

**FORM 61**

Quarterly Report

Incorporated as part of : \_\_\_\_\_ **Schedule A**  
\_\_\_\_\_ **X** **Schedule B & C**

**ISSUER DETAILS:**

NAME OF ISSUER **Madison Enterprises Corp.**

ISSUER ADDRESS Suite 2000  
1055 West Hastings St.  
Vancouver, BC  
V6E 2E9

CONTACT PERSON James G. Stewart

CONTACT'S POSITION Director

CONTACT'S TELEPHONE # (604) 331-8772

FOR QUARTER ENDED July 31, 1999

DATE OF REPORT September 28, 1999

**CERTIFICATE**

THE SCHEDULE(S) REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS QUARTERLY REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

<b>CHET IDZISZEK</b>	<u><i>“Chet Idziszek”</i></u>	<b>SEPTEMBER 28, 1999</b>
<b>NAME OF DIRECTOR</b>	<b>SIGNED</b>	<b>DATE SIGNED (YY/MM/DD)</b>
<b>JAMES G. STEWART</b>	<u><i>“James G. Stewart”</i></u>	<b>SEPTEMBER 28, 1999</b>
<b>NAME OF DIRECTOR</b>	<b>SIGNED</b>	<b>DATE SIGNED (YY/MM/DD)</b>

**SCHEDULE B**

**SUPPLEMENTARY INFORMATION**

**MADISON ENTERPRISES CORP.**

**DEFERRED RESOURCE PROPERTY EXPENDITURES BREAKDOWN**

**FOR THE NINE MONTHS ENDED JULY 31, 1999**

	<b>Belencillo, Panama</b>	<b>Mt. Kare, Papua New Guinea</b>	<b>TOTALS</b>
Balance Oct. 31/98	\$2,268,022	\$20,525,660	\$22,793,682
Assays	-	305,340	305,340
Camp	(551)	151,245	150,694
Camp Mgmt. Contractors	-	89,666	89,666
Camp-Port Moresby	-	93,839	93,839
Communications	-	172,258	172,258
Community Relations	-	177,534	177,534
Compensation payment	-	28,006	28,006
Computer/Drafting	-	50,616	50,616
Consulting-Geology	-	423,717	423,717
Consulting-Geophysics	-	12,370	12,370
Drilling	-	1,516,363	1,516,363
Evaluation-Alluvial Res.	-	106,765	106,765
Food Supplies/Catering	-	271,071	271,071
Fuel Supplies	-	117,554	117,554
Genealogy Study/Land Grp.	-	58,857	58,857
Geo. Supply/Equipment	-	13,250	13,250
Helicopter	-	1,012,001	1,012,001
Insurance	-	67,340	67,340
Land & Legal	-	38,245	38,245
Landowner Company	-	88,879	88,879
Lawyer Fees	-	94,264	94,264
License Fees	-	9,470	9,470
Local Labour-Wages	-	407,750	407,750
Medical	-	91,446	91,446
Ore Reserves	-	39,327	39,327
Report/Map	-	3,937	3,937
Security	-	46,165	46,165
Surveying	-	13,612	13,612
Transport & Travel	-	177,647	177,647
<b>TOTALS</b>	<b>\$ 2,267,471</b>	<b>\$ 26,204,194</b>	<b>\$ 28,471,665</b>

**MADISON ENTERPRISES CORP.**

**BREAKDOWN OF LEGAL EXPENSES**

**FOR THE NINE MONTHS ENDED JULY 31, 1999**

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General and Corporate	\$	74,768
Incorporation of B.V.I. Subsidiary		<u>4,889</u>
	\$	<u><u>79,657</u></u>

**BREAKDOWN OF PUBLIC RELATIONS & TRAVEL**

**FOR THE NINE MONTHS ENDED JULY 31, 1999**

Printing & Mailing	\$	3,893
Print & Broadcast Media Expenses		270
Travel		8,125
Investor Relations Consultants		42,801
Fax Charges		42,151
Internet		17,312
Investment Conferences		1,485
		<u>3,490</u>
	\$	<u><u>119,527</u></u>

**EXPENDITURES TO NON-ARMS LENGTH PARTIES**

**FOR THE NINE MONTHS ENDED JULY 31, 1999**

Total	\$	<u>215,254</u>
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**SECURITIES ISSUED DURING QUARTER ENDED JULY 31, 1999.**

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Date of Issue	Type of Security	Type of Issue	Number of shares	Price	Total Proceeds	Type of Consideration	Commission
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No securities were issued during the quarter ended July 31, 1999.

**MADISON ENTERPRISES CORP.**

**OPTIONS GRANTED DURING QUARTER ENDED JULY 31, 1999**

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<b>Date Granted</b>	<b>Number</b>	<b>Type</b>	<b>Name</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
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No stock options were granted during the quarter ended July 31, 1999.

