,740)
Foreign currency adjustments		-	-	(444)	-	(444)

Net loss		-	-	-	(48,720)	(48,720)
Balance, December 31, 2005	112,820,000	112,820	(106,918)	(2,998)	(97,808)	(94,904)
Issuance of common stock	200,000	200	49,800	-	-	50,000
Foreign currency adjustments		-	-	(1,297)	-	(1,297)
Net loss		-	-	-	(38,511)	(38,511)
Balance, December 31, 2006	113,020,000	113,020	(57,118)	(4,295)	(136,319)	(84,712)
Foreign currency adjustments		-	-	(3,445)	-	(3,445)
Net loss		-	-	-	24,651	24,651
Balance, December 31, 2007	113,020,000	113,020	(57,118)	(7,740)	(111,668)	(63,506)
Foreign currency adjustments		-	-	5,639	-	5,639
Convertible debt - Note 8		-	40,000	-	-	40,000
Net loss		-	-	-	(29,696)	(29,696)
Balance, December 31, 2008	113,020,000	113,020	(17,118)	(2,101)	(141,364)	(47,563)
Foreign currency adjustments		-	-	(4,578)	-	(4,578)
Net Loss		-	-	-	(37,798)	(37,798)
Balance, December 31, 2009	113,020,000	113,020	(17,118)	(6,679)	(179,162)	(89,939)
Balance, December 31, 2009	113,020,000	113,020	(17,118)	(6,679)	(179,162)	(89,939)
Foreign currency adjustments		-	-	(1,716)	-	(1,716)
Convertible debt - Note 8		-	20,000	-	-	20,000
Net Loss		-	-	-	(37,816)	(37,816)
Balance December 31, 2010	113,020,000	113,020	2,882	(8,395)	(216,978)	(109,471)
Foreign currency adjustments		-	-	768	-	768
Convertible debt - Note 8		-	20,000	-	-	20,000
Net Loss		-	-	-	(48,608)	(48,608)
Balance December 31, 2011	113,020,000	113,020	22,882	(7,627)	(265,586)	(137,311)
Foreign currency adjustments		-	-	(857)	-	(857)
Convertible debt - Note 8		-	25,000	-	-	25,000
Net Loss, December 31,2012		-	-	-	(52,606)	(52,606)
Balance December 31, 2012	113,020,000	113,020	47,882	(8,484)	(318,192)	(165,774)
Foreign currency adjustments		-	-	2,670	-	2,670
Convertible debt - Note 8		-	25,000	-	-	25,000
Net Loss, December 31, 2013		-	-	-	(40,368)	(40,368)
Balance December 31, 2013	113,020,000	$113,020	$72,882	$ (5,814)	$ (358,560)	$(178,472)

See Accompanying Notes to Consolidated Financial Statements

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

Consolidated StatementS of cash flows

	For the year ended December 31, 2013	For the year ended December 31, 2012	June 15,1998 (inception) to December 31, 2013
Cash Flows from operating activities:			
Net loss	$ (40,368)	$ (52,606)	$ (358,560)
Amortization of convertible debt discount recorded as interest	18,750	18,500	76,000
Adjustments to reconcile net loss to cash used in operating activities			
Changes assets and liabilities			
Accounts payable and accruals	(548)	6,422	31,842
Net cash used in operating activities	(22,166)	(27,684)	(250,718)
Cash Flows From Investing Activities			
Net cash provided (used in) investing activities	-	-	-
	-	-	-
Cash Flows from financing activities:			
Issuance of common stock	-	-	113,020
Capital contribution	-	-	(57,118)
Notes payable	768	4,348	80,310
Proceeds of convertible notes payable	25,000	25,000	130,000
Related Party advances	(300)	-	261
Net Cash provided by (used in) financing activities	25,468	29,348	266,473
Effect of foreign currency translation on cash and cash equivalents	2,670	(857)	(5,814)
Net increase (decrease) in cash	5,972	807	9,941
Cash, beginning of period	3,969	3,162	-
Cash, end of period	$ 9,941	$ 3,969	$ 9,941
SUPPLEMENTAL DISCLOSURE			
Interest	$ 22,189	$ 21,999	$ 107,547

Taxes paid	$ -	$ -	$ -

See Accompanying Notes to Consolidated Financial Statements

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MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 1 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.

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

These consolidated interim 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 December 31, 2013, the Company had not yet achieved profitable operations, has accumulated losses of $358,560 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.

Note 2 Summary of Significant Accounting Policies

a) Year end

The Company has elected a December 31st fiscal year end.

b) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at December 31, 2013, the Company did not have any cash equivalents (2012 – $nil), and $0 was deposited in accounts that were federally insured (2012 - $53).

