



**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
MADISON ENTERPRISES CORP.	JULY 31, 2002	2002/09/23

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
"Chet Idziszek"	Chet Idziszek	2002/09/23
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"James G. Stewart"	James G. Stewart	2002/09/23

(Electronic signatures should be entered in "quotations".)

MADISON ENTERPRISES CORP.

QUARTERLY REPORT

JULY 31, 2002

(Unaudited – Prepared by Management)

Madison Enterprises Corp.
(An exploration stage company)
Consolidated Balance Sheets
As at

(expressed in Canadian dollars)

	July 31, 2002 \$ (unaudited)	October 31, 2001 \$
ASSETS		
Current Assets:		
Cash and cash equivalents	650,901	1,127,560
Accounts receivable	133,087	40,630
Marketable securities	10,237	-
Prepaid expenses and deposits	46,714	63,857
	<u>840,939</u>	<u>1,232,047</u>
Resource properties and deferred costs	40,732,662	40,060,952
Deferred financing charges	17,454	-
Fixed assets	65,010	79,267
	<u>41,656,065</u>	<u>41,372,266</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	82,139	133,149
Shareholders' Equity		
Capital Stock		
Authorized		
100,000,000 common shares without par value		
Issued		
55,617,992 common shares (October 31, 2001 – 46,073,006)		
	52,778,073	51,916,544
Deferred stock-based compensation	30,131	-
Share purchase warrants	1,167,167	1,167,167
Deficit	(12,401,445)	(11,844,594)
	<u>41,573,926</u>	<u>41,239,117</u>
	<u>41,656,065</u>	<u>41,372,266</u>

Nature of operations and going concern (note 1)

Approved by the Board: "Chet Idziszek" Director

"James G. Stewart" Director

Madison Enterprises Corp.
(An exploration stage company)
Consolidated Statements of Loss and Deficit
For the periods ended July 31
(expressed in Canadian dollars, unaudited)

	Three Months Ended July 31, 2002 \$	Three Months Ended July 31, 2001 \$	Nine Months Ended July 31, 2002 \$	Nine Months Ended July 31, 2001 \$
General and administrative expenses:				
Audit and accounting	318	12,026	17,467	22,376
Bank charges	330	215	929	856
Depreciation	4,908	6,474	14,555	18,301
Donation	-	-	-	5,000
Filing fees	2,990	-	13,797	8,404
Insurance	-	-	-	3,022
Legal	5,280	12,099	27,784	46,678
Office and rent	67,965	55,587	217,563	182,200
Office cost reimbursement	(49,125)	(36,896)	(105,517)	(99,190)
Property exam	-	56,431	1,761	56,431
Public relations	22,109	19,050	68,141	49,152
Shareholder information	2,976	102	7,072	5,062
Transfer agent's fees	1,380	1,276	7,037	6,336
Travel	1,951	434	16,056	6,097
Wages	81,711	49,839	240,214	162,211
	<u>142,793</u>	<u>176,637</u>	<u>526,859</u>	<u>472,936</u>
Other:				
Interest earned	(4,204)	(16,793)	(13,596)	(73,585)
Loss on settlement of accounts receivable	-	-	6,825	-
Stock-based compensation	30,131	-	30,131	-
Write-down of resource property	-	-	-	2,267,471
Foreign exchange (gain) loss	(4,883)	4,088	6,632	(5,860)
	<u>21,044</u>	<u>(12,705)</u>	<u>29,992</u>	<u>2,188,026</u>
Loss for the period	(163,837)	(163,932)	(556,851)	(2,660,962)
Deficit - Beginning of period	<u>(12,237,608)</u>	<u>(11,251,812)</u>	<u>(11,844,594)</u>	<u>(8,754,782)</u>
Deficit - End of period	<u>(12,401,445)</u>	<u>(11,415,744)</u>	<u>(12,401,445)</u>	<u>(11,415,744)</u>
Net loss per share	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.01)</u>	<u>(0.06)</u>

