



**British Columbia  
Securities Commission**

**QUARTERLY AND YEAR END REPORT  
BC FORM 51-901F (previously Form 61)**

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INCORPORATED AS PART OF:

Schedule A  
 Schedules B and C  
 (Place X in appropriate category.)

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
<b>MADISON ENTERPRISES CORP.</b>	<b>January 31, 2004</b>	<b>2004/06/22</b>

ISSUER'S ADDRESS

SUITE 2000 – 1055 WEST HASTINGS STREET

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
VANCOUVER,	B.C.	V6E 2E9	(604) 331-8773	(604) 331-8772
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.
JAMES G. STEWART		SECRETARY		(604) 331-8772
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS	
Jstewart@mine-tech.com			www.madison-enterprises.com	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
<i>“Chet Idziszek”</i>	CHET IDZISZEK	2004/06/22
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
<i>“James G. Stewart”</i>	JAMES G. STEWART	2004/06/22

(Electronic signatures should be entered in “quotations”.)

**SCHEDULE B**

**SUPPLEMENTARY INFORMATION**

**MADISON ENTERPRISES CORP.**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2004**

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**1. (a) Deferred costs:**

See Schedule A – Notes to Interim Financial Statements, Note 4. *“Resource properties and deferred costs”*

**(b) Breakdown of Office and Rent costs:**

Office	\$	19,782
Rent		<u>7,275</u>
	\$	<u><u>27,057</u></u>

**(c) Breakdown of Public Relations costs:**

Fax	\$	3,467
Investment conferences		5,757
Investor relations consultants		8,350
Internet		7,682
Printing		<u>2,936</u>
	\$	<u><u>28,192</u></u>

**2. Expenditures made to non-arm’s length parties:**

See Schedule A – Notes to Interim Financial Statements, Note 6.

**MADISON ENTERPRISES CORP.**

**SUPPLEMENTARY INFORMATION**

**FOR THE THREE MONTHS ENDED JANUARY 31, 2004**

**3. (a) Securities issued during the period:**

See Schedule A – Notes to Interim Financial Statements, Note 5 and:

Date of Issue	Type of Security	Type of Issue	Number of Shares	Price	Net Proceeds	Type of Consideration
18-Nov-03	Common shares	Exercise option	165,000	\$0.17	\$28,050	Cash
25-Nov-03	Common shares	Exercise warrants	100,000	\$0.20	\$20,000	Cash
28-Nov-03	Common shares	Exercise warrants	37,500	\$0.25	\$9,375	Cash
01-Dec-03	Common shares	Exercise option	50,000	\$0.17	\$8,500	Cash
01-Dec-03	Common shares	Exercise option	50,000	\$0.15	\$7,500	Cash
17-Dec-03	Common shares	Exercise option	10,000	\$0.17	\$1,700	Cash
18-Dec-03	Common shares	Exercise option	125,000	\$0.17	\$21,250	Cash
29-Dec-03	Common shares	Exercise option	75,000	\$0.20	\$15,000	Cash
02-Jan-04	Common shares	Exercise warrants	37,500	\$0.25	\$9,375	Cash
19-Jan-04	Common shares	Exercise warrants	10,000	\$0.20	\$2,000	Cash
22-Jan-04	Common shares	Exercise option	100,000	\$0.20	\$20,000	Cash
30-Jan-04	Common shares	Exercise warrants	50,000	\$0.25	\$12,500	Cash

**MADISON ENTERPRISES CORP.**

**SUPPLEMENTARY INFORMATION**

**FOR THE THREE MONTHS ENDED JANUARY 31, 2004**

**(b) Options granted during the period:**

Date Granted	Number	Type	Name	Exercise Price	Expiry Date
03-Dec-03	100,000	Director	Douglas Brown	\$0.46	03-Dec-08

**4. (a) Authorized and issued share capital at January 31, 2004**

Class	Par Value	Authorized	Issued	
			Number	Amount
Common	N.P.V.	300,000,000	77,355,583	\$56,071,976

