

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30TH, 2002

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AUDITOR'S REPORT

To the Shareholders of
Duncan Park Holdings Corporation

I have audited the consolidated balance sheets of Duncan Park Holdings Corporation as at November 30th, 2002 and 2001 and the consolidated statements of income and expenses, deficit and changes in cash position for the years then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at November 30th, 2002 and 2001 and the results of its operations and the changes in its net assets for the years then ended in accordance with generally accepted accounting principles.

“signed”

Toronto, Ontario
April 16, 2003

T. Robert Hambley
CHARTERED ACCOUNTANT

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
NOVEMBER 30TH, 2002

	<u>2002</u>	<u>November 30,</u> <u>2001</u>
ASSETS		
Current assets -		
Cash and cash equivalents	\$250,519	\$220,694
Investments	<u>154,468</u>	<u>122,430</u>
	404,987	343,124
 Investment in mining claims	 <u>229,303</u>	 <u>-</u>
	<u>\$634,290</u>	<u>\$343,124</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities -		
Accounts payable	\$ 24,281	\$ 8,500
Unclaimed dividends	<u>6,957</u>	<u>7,310</u>
	31,238	15,810
 Debenture (Note 3)	 500,000	 -
 Shareholders' equity -		
Share capital	1,168,700	1,168,700
Contributed surplus	<u>33,972</u>	<u>33,972</u>
	1,202,672	1,202,672
Deficit	<u>(1,099,620)</u>	<u>(875,358)</u>
	<u>103,052</u>	<u>327,314</u>
	<u>\$ 634,290</u>	<u>\$ 343,124</u>

Approved by The Board

“signed”
 Leonard J. Taylor, Director

“signed”
 Eric P. Salsberg, Director

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES
FOR THE YEARS ENDED NOVEMBER 30TH, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
Income		
Interest and dividends	\$ 3,740	\$ 8,367
Trading gains (loss)	(64,877)	19,628
Foreign exchange gain (loss)	<u>(33,557)</u>	<u>-</u>
	(94,694)	27,995
Expenses		
Bookkeeping and registrar	14,829	12,881
Consulting fee	22,500	11,798
Directors' fee	-	8,000
Meeting	5,000	5,930
Interest expense	3,190	4,339
Legal and audit	34,270	37,475
Office	31,521	10,652
Rent	11,144	4,333
Travel	<u>7,114</u>	<u>-</u>
	<u>129,568</u>	<u>95,406</u>
Net income (loss) for the year	<u><u>\$(224,262)</u></u>	<u><u>\$(67,411)</u></u>

CONSOLIDATED STATEMENTS OF DEFICIT

	<u>2002</u>	<u>2001</u>
Net deficit at beginning of year	\$ 875,358	\$689,044
Net loss for the year	<u>224,262</u>	<u>67,411</u>
	1,099,620	756,455
Dividend paid	<u>-</u>	<u>118,903</u>
Net deficit at end of year	<u><u>\$1,099,620</u></u>	<u><u>\$875,358</u></u>

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION
FOR THE YEARS ENDED NOVEMBER 30TH, 2002 AND 2001

	<u>November 30,</u>	
	<u>2002</u>	<u>2001</u>
Operating activities -		
Income (loss) for the period	\$(224,262)	\$ (67,411)
Decrease (increase) in investments	(32,038)	311,242
Increase in current liabilities	<u>15,428</u>	<u>1,747</u>
Increase (decrease) in cash from operations	(240,872)	245,578
Investing activities -		
Investment in mining claims	(229,303)	-
Financing activities -		
Issue of debenture	500,000	-
Dividend paid	<u>-</u>	<u>(118,903)</u>
Increase in cash for the period	29,825	126,675
Cash at beginning of period	<u>220,694</u>	<u>94,019</u>
Cash at end of period	<u>\$250,519</u>	<u>\$220,694</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2002

1. Accounting Policies:

- a) Investments are carried at market value. Investments are marked to market on a monthly basis.
- b) Investment in wholly owned subsidiary is consolidated.
- c) Investment in mining claims is recorded at cost and is not written off unless it is determined that there is a value less than cost.

2. Capital Stock

- i) The authorized capital is an unlimited number of common shares. Total shares outstanding at November 30, 2002 was 7,926,835 common shares without par value.
- ii) The Company has in place an Incentive Stock Option Plan for directors, officers, employees and consultants of the Corporation whereby 10% of the common shares have been reserved for the plan.

3. Private Placement

The company has closed a private placement of 8% unsecured convertible debentures for gross proceeds of \$500,000. The proceeds of the private placement will be used for general working capital and exploration and development.

Each Debenture is convertible into a unit, each unit comprised of one Common Share of the Company and one Common Share Purchase Warrant. The Debentures are convertible at the option of the holder until 5:00 p.m. on December 18, 2003. Each Purchase Warrant, in turn, entitles the holder to acquire one Common Share of the Company at an exercise price of \$0.30 per share until 5:00 p.m. on December 18, 2003.

The Debentures and the underlying securities are subject to a statutory and exchange hold periods.

DUNCAN PARK HOLDINGS CORPORATION
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4. Exploration Activities

The Company has agreed to enter into leases on four mineral exploration properties in the Carlin Trend and the Battle Mountain-Eureka Trend in northern Nevada: the Rock Creek-South Silver Cloud Gold-Silver property, the Santa Renia Gold-Silver property, the Woodruff/Tonka Gold-Silver property and the Elephant Gold-Silver property.

The terms of the arms-length leases with Carl A. and Janet L. Pescio of Elko, Nevada call for first-year advance minimum royalty (AMR) payments of US\$20,000 per property (of which an aggregate of \$26,667 has been pre-paid). In addition, the Company is responsible for an aggregate of US\$132,978 of initial staking costs and holding and filing fees (of which approximately US\$103,041 has been pre-paid). In addition, the Pescios will be issued an aggregate of 297,536 common shares of the Company in connection with the leases.

In the event the Company proceeds with exploration on a property after the first year, the following additional AMR payments would be due in respect of such property: US\$30,000 on the first anniversary, US\$40,000 on the second anniversary, US\$55,000 and 50,000 common shares on the third anniversary, US\$75,000 on the fourth anniversary, US\$100,000 on the fifth anniversary and US\$150,000 on the sixth and subsequent anniversaries thereafter. The Company may terminate the lease on a property on 30 days notice, subject to certain conditions.

The AMR payments are to be deducted from a 3% Net Smelter Royalty (NSR) retained by the vendors on each of the properties. The Company may purchase one of the percentage points on the NSR up to the time of commencement of production on a property for US\$1,000,000.

The Company intends to proceed with initial exploration on the "Rock Creek Target" of the Rock-Creek-South Silver Cloud property and the "Section 32 Gold-Copper Silver Target" of the Elephant property. The initial exploration budget totals US\$138,950.

DUNCAN PARK HOLDINGS CORPORATION
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5. Related party transaction

Leonard J. Taylor, president and a director was paid consulting fees in total amount of \$22,500.

6. Subsequent events

- a) The TSX Venture Exchange has accepted the Company's "change of business" from an investment issuer to a mining issuer. In addition, the Exchange has advised the Company that effective February 24, 2003 the Company's Tier Classification was changed from Tier 3 to Tier 2 and the Exchange changed the Company's status from an inactive to an active issuer on the Exchange.
- b) Under the terms of the Company's change of business, an aggregate of 2,963,000 common shares of the Company owned by three of its directors are subject to escrow based on a timed release over 18-months.
- c) The leases on the four mineral exploration properties were finalized and payments made as agreed.