

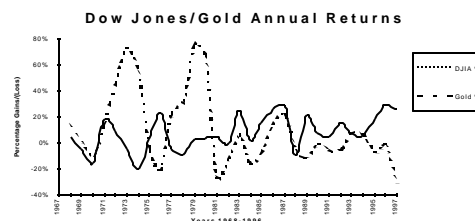
J Taylor's

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Gold

& Technology Stocks



Weekly Hotline Message

(Now in our 23rd Year)

February 25, 2005

New Buy Recommendation – 02/25/05:

Madison Minerals Inc.



Traded Toronto Venture Exchange – MMR

Price 2/25/05: \$0.533

Shares Outstanding: 18,217,240

Market Capitalization: \$9,708,878

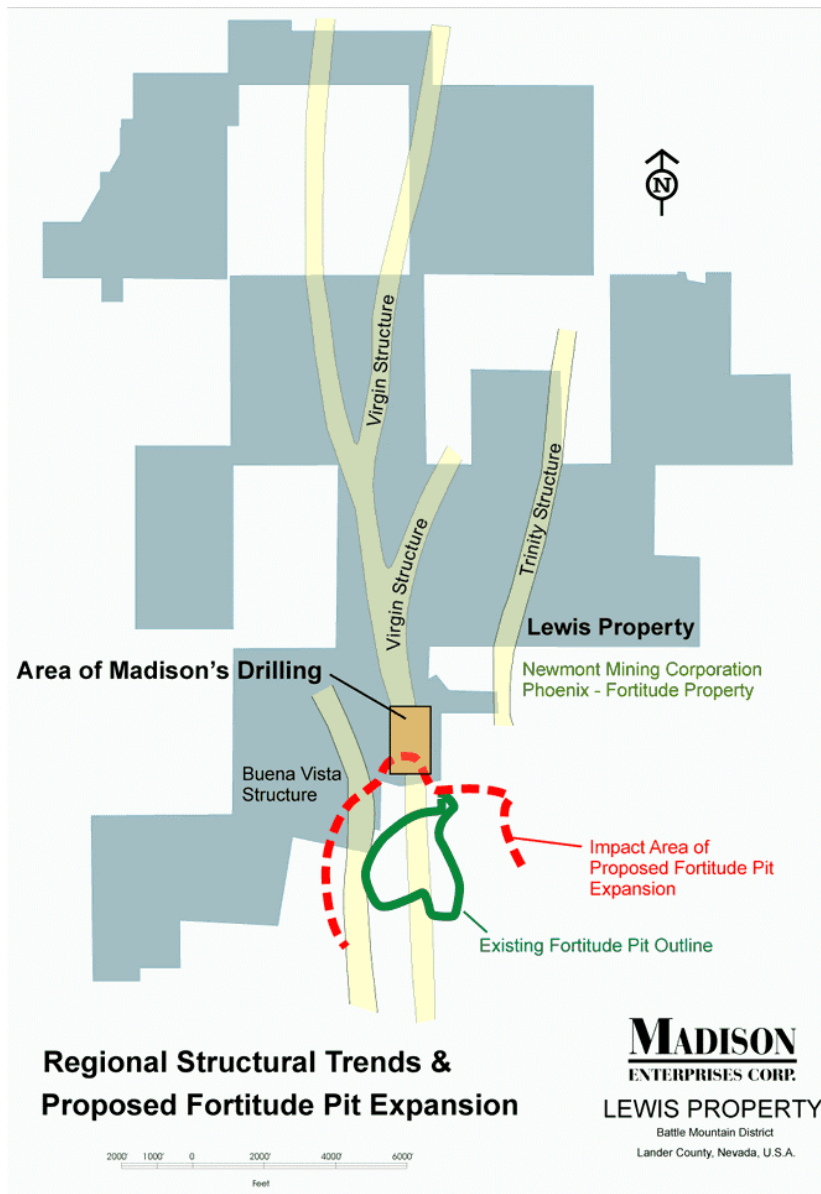
Progress Rating: "C"

Madison Minerals Inc. (Madison) has two gold exploration properties, both of which appear to have a good chance of hosting significant gold deposits. Given its current low market capitalization, two outstanding exploration properties (in Nevada and Papua New Guinea), and a well-regarded management team, your editor thinks those who buy this stock at its current price have a real shot at seeing this company achieve "10-bagger" status. No promises of course but this company offers great speculative value in my view, at its current price. That should become apparent to the market over time as the gold bull market continues onward and as this company's exploration programs should result in considerable in-ground wealth creation.