**(b) Summary of options and warrants outstanding at January 31, 2004**

Security	Number or Amount	Exercise or convertible price	Expiry Date
Options	2,140,580	\$0.17	March 6, 2006
Options	502,000	\$0.15	May 21, 2007
Options	2,343,420	\$0.20	December 30, 2007
Options	100,000	\$0.46	December 3, 2008
Warrants	1,891,666	\$0.20	November 5, 2004
Agents Warrants	680,566	\$0.20	November 5, 2004
Warrants	5,375,000	\$0.25	February 24, 2004
Agents Warrants	1,652,000	\$0.25	February 24, 2004

**(c) Share in escrow or subject to a pooling agreement as at January 31, 2004**

	Number of Shares
Escrow	NIL

**MADISON ENTERPRISES CORP.**

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**SUPPLEMENTARY INFORMATION**

**FOR THE THREE MONTHS ENDED JANUARY 31, 2004**

**5. List of Directors and Officers as at March 31, 2004**

<b>Name</b>	<b>Position</b>
Chet Idziszek	Director, President, Chairman & C.E.O.
James Stewart	Director, Secretary
Dr. Abdullah Basodan	Director
Donald Kohls	Director
Nell Dragovan	Director
Robert Sibthorpe	Director

**SCHEDULE C**  
**MANAGEMENT DISCUSSION**

**MADISON ENTERPRISES CORP.**

(the “Company”)

**MANAGEMENT DISCUSSION FOR  
THE THREE MONTHS ENDED JANUARY 31, 2004**

During the three months ended January 31, 2004, the Company completed its acquisition of its initial 51% interest in the agreement to acquire the Lewis Property. The Company expects to increase this interest to 60% shortly at which point its joint venture partner, Great American Minerals Inc. (“GAM”), has the right to elect to participate on a 60/40 joint venture basis or to allow the Company to acquire a further 15% interest (75% in the aggregate) by completing an industry standard bankable feasibility study and arranging on behalf of GAM non-recourse project financing for GAM’s remaining 25% interest.

During the three months ended January 31, 2004, the Company received the results of its 2003 diamond drilling program on the Lewis Property. The final ten holes (totaling 5,155 feet) from this program were drilled during the period. Since acquiring an interest in the Lewis Property, the Company has drilled 33 holes totaling 23,885 feet. Results suggest that the Virgin Structural Zone, the main target on the Lewis Property, is comprised of two distinct styles of mineralization: sub-vertical, structurally controlled mineralization and sub-horizontal stratigraphically controlled mineralization. Drilling has confirmed excellent lateral and vertical continuity of mineralization from surface to a minimum depth of 700 feet. The gold-bearing mineralization, at least 1,850 feet in strike extent, takes the form of a continuous sub-vertical, linear body with a series of sub-horizontal, amoeba-shaped zones. The Company intends to continue its detailed evaluation of the Virgin Structural Zone target area using structural geologic mapping, geochemistry, geophysics and drilling.

During the three months ended January 31, 2004, the Company began grid work on its Mt. Kare Property in preparation for a program of IP geophysical surveying which began in April 2004 and continued with its ongoing prospecting, pitting and trenching program in areas of geologic interest. Drilling at Pinuni Creek began in May 2004. The Company’s geologic prospecting program recently identified an area of considerable interest, which may represent a southern extension to the Black Zone mineralization. Although early in its discovery stage, three trenches have exposed base-metal sulphide mineralization along a minimum strike extent of 60 metres, displaying widths of 10 to 15 metres, within favorably altered and brecciated limestone in contact with altered diorite intrusives. This occurrence is nearly identical to the Company’s Black Zone mineralization. Immediate follow-up trenching will be undertaken to extend the mineralization both north and south beyond its current exposure, in preparation for drilling evaluation of this new target.

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Subsequent to the end of the period, the Company arranged, subject to regulatory approval, a brokered private placement of 17,150,000 units at a price of \$0.35 per unit to generate gross proceeds of \$6,002,500. Each unit will be comprised of one share and one half warrant, each full warrant entitling the purchase of one additional share of the Issuer at a price of \$0.50 for a period of two years. The terms of this placement were subsequently revised to reduce the unit price to \$0.25 per unit as a result of market conditions and the placement closed in May 2004 without all of the units having been placed, to generate gross proceeds of \$763,500.

The proceeds from this placement will be used to fund exploration on the Company's Mt. Kare gold property in Papua New Guinea and the Lewis Property in Nevada.