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 2 <u>Summary of Significant Accounting Policies - continued</u>

c) Revenue Recognition

The Company recognizes revenue when a contract is in place, minerals are delivered to the purchaser and collectability is reasonably assured.

d) Stock-Based Compensation

The Company follows the guideline under FASB ASC Topic 718 Compensation-Stock Compensation for all stock based compensation plans, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. Stock compensation expenses are to be recorded using the fair value method.

e) Basic and Diluted Net Income (Loss) per Share

The Company reports basic loss per share in accordance FASB ASC Topic 260, “Earnings per share”. Basic net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share on the potential exercise of the equity-based financial instruments is not presented where anti-dilutive.

f) Comprehensive Income

In accordance with FASB ASC Topic 220 “Comprehensive Income,” comprehensive income consists of net income and other gains and losses affecting stockholder’s equity that are excluded from net income, such as unrealized gains and losses on investments available for sale, foreign currency translation gains and losses and minimum pension liability.

g) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management’s best knowledge of current events and actions the Company may undertake in the future, actual results may ultimately differ from the estimates. Management believes such estimates to be reasonable.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 2 Summary of Significant Accounting Policies - continued

h) Fair Value Measurements

The Company follows FASB ASC 820, "*Fair Value Measurements and Disclosures*", for all financial instruments and non-financial instruments accounted for at fair value on a recurring basis. This new accounting standard establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurement and expands disclosures about fair value measurements required under other accounting pronouncements. It does not change existing guidance as to whether or not an instrument is carried at fair value. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk. The Company has adopted FASB ASC 825, "*Financial Instruments",* which allows companies to choose to measure eligible financial instruments and certain other items at fair value that are not required to be measured at fair value. The Company has not elected the fair value option for any eligible financial instruments.

i) Financial Instruments

Fair Value

The fair value of the convertible notes payable is based on their beneficial conversion feature at the time of commitment, which requires allocation of the instrument between the host debt and the embedded equity component. Based on the intrinsic value of the conversion feature, the total value of the instruments was allocated to the equity component and included in additional paid-in capital. The balance of nil was allocated to the host debt.

The resulting discounts are being amortized to income over 60 months.

Risks:

Financial instruments that potentially subject the Company to credit risk consist principally of cash. Management does not believe the Company is exposed to significant credit risk.

Management, as well, does not believe the Company is exposed to significant interest rate risks during the period presented in these financial statements.

The accompanying financial statements do not include any adjustments that might result from the eventual outcome of the risks and uncertainties described above.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 2 Summary of Significant Accounting Policies - continued

j) Income Taxes

The Company accounts for income taxes under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, all expected future events other than enactment of changes in the tax laws or rates are considered.

Due to the uncertainty regarding the Company's future profitability, the future tax benefits of its losses have been fully reserved.

k) Impairment of Long-Lived Assets

Impairment losses on long-lived assets, such as mining claims, are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses are then measured by comparing the fair value of assets to their carrying amounts.

l) Foreign Currency Translation and Transactions

The Company's functional currency is US dollars. Foreign currency balances are translated into US dollars as follows:

Monetary assets and liabilities are translated at the period-end exchange rate. Non-monetary assets are translated at the rate of exchange in effect at their acquisition, unless such assets are carried at market or nominal value, in which case they are translated at the period-end exchange rate. Revenue and expense items are translated at the average exchange rate for the period. Foreign exchange gains and losses in the period are included in operations

The functional currency of the wholly owned subsidiary is Canadian dollars. The assets and liabilities arising from these operations are translated at current exchange rates and related revenues and expenses at the exchange rates in effect at the time the revenue or expense is incurred. Resulting translation adjustments, if material, are accumulated as a separate component of accumulated other comprehensive income in the statement of stockholders’ deficit while foreign currency transaction gains and losses are included in operations.

m) Mining Costs

Exploration and evaluation costs are expensed as incurred. Management’s decision to develop or mine a property is 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 when 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.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 2 Summary of Significant Accounting Policies - continued

n) Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary, Scout Resources Inc. All significant inter-company balances and transactions have been eliminated.

o) Derivative Instruments

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of FASB No. 133", SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which is effective for the Company as of its inception. These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. The Company has not entered into derivative contracts to hedge existing risks or for speculative purposes.

p) Recent Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3 **<u>Notes Payable</u>**

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 December 31, 2013, accrued interest on the note was $17,797 (December 31, 2012 - $15,797). The note payable balance including accrued interest was $42,797 as at December 31, 2013 (December 31, 2012 - $40,797). Interest on the debt for each of the years ended December 31 was $2,000.

b) $26,423 ($30,000 CDN) with annual interest payable at 5%

As at December 3, 2013, accrued interest on the note was $11,090 (December 31, 2012 - $7,839). The note payable balance including accrued interest was $37,513 as at December 31, 2013 (December 31, 2012 - $38,745). Interest on debt for the year ended December 31 was $1,439 in 2013 and $1,499 in 2012.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 4 Related Party Advance

In 2008 the President advanced the Company $561 repayable without interest or any other terms. The unpaid balance as at December 31, 2013 is $261. There were no related party transactions in the year ended December 31, 2013.

Note 5 Common Stock

On June 15, 1998 the Company authorized and issued 53,750,000 shares of its common stock in consideration of $430 in cash. ($.000008 per share.)

On June 7, 2004 the Company issued 59,070,000 in consideration of $472 in cash. ($.000008 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 March 30, 2006 the Company entered into a private placement agreement whereby the Company issued 200,000 Regulation-S shares in exchange for $50,000. ($.25 per share)

There are no shares subject to warrants, options or other agreements as December 31, 2013.