Madison Enterprises Corp.
(An exploration stage company)
Consolidated Statements of Cash Flows
For the periods ended July 31
(expressed in Canadian dollars, unaudited)

	Three Months Ended July 31, 2002 \$	Three Months Ended July 31, 2001 \$	Nine Months Ended July 31, 2002 \$	Nine Months Ended July 31, 2001 \$
Cash flows from operating activities:				
Loss for the period	(163,837)	(163,932)	(556,851)	(2,660,962)
Items not involving cash				
Depreciation	4,908	6,474	14,555	18,301
Loss on settlement of accounts receivable	-	-	6,825	-
Stock-based compensation	30,131	-	30,131	-
Write-down of resource property	-	-	-	2,267,471
Change in non-cash working capital items relating to operating activities				
Net decrease in prepaid expenses and deposits	12,857	-	17,143	411
Net increase in accounts receivable	(11,944)	(4,773)	(109,519)	(24,907)
Net (decrease) increase in accounts payable and accrued liabilities	(2,825)	29,480	(12,532)	(87,347)
	<u>(130,710)</u>	<u>(132,751)</u>	<u>(610,248)</u>	<u>(487,033)</u>
Cash flows from financing activity:				
Capital stock issued for cash	-	-	807,468	151,283
Cash flows from investing activities:				
Purchase of fixed assets	-	(644)	(298)	(7,151)
Deferred financing charges	(17,454)	-	(17,454)	-
Expenditures on resource properties	(379,304)	(224,320)	(656,127)	(1,249,789)
	<u>(396,758)</u>	<u>(224,964)</u>	<u>(673,879)</u>	<u>(1,256,940)</u>
Decrease in cash and cash equivalents	(527,468)	(357,715)	(476,659)	(1,592,690)
Cash and cash equivalents - Beginning of period	<u>1,178,369</u>	<u>1,706,975</u>	<u>1,127,560</u>	<u>2,941,950</u>
Cash and cash equivalents - End of period	<u>650,901</u>	<u>1,349,260</u>	<u>650,901</u>	<u>1,349,260</u>

Supplemental Cash Flow Information
(note 7)

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

1. Nature of Operations and Going Concern

The Company is in the process of exploring its resource properties and has not determined whether these properties contain ore reserves that are economically recoverable. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable ore reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete exploration and subsequent development, and upon future profitable production from the properties or proceeds from disposition. The Company will have to raise additional funds to complete exploration and subsequent development, and while it has been successful in the past, there can be no assurance that it will be able to do so in the future. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain financing that may be required, and to ultimately obtain profitability, and accordingly, there is substantial doubt about the ability of the Company to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, transfers or Native land claims, and title may be affected by undetected defects.

2. Interim Unaudited Consolidated Financial Statements

While these interim unaudited consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements, they follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended October 31, 2001.

3. Significant Accounting Policies

These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements of the company, except as described below.

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

Marketable Securities

Investments in marketable securities are valued at the lower of cost and quoted market value on an individual investment basis.

Stock-Based Compensation

Effective November 1, 2001 the Company has adopted the new accounting standard of the Canadian Institute of Chartered Accountants (“CICA”) for accounting for stock-based compensation.

Stock-based compensation on options granted to non-employees is recorded as an expense in the period the options are vested, based on the fair value estimated using the Black-Scholes Option Pricing Model.

The Company has elected to follow the intrinsic value method of accounting for share options granted to employees and directors, whereby no compensation expense is recognized when stock or stock options are granted. Any consideration paid by directors and employees on exercise of stock options or purchase of shares is credited to share capital. However, additional disclosure of the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair value method, is disclosed as pro-forma information.

