

REPORT TO SHAREHOLDERS

After years of waiting, it looks like the gold market has finally turned around. Increased gold prices bode well for Madison which has raised almost \$3.7 million during the last twelve months to resume exploration of its Mt. Kare Property in Papua New Guinea and to explore the highly prospective Lewis Property in Nevada acquired last year.

With this funding in place, Madison has resumed exploration of its Mt. Kare Property. Madison will carry out a program of diamond drilling on the Pinuni Creek structural target in Papua New Guinea in the current fiscal year, with the objective of increasing the current resource estimate for Mt. Kare (estimated by the independent engineering firm of Watts Griffis & McOuat) of 25.5 million tonnes grading 2.2 g/t gold and 29.0 g/t silver (using a 1.0 g/t gold equivalent cut-off and with the cutting of high grade gold assays to 30 g/t).

Madison's initial exploration of the Lewis Property has been very encouraging. This work has outlined a virtually identical geological environment to that underlying Newmont's adjacent Phoenix-Fortitude mine area, including a direct on-strike extension to the hosting stratigraphy, controlling structures and mineralization style. Madison's property covers a three mile strike extent of highly prospective ground northward along this favourable stratigraphic-structural corridor.

**BY ORDER OF THE BOARD OF DIRECTORS OF
MADISON ENTERPRISES CORP.**

“Chet Idziszek”

**Chet Idziszek
Chairman of the Board and Chief Executive Officer**