

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**AUGUST 31, 2002**

(Unaudited)

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**NOTICE TO READER**

I have compiled the consolidated interim balance sheet of Duncan Park Holdings Corporation as at August 31, 2002 and November 30, 2001 and the consolidated statements of income and expenses, deficit and changes in cash position for the period then ended from information provided by management. I have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, readers are cautioned that these statements may not be appropriate for their purposes.

The August 31, 2002 balances are unaudited. The November 30, 2001 balance sheet was audited.

“signed”

Toronto, Ontario  
October 9, 2002

T. Robert Hambley  
CHARTERED ACCOUNTANT

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**AUGUST 31st, 2002**  
**(Unaudited)**

|                              | August 31,<br><u>2002</u> | November 30,<br><u>2001</u> |
|------------------------------|---------------------------|-----------------------------|
| Current assets -             |                           |                             |
| Cash and cash equivalents    | \$ 225,619                | \$ 220,694                  |
| Investments, at market value | <u>280,884</u>            | <u>122,430</u>              |
|                              | 506,503                   | 343,124                     |
| Investment in mining claims  | <u>225,728</u>            | <u>-</u>                    |
|                              | <u>\$732,231</u>          | <u>\$ 343,124</u>           |

**LIABILITIES AND SHAREHOLDERS' EQUITY**

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Current liabilities -  |                   |                   |
| Accounts payable       | \$ 12,851         | \$ 8,500          |
| Unclaimed dividends    | 6,957             | 7,310             |
| Debenture (Note 3 (b)) | <u>500,000</u>    | <u>-</u>          |
|                        | 519,808           | 15,810            |
| 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>(990,249)</u>  | <u>(875,358)</u>  |
|                        | <u>212,423</u>    | <u>327,314</u>    |
|                        | <u>\$ 732,231</u> | <u>\$ 343,124</u> |



**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES**  
**FOR THE THREE MONTHS AND NINE MONTHS**  
**ENDED AUGUST 31, 2002 AND 2001**  
**(Unaudited)**

|   | <u>Three Months</u> |                   | <u>Nine Months</u> |                 |
|---|---------------------|-------------------|--------------------|-----------------|
|   | <u>2002</u>         | <u>2001</u>       | <u>2002</u>        | <u>2001</u>     |
| Income  |                     |                   |                    |                 |
| Interest and dividends  | \$ 166              | \$ 2,605          | \$ 3,707           | \$ 7,327        |
| Trading gains (loss)  | (30,413)            | (35,671)          | (21,592)           | 115,660         |
| Foreign exchange gain (loss)                                      | <u>4,150</u>        | <u>(152)</u>      | <u>(955)</u>       | <u>817</u>      |
|   | (26,097)            | (33,218)          | (18,840)           | 123,804         |
| Expenses  |                     |                   |                    |                 |
| Bookkeeping, registrar and filing fees                            | 2,630               | -                 | 12,911             | 4,906           |
| Consulting fee  | 7,500               | 11,796            | 15,000             | 11,795          |
| Director fee  | -                   | 6,000             | -                  | 8,000           |
| Interest expense  | 313                 | 589               | 3,104              | 2,014           |
| Legal and audit   | 15,797              | -                 | 30,053             | 12,180          |
| Meeting expense   | -                   | -                 | 1,542              | -               |
| Office  | 1,940               | 6,640             | 18,023             | 10,210          |
| Rent  | 2,805               | 1,678             | 8,304              | 1,678           |
| Travel  | <u>273</u>          | <u>-</u>          | <u>7,114</u>       | <u>-</u>        |
|   | <u>31,258</u>       | <u>26,703</u>     | <u>96,051</u>      | <u>50,783</u>   |
| Net income (loss) before provision for income tax                 | (57,355)            | (59,921)          | (114,891)          | 73,021          |
| Provision for income tax  | -                   | (3,156)           | -                  | -               |
| Recovery of income taxes due to application of loss carryforwards | <u>-</u>            | <u>-</u>          | <u>-</u>           | <u>-</u>        |
| Net income tax  | <u>-</u>            | <u>(3,156)</u>    | <u>-</u>           | <u>-</u>        |
| Net income (loss) after income tax                                | <u>\$(57,355)</u>   | <u>\$(56,765)</u> | <u>\$(114,891)</u> | <u>\$73,021</u> |
| Earnings (loss) per share   | <u>\$ (0.007)</u>   | <u>\$ (0.007)</u> | <u>\$(0.014)</u>   | <u>\$ 0.009</u> |

**INTERIM STATEMENTS OF DEFICIT**

|                                    | <u>Three Months</u> |                 | <u>Nine Months</u> |                |
|------------------------------------|---------------------|-----------------|--------------------|----------------|
|                                    | <u>2002</u>         | <u>2001</u>     | <u>2002</u>        | <u>2001</u>    |
| Net deficit at beginning of period | \$932,894           | \$ 559,258      | \$ 875,358         | \$689,044      |
| Net income (loss) for the period   | <u>(57,355)</u>     | <u>(56,765)</u> | <u>(114,891)</u>   | <u>73,021</u>  |
|                                    | 990,249             | 616,023         | 990,249            | 616,023        |
| Dividend paid                      | <u>-</u>            | <u>118,903</u>  | <u>-</u>           | <u>118,903</u> |

|                              |                  |                   |                  |                  |
|------------------------------|------------------|-------------------|------------------|------------------|
| Net deficit at end of period | <u>\$990,249</u> | <u>\$ 734,926</u> | <u>\$990,249</u> | <u>\$734,926</u> |
|------------------------------|------------------|-------------------|------------------|------------------|