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

4. Resource Properties and Deferred Costs

	Mt. Kare, Papua New Guinea \$	Lewis Property, Nevada \$	Totals \$
Balance, October 31, 2001	40,060,952	-	40,060,952
Acquisition	-	93,945	93,945
Assays	5,208	587	5,795
Camp/Office	8,698	-	8,698
Communications	12,084	-	12,084
Community Relations	263	-	263
Compensation Payments	6,070	-	6,070
Contractors-			
Computers/Drafting	25,789	5,185	30,974
Contractors-Other	320	-	320
Contractors-Surveying	-	76	76
Evaluation of Alluvial Resource	2,006	-	2,006
Food Supplies and Catering	6,485	-	6,485
Fuel Supplies	8,045	-	8,045
Geologic Staff	171,031	29,331	200,362
Helicopter	83,545	-	83,545
Land & Legal	99	-	99
Lawyer Fees	35,415	18,141	53,556
Licence Fees	6,569	-	6,569
Local Labour-Wages	25,958	-	25,958
Outside Contractors-			
Community Relations	48,218	-	48,218
Port Moresby Office	23,674	-	23,674
Technical Reports, Printing/ Copying	-	5,726	5,726
Travel & Accommodation	41,194	8,048	49,242
	<u>510,671</u>	<u>161,039</u>	<u>671,710</u>
Balance, July 31, 2002	<u>40,571,623</u>	<u>161,039</u>	<u>40,732,662</u>

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

Lewis Property, Nevada

During the period ended July 31, 2002, the Company entered into a joint venture letter agreement and an exploration and option to purchase agreement (“Lewis Agreement”) whereby it has the option to acquire up to a 75% interest in the Lewis Property, a contiguous block of 381 unpatented and 8 patented claims located in Lander County covering some 20 square miles in the Battle Mountain District of central Nevada.

To jointly acquire a 100% interest in the property, the Company and its joint venture partner must make the following payments as outlined in the Lewis Agreement:

- i) US\$25,000 on execution of the Lewis Agreement (paid);
- ii) US\$2,000 per month from June 1, 2002 to December 1, 2002 (paid to July 1, 2002); and
- iii) US\$3,000 per month thereafter until the purchase option in the Lewis Agreement is terminated or exercised; and
- iv) US\$2,000,000 by December 31, 2007.

The Company and its joint venture partner must also incur exploration expenditures of US\$250,000 by December 31, 2002, further exploration expenditures of US\$150,000 by December 31, 2003, and at least an additional US\$250,000 every year thereafter until the purchase option in the Lewis Agreement is terminated or exercised, provided that the Company and its joint venture partner will be allowed to credit excess expenditures in prior periods to subsequent periods.

The Lewis Property is subject to an advance minimum royalty of US\$60,000 per year commencing on the exercise of the purchase option, a 5% gross royalty on gold and a 4% net smelter returns royalty on all other metals in favour of Lewis. These royalties can be purchased for US\$4,000,000 for a period of one year following the exercise of the purchase option. The purchase price for the royalties increases by US\$500,000 per annum on each anniversary of the date of exercise of the purchase option.

Under the joint venture letter agreement, the Company can acquire a 51% interest in the Lewis Property by paying its joint venture partner US\$25,000 (paid) and paying the US\$111,000 (US\$4,000 paid) in property payments which are due before December 31, 2004 pursuant to the Lewis Agreement. The Company must also spend US\$650,000 on exploration by December 31, 2004 as required under the Lewis Agreement. Once the Company has earned a 51% interest, it can elect to enter into a joint venture with its joint venture partner with all costs to be borne by the parties on a pro rata basis. Alternatively, the Company can earn a further 9% interest by paying the US\$72,000 in property payments due from January 1, 2005 to December 31, 2006 and spending a further US\$500,000 on exploration by December 31, 2006, with US\$250,000 to be spent in each year. If the Company elects to acquire the additional 9% interest, the Company’s joint venture partner can elect to participate on a 60/40 joint venture basis or allow the Company to acquire a further 15% interest (75% in the aggregate) by completing an industry standard bankable feasibility study and arranging non-recourse project financing for its joint venture partner’s remaining 25% interest.