**AUTHORIZED AND ISSUED SHARE CAPITAL AS AT JULY 31, 1999**

<u>Class</u>	<u>Par Value</u>	<u>Authorized</u>	<u>Number</u>	<u>Amount</u>
Common	N.P.V.	100,000,000	22,962,569	\$37,483,699

**OPTIONS AND WARRANTS OUTSTANDING AS AT JULY 31, 1999**

<u>Security</u>	<u>Number or Amount</u>	<u>Exercise or convertible price</u>	<u>Expiry Date</u>
Options	186,601	\$2.00	July 23, 2001
Options	377,500	\$2.00	August 23, 2001
Options	445,000	\$2.00	January 20, 2002
Options	100,000	\$2.00	April 2, 2002
Options	40,000	\$2.00	May 15, 2002
Options	618,399	\$2.00	December 18, 2002
Options	50,000	\$2.00	December 19, 2002
Options	1,000,000	\$1.90	October 21, 2003
Options	150,000	\$1.53	April 8, 2004
Warrants*	5,264,037	\$2.30	December 2, 1999
Agents Warrants	526,400	\$3.00	December 2, 1999

Two warrants to purchase one share at \$2.30.

**SHARES IN ESCROW OR SUBJECT TO POOLING RESTRICTIONS AS AT  
JULY 31, 1999**

Escrow

**Number of Shares**

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**NIL**

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**MADISON ENTERPRISES CORP.**

**LIST OF DIRECTORS AS AT JULY 31, 1999**

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DR. ABDULLAH BASODAN

DOUGLAS BROWN

NELL DRAGOVAN

CHET IDZISZEK

DONALD KOHLS

DANIEL MATTHEWS

ROBERT SIBTHORPE

CATHERINE MCLEOD-SELTZER

JAMES G. STEWART

## **SCHEDULE C**

### **MANAGEMENT DISCUSSION**

**MADISON ENTERPRISES CORP.**  
(the "Company")

**MANAGEMENT DISCUSSION FOR THE QUARTER JULY 31, 1999**

**MT. KARE PROPERTY**

During the quarter ended July 31, 1999, the Company reached an agreement with its joint venture partner, Carpenter Pacific Resources NL ("Carpenter"), to acquire from Carpenter all of Carpenter's 25% indirect interest in the Mt. Kare Joint Venture. This acquisition will be effected by the sale to the Company of all of the issued shares of two Carpenter subsidiaries, Frontier Mining & Exploration NL and Oakland Limited and will result in the Company owning an effective 90% interest in the Mt. Kare property. The remaining 10% interest will be held in trust by the Company for the Mt. Kare landowners.

The purchase price for Carpenter's 25% interest will be satisfied by the issuance of 10,000,000 shares of the Company and 3,175,000 three year share purchase options exercisable at \$1.00 for two years and at \$1.50 in the third year. This acquisition is subject to the completion of formal documentation and all necessary shareholder and regulatory approvals. The Company has convened an extraordinary general meeting of its shareholders to be held October 15, 1999 in order to obtain shareholder approval to the acquisition. The Company believes the consolidation of ownership of Mt. Kare will enhance the overall value of the project and facilitate financing to enable the Company to vigorously pursue its ongoing exploration of Mt. Kare.

During the period drilling on the Mt. Kare property was directed at expanding, infilling and increasing confidence in the initial resource estimate prepared by Watts, Griffis & McOuat which, at a 1.0 g/t gold equivalent cut-off, was:

- 20.4 million tonnes grading 5.6 g/t gold and 28.7 g/t silver (3.67 million ounces gold, 18.8 million ounces silver, totalling 4.0 million ounces gold equivalent) without the cutting of any individual gold assays; or
- 20.1 million tonnes grading 2.4 g/t gold and 28.8 g/t silver (1.55 million ounces gold, 18.6 million ounces silver, totalling 1.87 million ounces gold equivalent) with all individual gold assays greater than 30 g/t cut to 30 g/t.

The initial resource estimate was released November 26, 1998 and included up to hole 110. The Company has since drilled 106 additional holes and is presently carrying out a property wide data compilation, three dimensional resource modelling and metallurgical testwork in preparation for an update by Watts, Griffis & McOuat of the initial resource estimate and the next phase of drilling.

## **CAPITAL STOCK**

The Company did not issue any securities during the period.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's mineral exploration activities have been funded through the sale of share capital 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 is no assurance that such financing can be obtained by the Company and the failure to obtain such financing will result in the curtailment of exploration activities until such financing is obtained. The Company may require additional financing during the upcoming fiscal year to maintain its previous pace of exploration. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, event or uncertainties that may result in its 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 the exploration work currently being carried out on its Mt. Kare property as well as by the success or failure of its exploration programs on its other mineral property.

The Company handles investor relations activities by assigning various duties to officers, directors, employees and consultants. 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 mining 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.

## **YEAR 2000 ISSUES**

The Company remains committed to ensuring that all its geological, mineral, accounting and corporate data are adequately protected and available for management analysis and reporting. To that end, management monitors computer software and hardware performance for maximum efficiency and cost effectiveness. The Company has identified each of its computer software and hardware components, which have been purchased within the past year, and is testing and confirming with the manufacturers and suppliers that all components are capable of functioning properly into the year 2000 and beyond. Those components that do not comply, none of which are critical to the operation of the Company, will be upgraded and tested to ensure their ability to function into the year 2000 and beyond. The Company has not identified any significant supplier or machinery upon which it is reliant that is unlikely to function due to computer chip or software incompatibility with the year 2000.