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Web Site: [www.madisonminerals.com](http://www.madisonminerals.com)

## **DRILL RESULTS FROM MT. KARE IN PNG DRILLING UPDATE FOR THE PHOENIX JV PROPERTY IN NEVADA**

**Madison Minerals Inc.** (TSX-V: MMR) is pleased to report that it has been advised by Buffalo Gold Ltd. (“Buffalo”) of additional drilling results from Buffalo’s 2006 exploration program on Madison’s Mt. Kare Property in Papua New Guinea. In a release issued today, Buffalo reported:

“Highlights of the drill results include:

- **49.0 metres of 10.4 g/t gold in hole MK06-50**
  - **Including 8.0 meters of 29.2 g/t gold**
- **79.1 metres of 3.0 g/t gold in hole MK06-52**
- **40.0 metres of 15.3 g/t gold in hole MK06-53**
  - **Including 24.0 metres 24.0 g/t gold**
- **26.6 metres of 3.7 g/t gold in hole MK06-56**  
**(Hole abandoned while still in mineralization)**

A summary of drill intersections can be found below in Table 1.

Damien Reynolds, CEO, Buffalo Gold commented, “*We continue to be excited by the results of the drilling program [and] we believe we are just beginning to understand the true potential of this world class deposit, especially given presence of the Porgera mine just seventeen kilometres away.*”

The drilling results confirm the cohesive, high-grade nature of mineralization in the North-Western Roscoelite Zone, (NWRZ). These encouraging results have prompted aggressive drilling to test the extension of the NWRZ as Buffalo works on expanding the resource at Mt. Kare as part of the planned pre-feasibility study.

The recent drilling has greatly enhanced the understanding of the nature of mineralization in the NWRZ. The presence of significant intersections of quartz roscoelite is similar to Porgera’s Zone 7 ore body.

Furthermore, re-interpretation of the geophysical data at Mt. Kare suggests that the NWRZ extends directly north towards a known magnetic anomaly and also continues to the north east and extends along the Porgera Transfer Structure towards Red Hill. Induced polarisation anomalies displaying high chargeability are known in both areas. As well, Red Hill has an outcropping intrusive with associated brecciation, alteration and artisanal workings. Consequently, Buffalo is

testing both targets as part of the on-going drill program to evaluate the northern extensions of the WRZ.

In addition, there are other targets in the immediate environs of the WRZ which the company plans to further drill. These include:

- Black Zone – will follow a similar programme as the WRZ.
- Realgar Zone – effectively the northern extension of the Black Zone
- C9 Zone – possibly the feeder channel for other known mineralized zones

Table 1. Summary of Mt. Kare Drill Hole Intersections from August 10 to August 28, 2006					
Drill Hole No.*	From (m)	To (m)	Intercept (m)	Gold (g/t)	Silver (g/t)
MK06-50	94.0	143.0	<b>49.0</b>	<b>10.4</b>	PENDING
<i>Including</i>	101.0	128.5	<b>27.5</b>	<b>17.2</b>	PENDING
<i>Including</i>	101.0	109.0	<b>8.0</b>	<b>29.2</b>	PENDING
MK06-52	5.4	84.5	<b>79.1</b>	<b>3.0</b>	PENDING
MK06-53	93.0	133.0	<b>40.0</b>	<b>15.3</b>	PENDING
<i>Including</i>	97.0	121.0	<b>24.0</b>	<b>24.0</b>	PENDING
MK06-56**	81.0	107.6	<b>26.6</b>	<b>3.7</b>	PENDING
<i>Including</i>	81.0	103.0	<b>22.0</b>	<b>4.3</b>	PENDING

\*Holes are not drilled in numerical or sequential order.

\*\*Hole abandoned due to drilling conditions.

True widths from the drill intersections have not yet been estimated as Buffalo's geological team is completing a reinterpretation of the geology and structure of the Western Roscoelite zone. All samples were analysed for gold by PT Intertek Utama Services in Jakarta, part of an internationally recognized lab testing group with ISO 17025 accreditation at the Jakarta facility. Samples were analysed using a 50g fire assay with AA finish for gold and an aqua regia digestion, ICP-OES finish for silver.