The Lewis Property Lander County, Nevada

Closest to home is the Lewis Property located in Lander County, Nevada. At present Madison holds a 51% interest in this property with Great American Minerals, Inc. holding a 49% interest. Under the terms of the joint venture letter agreement between Madison and GAM, Madison has now acquired a 51% interest in the Lewis property. Madison expects to shortly increase this interest in this property to 60% at which point GAM has the right to elect to retain a 40% interest and participate on joint venture basis or to allow Madison to acquire a further 15% interest, which would require Madison to complete an industry standard bankable feasibility study and to arrange on behalf of GAM, non-recourse project financing for GAM's remaining 25% interest. Based on conversations I have had with people who have followed this issue closely, your editor believes it most likely Madison will end up with a 75% interest in the Lewis Property.

The Lewis property story here is rather straightforward. I would direct your attention to Madison's claim areas pictured on the map on your left. The blue areas are claims owned by Madison. The white area, to the south of the Lewis property, is owned by Newmont Mining Corporation, which company is moving toward re-opening the previous open pit mine known as the Fortitude Open Pit Mine. The new mine, which is known as the Phoenix-Fortitude Mine, hosts a mineable reserve of 6,000,000 ounces of gold. Now, note the old Fortitude pit outlined in green, and extended beyond that the impact area of the proposed Fortitude Pit extension. Not only does this impact area extend on to Madison's property but into the very area of Madison's recent drilling. Newmont has announced that it plans to produce between 400,000 and 450,000 ounces per year over a 15-year mine life. Newmont estimates capital costs of \$205 million and cash operating costs of \$200 to \$225 per ounce.



Note also from the map shown on your left that the Virgin Structure, which is the same major structure that hosts gold mineralization in the Fortitude Mine, extends north for some 15,000 feet on the Lewis Property. The brown colored rectangular area on the Lewis property is the area where Madison has focused most of its drilling to date. Some 23,885 ft. of drilling has taken in this claim area and according to management, the average grades have been higher over similar widths to the 0.034 average grade for the 6 million ounces that Newmont plans to begin mining. Obviously, it is still too early to draw any definite conclusions but at this stage, the prospects for Madison outlining a sizeable gold deposit hosted in the Virgin Structure just north of the old Fortitude Mine looks very good. And then of course we can expect the company to explore the

additional 15,000 ft. of that structure in the future.

In addition to the Virgin Structure, there are two other sub-parallel structures also pictured in the above property map. They are the Buena Vista adjacent to the Madison/Newmont boundary, and the Trinity system to the east of the Virgin System. Some previous drilling has taken place on the Buena Vista. Values up to 0.13 oz. gold/ton over 90 ft. were reported including a five ft. section that graded 1.42 oz. gold/ton, from a depth of 400 to 490 ft. The hole in which these values were taken actually lies within the area to be impacted by Newmont's proposed westward expansion of the Fortitude pit. This is obviously another drill target for the company.

The Lewis property is a very scrumptious exploration play and in my view, there is good reason to hope that future drill results will begin to paint a picture of substantial gold mineralization on this property. It would seem to this observer that Madison should be in the "catbird's seat" to work out an arrangement with Newmont on

terms favorable to Madison, given that (1) the proposed area of impact of the new expanded pit will encroach on Madison's claims, and (2) the above-noted high-grade hole pulled also was on land required for Newmont's proposed expanded operation. I have not had this discussion with Madison's management, but it seems to me that if Madison can build up a sizeable gold resource on its Lewis claims, Madison or the Lewis property itself could become an irresistible takeover target for Newmont.

Mt. Kare Project **Papua New Guinea**

Madison holds a 90% interest in this property, which has a resource of approximately 1.8 million ounces of gold and 23.8 million ounces of silver. This resource, which was updated by Watts, Griffis & McOuat in 2000 is broken down between indicated and inferred categories as follows:

	Millions of Tonnes	Oz. gold/ton	Oz. Silver/Ton
Indicated Resource	14.68	1,100,000	15,900,000
Inferred Resource	10.85	700,000	7,900,000

Mt. Kare is located in the midst of five of the largest gold mines in the world, namely Ok Tedi, Porgera, Lihir, Panguna, and Grasberg. The Porgera Property, which abuts the Mt. Kare project, has contained or currently contains a total of 28 million ounces of gold. So by that standard, the standards of the other monster deposits named above, the company's current 1.8 million ounces gold deposit hardly qualifies as a "elephant sized." But Madison has a host of highly prospective targets on this 220-square-kilometer property, which, based on work carried out to date, appear to offer a shot at multiplying the current resource by a magnitude of several fold.