Note 6 Convertible Note Payable

There are four convertible notes payable. The notes are non-interest bearing, unsecured and payable on demand. At any time prior to repayment any portion or the entire note may be converted into common stock at the discretion of the holder on the basis of $0.01 of debt to 1 share. The effect that conversion would have on earnings per share has not been disclosed due to the current anti-dilutive effect

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

	2013	2012
Balance - December 31		
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	38,000
Balance, convertible note payable	$ 40,000	$ 38,000

The total discount of $40,000 was amortized over 5 years starting April, 2008. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013, $2,000 was recorded as interest expense. For the twelve months ended December 31, 2012 $8,000 was recorded as interest expense. As at December 31, 2013, the unamortized discount is $Nil.

MADISON EXPLORATIONS, INC.

(An Exploration Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 6 Convertible Note Payable - continued

The balance of the second convertible note is as follows:

	2013	2012
Balance - December 31		
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	14,000	10,000
Balance, convertible note payable	$ 14,000	$ 10,000

The total discount of $20,000 is being amortized over 5 years starting June 2010. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013 and 2012, $4,000 was recorded as interest expense. As at December 31, 2013, the unamortized discount is $6,000.

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

	2013	2012
Balance - December 31		
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	5,500	3,500
Balance, convertible note payable	$ 5,500	$ 3,500

The total discount of $10,000 is being amortized over 5 years starting April, 2011. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013 and 2012, $2,000 was recorded as interest expense. As at December 31, 2013, the unamortized discount is $4,500.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 6 Convertible Note Payable - continued

The balance of the fourth convertible note payable at is as follows:

	2013	2012
Balance - December 31		
Proceeds from promissory note	$ 25,000	$ -
Value allocated to additional paid-in capital	25,000	-
Balance allocated to convertible note payable		-
Amortized discount	3,750	-
Balance, convertible note payable	$ 3,750	$ -

The total discount of $25,000 will be amortized over 5 years starting April, 2013. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013, $3,750 was recorded as interest expense. As at December 31, 2013 the unamortized discount is $22,250.

There are also two other convertible notes payable. The notes are non-interest bearing, unsecured and payable on demand. At any time prior to repayment any portion or the entire note may be converted into common stock at the discretion of the holder on the basis of $0.005 of debt to 1 share. The effect that conversion would have on earnings per share has not been disclosed due to the current anti-dilutive effect

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

	2013	2012
Balance - December 31		

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	5,250	3,250
Balance, convertible note payable	$ 5,250	$ 3,250

The total discount of $10,000 is being amortized over 5 years starting May, 2011. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013 and 2012, $2,000 was recorded as interest expense. As at December 31, 2013, the unamortized discount is $4,750.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 6 Convertible Note Payable - continued

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

	2013	2012
Balance - December 31		
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	7,500	2,500
Balance, convertible note payable	$ 7,500	$ 2,500

The total discount of $25,000 will be amortized over 5 years starting July, 2012. Accordingly, the annual interest rate is 20% and for the twelve months ended December 31, 2013, $5,000 was recorded as interest expense and $2,500 was recorded as interest expenses for December 31, 2012. As at December 31, 2013 the unamortized discount is $17,500.

Note 7 Income Taxes

Income tax recovery differs from that which would be expected from applying the effective tax rates to the net income (loss) as follows:

	December 31, 2013	December 31, 2012	Cumulative to December 31, 2013
Net income (loss) for the period	$ (40,368)	$ (52,606)	$ (318,192)

Statutory and effective tax rates	25.8 %	25.0 %	26.0 %
Income taxes expenses (recovery) at the effective rate	$ (10,695)	$ (13,152)	$ (70,380)
Effect of permanent differences	4,829	4,625	14,312
Effect of changes in income tax rate	(2,664)	3,403	-
Change in valuation allowance	8230	5,124	65,236
Corporate income tax expense (recovery) and corporate income tax Liability (asset)	$ -	$ -	$ -

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MADISON EXPLORATIONS, INC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

Note 7 Income Taxes – Continued

As at December 31, 2013 the tax effect of the temporary timing differences that give rise to significant components of deferred income tax asset are noted below. A valuation allowance has been recorded as management believes it is more likely than not that the deferred income tax asset will not be realized.

	December 31, 2013	December 31, 2012	December 31, 2011
Tax loss carried forward	$282,560	$260,942	$226,836
Deferred tax assets	$73,466	$65,236	$60,112
Valuation allowance	(73,466)	(65,236)	(60,112)
Deferred taxes recognized	$-	$-	$-

The tax losses will expire between 2015 and 2033.

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Signatures

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

Madison Explorations, Inc.

By: ***/s/ Joseph Gallo***
Name: **Joseph Gallo**
Title**: Director and President**

Dated: **September 22, 2014**

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of Madison Explorations, Inc. and in the capacities and on the dates indicated have signed this report below.

Signature	**Title**	**Date**
/s/ Joseph Gallo **Joseph Gallo**	President, Chief Executive Officer, Principal Executive Officer, Treasurer, Corporate Secretary, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer Member of the Board of Directors	September 22, 2014