### **Exploration program tests other highly prospective targets.**

The mineralization at Porgera and Mt. Kare is associated with a number of magnetic anomalies related to intrusions controlled by major structures. A number of these features can be recognized in the aeromagnetic data covering the Mt. Kare exploration license and have been identified as exploration targets. These include:

- Lubu Creek – approximately 7 kilometres from Mt. Kare. The Lubu Creek Magnetic anomaly is coincident with alluvial gold. Previous sampling located mineralised float samples with values up to 500 g/t gold.
- Pinuni Creek – along the Porgera Transfer Structure, a major north-east structure covered by gold bearing colluvium. There are several magnetic anomalies associated with this structure.
- Orosa Creek – is a major north-west trending magnetic anomaly with alluvial gold workings.
- Lower Maratane zone – is likely the southern extension of the SWRZ. A grab sample was collected with 8.9 g/t gold.

Buffalo plans an exploration program in these areas which could include:

- Further refinement of the remotely sensed data
- Detailed stream sediment sampling
- Ridge and spur soil sampling
- Detailed Geophysics
- Pitting and trenching
- Diamond Drilling”

Buffalo has the right to acquire various interests in Madison's Mt. Kare Property. To earn 49% interest of Madison's interest in Mt. Kare, Buffalo must:

1. Make cash payments totalling \$650,000 to Madison by October 1, 2006;
2. Complete a minimum of 3,000 metres of drilling by August 31, 2006; total meterage to date is 3,882 metres in 36 holes; Buffalo has previously announced that it intends to exceed this minimum and expects to drill between 5,000 and 6,000 metres in 50 to 60 holes;
3. Complete and deliver a preliminary feasibility study by July 4, 2007 at Buffalo's sole cost; this work is expected to include a recalculation of the current resource estimate at Mt. Kare using the additional data from the further 5,000 to 6,000 meters of drilling referred to above; as announced above by Buffalo, it will also carry out drilling evaluation of additional priority targets throughout the Mt. Kare Property.

Buffalo has a second option to increase its interest from 49% to 51% by making a further payment of \$500,000 to Madison (in cash or shares) by August 15, 2007.

Thereafter Buffalo can elect to either:

1. Enter into a joint venture for the further development of Mt. Kare on a 51% / 49% basis; or
2. Acquire a further 14% interest (bringing its interest to 65% of Madison's interest) by completing (at Buffalo's sole cost) a bankable feasibility within 18 months of electing to undertake the study.

On delivering a bankable feasibility study, Buffalo can elect to form a 65%/35% joint venture with Madison or acquire the remaining 35% interest by paying Madison (in cash or shares) the value of the Mt. Kare Property as determined by an independent valuator.

In addition, Madison is pleased to report that six reverse circulation drill holes totaling 3,500 feet have been completed to-date of the minimum 22,000- foot drilling program now underway at its Lewis Property in Lander County, Nevada. The Lewis Property is strategically located within the Battle Mountain Mineral Belt, contiguous with Newmont Mining Corporation's operating 8-Million Ounce Phoenix-Fortitude gold mine Property.

Madison's initial holes during this phase of exploration drilling include on-section, step-out holes, both to the west and east of Madison drill hole Mad-32, (0.152 oz/t gold over 45.0 feet and 0.039 oz/t gold over 135.0 feet), located only 300 feet north of Newmont's Phoenix-Fortitude Property boundary. Madison plans considerable in-fill and step out drilling, right up to this common boundary. This drilling should allow for an initial preliminary mineral resource to be calculated. Previous exploration on the Lewis Property has successfully outlined a geological environment identical to that underlying the contiguous Newmont Phoenix-Fortitude Property, including a direct on-strike extension of the hosting stratigraphy, controlling structures and mineralizing styles. Previously announced Madison drilling results at the Lewis Property include: 0.512 oz/t gold over 105.0 feet (MAD-5), 0.101 oz/t gold over 225.0 feet (MAD-20), 0.065 oz/t gold over 280.0 feet (MAD-18).

The Lewis Property is being explored by the Phoenix Joint Venture, comprised of Madison, the operator, as to a 60% interest and Great American Minerals, Inc as to a 40% interest.

To find out more about **Madison Minerals Inc.** (TSX-V: MMR), please visit our website at [www.madisonminerals.com](http://www.madisonminerals.com).

On behalf of the Board of Directors of  
**MADISON MINERALS INC.**

**"Chet Idziszek"**  
**Chet Idziszek, President**

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