For example there is the **Southwest Zone** in which gold, silver, lead, and zinc extends 400 to 500 feet from the **Black Zone**. This zone averaged 2.18 grams gold/tonne over a 37-meter width.

The North Roscoelite Zone has been traced 200 to 300 meters north of previous sampling. Assays from surface samples have graded up to 32.7 grams gold/tonne and 230 grams silver/tonne.

The Roscoelite South Extension – The company has found that a strong correlation exists between high IP chargeability readings and gold mineralization on this extension and thus will be targeting future drilling accordingly. This area extends some 300 meters south of the area from which the company's Mt. Kare mineral resource has been outlined to date.

South Pump Creek – Through prospecting, exploration pit sampling, and trenching, the company has extended the north-south trending South Pump Creek Zone a minimum of 100 meters north and 100 meters south of exploration drill hole 109, which intersected a 21-meter interval grading 1.67 grams/tonne gold and 9 grams/tonne silver. Previously, trenching returned an 11.9-meter section grading 1.1 grams/tonne gold, 42.4 grams/tonne silver, and 1.7% zinc.

C-9 Zone – Reinterpretation of previous drilling results in conjunction with strong IP chargeability anomalies suggests to management that a northeasterly extension of the C-9 Zone should exist. This represents another 200 meters of extension and is considered a priority drill target for the company following infill drilling planned this year. Previous drill results within the C-9 Zone include drill hole MK99-156, which returned 2.57 grams gold/tonne over 67.5 meters and included a 25.5-meter section grading 4.75 grams gold/tonne.

Camp Zone and Luke's Hill Zone – Geological work on these areas which lie immediately to the north of the current resource estimate are considered prospective and will thus be explored going forward.

Pinuni Creek Structural Corridor – In addition to the numerous exploration targets noted above, the company has identified numerous grassroots targets that have geophysical features of interest. One area of interest is the Pinuni Creek Structural Corridor, which extends two to three kilometers eastward of the current resource. Of interest here is an IP anomaly.

MANAGEMENT

Nell M. Dragovan, B.A. Director, Venture capitalist, Founder of Corona Explorations, which acquired the lands, carried out the exploration work, and subsequently discovered the Hemlo gold deposits in Northern Ontario. Three gold mines eventually arose from the Hemlo discovery in 1980 for a total annual production of 1,058,000 ounces of gold. The mines are controlled by Teck Corp., Hemlo Gold Mines Ltd. and Homestake Mining and are still in production.

Chet Idziszek, B.Sc., M.Sc. (App.), President, Chairman of the Board, CEO and Director, Geologist - In 1990, Mr. Idziszek received the "Mining Man of the Year" award in recognition of his vital role in the discovery and development of the Eskay Creek gold deposit in Canada, as well as the prestigious "Prospector of the Year Award for 1994" in recognition of the major role he played in the discovery and development of the Eskay Creek gold deposit, as well as for his leadership of Adrian Resources Ltd. during its exploration and development of the Petaquilla copper-gold-silver-moly deposits in the Republic of Panama. He also served as director of Arequipa Resources Ltd., which discovered the Pierina gold deposit that was subsequently acquired by Barrick Gold Corp. in mid-1996 for more than \$1 billion.

James G. Stewart, LLB, General Counsel, Secretary and Director, Solicitor Mr. Stewart has practiced law in both private practice and as corporate counsel since 1984 and has extensive experience in the fields of mining, corporate and securities law.

Donald W. Kohls, Ph.D. Director, Geologist - Mr. Kohls was formerly Vice-President of Explorations for Consolidated Goldfields during which time he was directly involved in discovering and developing economic mineral deposits of gold, silver, lead, zinc and heavy mineral sands on three continents, the most recent of which were Mesquite (gold), Shafter (silver), Chimney Creek (gold) and Mule Canyon (gold) in the U.S.

Robert Sibthorpe, B.Sc., M.B.A. , Director, Geologist, Mr. Sibthorpe worked until July 1996 as a mining analyst and director of Yorkton Securities Inc. He is now an independent mining consultant working with Canaccord Capital Corp. in Vancouver.

SUMMARY & CONCLUSION

This company has a miniscule market cap. It has two properties with the potential to host multimillion-ounce gold deposits. It has a strong team skilled in exploration. If you assume as I do that we are still in the very early days of a major bull market in gold, then this has to be an attractive junior gold stock to hold as part of a larger portfolio of diverse gold mining companies. 604-331-8772 and/or www.madisonminerals.com.

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