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

5. Capital Stock

The Company's authorized share capital consists of 100,000,000 common shares without par value.

	Number of Shares	Amount \$
Balance, October 31, 2001	46,073,006	51,916,544
Compensation (a)	524,986	54,061
Private Placement (b)	9,020,000	807,468
Balance, July 31, 2002	55,617,992	52,778,073

- a) During the period ended July 31, 2002, the Company issued a total of 524,986 common shares, valued at \$54,061, to certain employees and consultants as compensation for a reduction in remuneration.
- b) During the period ended July 31, 2002, the Company issued 8,700,000 units at a price of \$0.10 per unit, generating proceeds of \$807,468 (net of \$32,000 in commission and \$30,532 in issuance costs). Each unit consists of one common share and one half share purchase warrant. Each whole warrant entitles the purchase of an additional common share of the Company at a price of \$0.12 per share as to 4,000,000 warrants and at a price of \$0.14 as to 350,000 warrants, in both cases until September 21, 2003.

In connection with this placement, the Company paid a finder's fee of 320,000 units and \$32,000 in commission. The Company also issued brokers warrants entitling the purchase of up to 910,000 common shares of the Company at a price of \$0.12 per share as to 900,000 warrants and at a price of \$0.14 as to 10,000 warrants, in both cases until September 21, 2003.

- c) During the nine months ended July 31, 2002, the Company granted stock options entitling the purchase of up to 640,000 common shares at \$0.15 per share up to and including May 21, 2007.

Pursuant to the adoption of the CICA policy of accounting for stock-based compensation, compensation expense on options granted to employees and directors, using the fair value method, is disclosed as follows, as pro-forma information.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Method with the following assumptions.

Risk-free interest rate	3%
Expected dividend yield	-
Expected stock price volatility	50%
Expected option life in years	5

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

The pro-forma effect on net loss and loss per share for the period ended July 31, 2002 of the actual results had the Company accounted for the stock options granted to directors and employees using the fair value method is as follows:

	\$
Net loss for the period	
Reported	556,851
Pro-forma	571,566
Basic and diluted net loss per share	
Reported	0.01
Pro-forma	0.01

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

6. Related Party Transactions

The Company incurred the following expenses with directors and a company related by way of directors in common during the nine months ended July 31, 2002, and 2001:

	July 31, 2002	July 31, 2001
	\$	\$
Legal fees expensed	18,783	39,617
Legal fees charged to resource properties and Deferred costs	50,774	57,785
Legal fees charged to share issue cost	14,163	-
Legal fees charged to deferred financing costs	10,454	-
Accounts receivable (c)	101,494	21,242

- a) As at July 31, 2002, accounts payable include \$31,124 (October 31, 2001 - \$13,536) due to officers and directors of the Company.
- b) During the period ended July 31, 2002, the Company recorded reimbursement of \$105,517 (2001 - \$99,190) for rental of office space and certain shared office costs, from companies related by way of directors in common.
- c) During the period ended July 31, 2002, the Company funded general and administrative expenses of \$101,494 for companies related by way of directors in common, pursuant to cost sharing arrangements with such companies. At July 31, 2002, accounts receivable include \$117,397 (October 31, 2001 - \$15,903) due from these companies.

Madison Enterprises Corp.
Notes to Interim Consolidated Financial Statements
For the nine months ended July 31, 2002
(Unaudited – Prepared by Management)

7. Supplemental Cash Flow Information

During the period ended July 31, 2002, the Company conducted the following non-cash transactions:

- a) Issued 524,986 common shares, valued at \$54,061 to certain employees and consultants as compensation for a reduction in remuneration.
- b) Received marketable securities with a market value of \$10,237 in settlement of \$17,062 of accounts receivable resulting in a loss on settlement of accounts receivable of \$6,825.

8. Segmented Information

The Company has one operating segment, the exploration and development of mineral properties located principally in Papua New Guinea. All fixed assets are held in Canada.