## **OPERATIONS AND FINANCIAL CONDITION**

At January 31, 2004, the Company had total assets of \$44,260,814 as compared with \$44,267,125 at October 31, 2003. This decrease is due to general and administrative expenses incurred during the period. Included in current assets was receivables of \$266,326, of which \$129,653 was due from related parties. This related party receivable was comprised of general and administrative expenses incurred by companies related by way of directors in common and is payable on demand. The balance of \$136,673 in receivables was comprised primarily of a VAT refund (received subsequent to the end of the period) of \$123,750 from the Government of Papua New Guinea. Working capital at January 31, 2004 decreased to \$471,699 from working capital of \$821,370 at October 31, 2003. The Company's largest cash outflow in the three month period ended January 31, 2004 was as a result of exploration expenditures of \$349,902. During the three month period ended January 31, 2003, the Company's largest cash outflow resulted from general and administrative expenses of \$352,431.

During the three month period ended January 31, 2004, the Company incurred exploration expenditures of \$119,509 (net) and \$227,239 on its Mt. Kare Property and Lewis Property, respectively. The expenditures on Mt. Kare were reduced by a VAT refund due to the Company from the Government of Papua New Guinea of \$123,750 and included camp costs of \$16,084, community relations costs totaling \$71,668, contractor costs totaling \$40,975, helicopter costs of \$36,128 and food supplies of \$26,268. The total of camp costs, community relations costs and food supplies of \$114,020 reflect the Company's need to promote stability in an area with no government infrastructure and include health, education and security costs. The Company expects the proportion of these types of costs to decrease as the Company increases its exploration activities at Mt. Kare. Helicopter costs are a result of the lack of road access to Mt. Kare, resulting in the need for helicopter support for transportation of all required food, supplies and personnel to and from the Mt. Kare camp. The camp is powered by diesel generators which requires monthly fuel hauls, also by helicopter. The community relations costs include the rotational employment of two

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on-site managers and a full-time manager located in Port Moresby. These personnel carry out a wide range of duties, including daily liaison with government staff, arranging police protection for the Mt. Kare area, organizing the health clinic for the Mt. Kare area, continuous dialogue with both the legitimate and non-legitimate landowners of the Mt. Kare area, supervising and paying of vegetation compensation claims, organizing work groups based on clan boundaries, administration of incorporating legal landowner groups, daily logistical management of the camp operations, daily communications with the Company's Vancouver office, assisting with the requests for assistance to schools, churches and individuals. Contractor costs were in respect of a full-time on-site geologist, supported by two full-time field assistants and various other pitting, trenching, sampling, line-cutting crews dependent and a Vancouver-based geologist responsible for planning and supervising field crews and community relations staff and carrying out data compilation. The expenditures on the Lewis Property included assay costs of \$63,289, contractor costs of \$35,587 and drilling costs of \$35,070 all related to the completion of the Company's 2003 drilling program. Assay costs were for all 2,210 assays carried out in respect of the 2003 drilling program, some of which was completed prior to the three month period ended January 31, 2004. Assays were standard fire assays. Contractor costs were for a full-time on-site geologist and assistant and a Vancouver-based geologist carrying out data compilation and report preparation.

During the three month period ended January 31, 2004, the Company recorded interest income of \$1,893 and a foreign exchange gain of \$161. During the three month period ended October 31, 2003, the Company recorded interest income of \$59,454 and a foreign exchange loss of \$2,905.

Expenses for the three month period ended January 31, 2004 were \$193,373, up from \$137,777 for the three month period ended October 31, 2003. This increase is due to legal fees which increased by \$14,978 to \$19,420 primarily as a result of costs associated with the preparation of the Company's annual report; public relations costs which increased by \$11,188 to \$28,192 as a result of design charges and payments to gold industry publications; stock-based compensation and wages which increased by \$24,598 to \$57,049 as a result of staff salary increases and increased employee benefit costs. During the three month period ended January 31, 2004, the Company incurred expenses of \$60,938 with or on behalf of parties not at arm's length to the Company. These expenses are comprised of legal fees paid to directors of the Company or its Papua New Guinea subsidiaries totalling \$15,975, consulting fees of \$15,375 and office costs and wages incurred on behalf of companies with directors in common totalling \$29,588 pursuant to cost sharing arrangements with such companies. The net loss for the three month period ended January 31, 2004 was \$191,319 or \$0.00 per share as compared with a net loss for the three month period ended October 31, 2003 of \$81,228, or \$0.00 per share.