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN CASH POSITION**  
**FOR THE THREE MONTHS AND NINE MONTHS**  
**ENDED AUGUST 31, 2002 AND 2001**  
**(Unaudited)**

|  | Three Months      |                   | Nine Months       |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <u>2002</u>       | <u>2001</u>       | <u>2002</u>       | <u>2001</u>       |
| Operating activities -                     |                   |                   |                   |                   |
| Income (loss) for the period               | \$ (57,355)       | \$ (56,765)       | \$ (114,891)      | \$ 73,021         |
| Decrease (increase) in investments         | (187,493)         | 304,088           | (158,454)         | 158,767           |
| Increase (decrease) in current liabilities | <u>-</u>          | <u>(1,571)</u>    | <u>3,998</u>      | <u>(3,414)</u>    |
| Decrease in cash from operations           | (244,848)         | 245,752           | (269,347)         | 228,374           |
| Investing activities -                     |                   |                   |                   |                   |
| Investment in mining claims                | (87,209)          | -                 | (225,728)         | -                 |
| Financing activities -                     |                   |                   |                   |                   |
| Issue of debenture -                       | 500,000           | -                 | 500,000           | -                 |
| Dividend paid                              | <u>-</u>          | <u>(118,903)</u>  | <u>-</u>          | <u>(118,903)</u>  |
| Increase (decrease) in cash for the period | 167,943           | 126,849           | 4,925             | 109,471           |
| Cash at beginning of period                | <u>57,676</u>     | <u>76,641</u>     | <u>220,694</u>    | <u>94,019</u>     |
| Cash at end of period                      | <u>\$ 225,619</u> | <u>\$ 203,490</u> | <u>\$ 225,619</u> | <u>\$ 203,490</u> |

**DUNCAN PARK HOLDINGS CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2002**  
**(Unaudited)**

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 are recorded at cost and are not written off until it is determined that there is a value less than cost.

2. Capital Stock

- i) Effective October 19, 1999 the Company at a Special Meeting of Shareholders:
  - a) Changed its authorized capital from 1,000,000 common shares without par value to an unlimited number of common shares without par value.
  - b) Subdivided each outstanding common share into 5 common shares.
  - c) Authorized a private placement of 666,667 common shares at a price of \$0.375 per share for aggregate proceeds of \$250,000. Subsequent to the meeting, the shares were issued.
  - d) Approved an Incentive Stock Option Plan for directors, officers, employees, and consultants of the Corporation whereby 10% of the Common Shares were reserved for the plan after giving effect to the private placement described in (c) above.
- ii) Total shares outstanding at August 31, 2002 was 7,926,835 common shares without par value.

**DUNCAN PARK HOLDINGS CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2002**  
**(Unaudited)**

3. Other transactions

- a) The Company has filed a reactivation plan with the TSX Venture Exchange. The TSX Venture Exchange designated the Company "inactive", effective February 27, 2001. In an effort to reactive itself, the Company proposes to initially acquire leases on three mineral exploration properties in the Carlin Trend in northern Nevada; South Silver Cloud/Rock Creek, Santa Renai and Woodruff/Tonka.

The transaction is subject to board and regulatory approval, as is the reactivation plan, due diligence and the signing of a definitive agreement. The transaction calls for the Company to initially pay advanced minimum royalty payments (AMRPs) of US\$20,000 and issue 50,000 Common Shares to the arm's-length vendor for each of the Properties. The AMRPs would be paid against a 3% NSR, which would contain buy-back and sliding royalty provisions, payable on each of the Properties. The Company would incur expenses of approximately US\$68,559 with respect to staking, filing and holding costs associated with the Properties. In addition, the work program calls for exploration expenditures of US\$80,000 to US\$100,000 over a three-year period. In the event that the Company proceeds with exploration after the first year, it would pay additional AMRPs annually and issue up to 50,000 Common Shares per Property.

- b) In the period the company 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.

The Company previously announced its intention to undergo a change of business from an investment issuer to a mining issuer. The change of business is subject to regulatory and shareholder approval.



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- c) The Company has signed a letter of intent to acquire a lease on the "Elephant Property" mineral exploration property in the Battle Mountain - Eureka Trail in northern Nevada.

The transaction calls for the Company to initially pay advanced minimum royalty payments (AMRPs) of US\$20,000 and issue 50,000 Common Shares to the arm's-length vendor of the Property. The AMRPs would be paid against a 3% NSR, which would contain buy-back and sliding royalty provisions, payable on the Property. The Company would incur expenses of approximately US\$64,500 with respect to staking, filing and holding costs associated with the Property. In addition, the work program calls for exploration expenditures of US \$80,000 to US\$100,000 over a three-year period. In the event that the Company proceeds with exploration after the first year, it would pay additional AMRPs annually, and after the third year issue up to an additional 50,000 Common Shares. This transaction is subject to due diligence, regulatory approval, final agreements and shareholder approval.

- d) Stock options have been granted to its officers and directors in the total amount of 646,340 stock options exercisable at a price of \$0.20 per common share until March 11, 2005, subject to shareholder and regulatory approval.

4. Related party transaction

Leonard J. Taylor, president and a director was paid consulting fees in total amount of \$15,000.