## **CAPITAL STOCK**

During the three months ended January 31, 2004, the Company issued 575,000 shares pursuant to the exercise of incentive stock options and 235,000 shares pursuant to the exercise of share purchase warrants to generate proceeds of \$135,770 and \$53,250, respectively.

## **LIQUIDITY AND CAPITAL RESOURCES**

In management's view, given the nature of the Company's activities, which consist of the acquisition, exploration, exploration management and sale of mineral properties, the most meaningful and material financial information concerning the Company relates to its current liquidity and capital resources. The Company does not currently own or have an interest in any mineral producing properties and has not derived any revenues from the sale of gold, silver or other materials in the last three financial years.

The Company's mineral exploration activities have been funded through sales of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its operations. There can be no assurance, however, that the Company will be able to obtain required financing in the future on acceptable terms, or at all, and should this occur, there is substantial doubt about the ability of the Company to continue as a going concern. In the near term, the Company plans to continue its exploration activities on its currently held properties. Based on its existing working capital, the Company does not expect to require additional financing for its currently held properties during the upcoming fiscal year. The Company has not carried out debt financing nor has it made use of any financial instruments for hedging purposes. The Company had no material commitments for capital expenditures at the end of its most recent fiscal year.

Management of the Company regularly reviews the net carrying value of the Company's interest in each mineral property. Where information is available and conditions suggest impairment, estimated future net cash flows from each property are calculated using estimated future prices, proven and probable reserves, operating capital and reclamation costs on an undiscounted basis. Reductions in the carrying value of each property would be recorded to the extent the net book value of the investment exceeds the estimated future cash flows. Where estimates of future net cash flows are not available and where other conditions such as the exploration results incurred by the Company and others suggest impairment, management assesses if carrying value can be recovered.

At January 31, 2004, the Company had working capital of \$471,699, which, together with the proceeds from the exercise of share purchase warrants and stock options subsequent to the end of the period, management believes will be sufficient to meet the Company's

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general and administrative expenses and minimum expenditure commitments on the Lewis Property for the coming year. If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional funding and while the Company has been successful in the past, there can be no assurance that it will be able to do so in the future. If such funds are not available or cannot be obtained and its joint venture arrangements are insufficient to cover the costs of the Company's mineral exploration activities, the Company will be forced to curtail its exploration activities to a level for which funding is available or can be obtained.

Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in the Company's liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs on its mineral exploration properties.

#### **INVESTOR RELATIONS ACTIVITIES**

The Company handles most investor relations activities internally by assigning various duties to officers, directors and employees. These duties consist primarily of responding to enquiries from the Company's shareholders and the public, distribution of news and information about the Company and other developments in the resource industry, preparation for and attendance at industry conferences, maintenance of web sites on the Internet, increasing the Company's shareholder base and assisting in raising any capital which the Company might require. However, subsequent to the end of the period, the Company appointed Stewart Armstrong to act as an investor relations representative for a period of eight months beginning March 1, 2004. His primary responsibilities will be to answer investor inquiries and to liaise with investment advisors

#### **SUBSEQUENT EVENTS**

Subsequent to the end of the period, the Company issued 4,587,000 shares pursuant to the exercise of share purchase warrants to generate proceeds of \$1,143,750 and issued 500,000 shares pursuant to the exercise of stock options to generate proceeds of \$100,000. In addition, subsequent to the end of the period the Company arranged, subject to regulatory approval, a brokered private placement of 17,150,000 units at a price of \$0.35 per unit to generate gross proceeds of \$6,002,500. The terms of this placement were subsequently revised to reduce the unit price to \$0.25 per unit as a result of market conditions and the placement closed on May 18, 2004 without all of the units having been placed, to generate gross proceeds of \$763,500. Each unit is comprised of one share and one half warrant, each full warrant entitling the purchase of one additional share of the Issuer at a price of \$0.30 for a period of two years.