

DUNCAN PARK HOLDINGS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30TH, 2003

T. ROBERT HAMBLEY
Chartered Accountant
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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, 2003 and 2002 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, 2003 and 2002 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.

“signed”

Toronto, Ontario
March 24, 2004

T. Robert Hambley
CHARTERED ACCOUNTANT

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
NOVEMBER 30TH, 2003 and 2002

	November 30,	
	2003	2002
ASSETS		
Current assets -		
Cash and cash equivalents	\$ 61,507	\$ 250,519
Investments	<u>221,950</u>	<u>154,468</u>
	283,457	404,987
Investment in mining claims	<u>551,910</u>	<u>229,303</u>
	<u>\$ 835,367</u>	<u>\$634,290</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities -		
Accounts payable	\$ 52,653	\$ 24,281
Unclaimed dividends	<u>6,957</u>	<u>6,957</u>
	59,610	31,238
Debentures (Note 3)	25,000	500,000
Shareholders' equity -		
Share capital	1,950,766	1,168,700
Contributed surplus	<u>33,972</u>	<u>33,972</u>
	1,984,738	1,202,672
Deficit	<u>(1,233,981)</u>	<u>(1,099,620)</u>
	<u>750,757</u>	<u>103,052</u>
	<u>\$ 835,367</u>	<u>\$ 634,290</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, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Income		
Interest and dividends	\$ 738	\$ 3,740
Trading gain (loss)	141,365	(64,877)
Foreign exchange gain (loss)	(16,802)	(33,557)
	<u>125,301</u>	<u>(94,694)</u>
Expenses		
Bookkeeping, registrar and filing fees	17,637	14,829
Consulting fee	27,500	22,500
Meeting	6,500	5,000
Interest expense - current	2,763	3,190
- debenture	47,828	-
Legal and audit	91,128	34,270
Office	47,345	31,521
Rent	12,610	11,144
Travel	6,351	7,114
	<u>259,662</u>	<u>129,568</u>
Net income (loss) for the year	<u>\$(134,361)</u>	<u>\$(224,262)</u>

CONSOLIDATED STATEMENTS OF DEFICIT

	<u>2003</u>	<u>2002</u>
Net deficit at beginning of year	\$1,099,620	\$ 875,358
Net loss for the year	<u>134,361</u>	<u>224,262</u>
Net deficit at end of year	<u>\$1,233,981</u>	<u>\$1,099,620</u>

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN CASH POSITION
FOR THE YEARS ENDED NOVEMBER 30TH, 2003 AND 2002

	<u>November 30,</u>	
	<u>2003</u>	<u>2002</u>
Operating activities -		
Income (loss) for the period	\$(134,361)	\$(224,262)
Decrease (increase) in investments	(67,482)	(32,038)
Increase in current liabilities	<u>28,372</u>	<u>15,428</u>
Increase (decrease) in cash from operations	(173,471)	(240,872)
Investing activities -		
Investment in mining claims	(322,607)	(229,303)
Financing activities -		
Issue of common shares	626,966	-
Issue (conversion) of debenture	(475,000)	500,000
Exercise of common share purchase warrants	<u>155,100</u>	<u>-</u>
	<u>307,066</u>	<u>500,000</u>
Increase (decrease) in cash for the period	(189,012)	29,825
Cash at beginning of period	<u>250,519</u>	<u>220,694</u>
Cash at end of period	<u>\$ 61,507</u>	<u>\$250,519</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
November 30th, 2003 and 2002

1. Accounting Policies:

- a) Investments are carried at market value.
- b) Investment in wholly owned subsidiary is consolidated.
- c) Investment in mining claims is recorded at cost and is not written down except to the extent that 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.

The following share transactions have occurred:

	<u>Fiscal</u> <u>2003</u>		<u>Fiscal</u> <u>2002</u>	
Balance November 30, opening	7,926,835	\$1,168,700	7,926,835	\$1,168,700
Issued with respect to interest on debentures	111,980	47,828	-	-
Issued on conversion of debentures	2,375,000	475,000	-	-
Issued on exercise of warrants	517,000	155,100	-	-
Payment in consideration of Nevada leases	<u>297,536</u>	<u>104,138</u>	<u>-</u>	<u>-</u>
Balance, November 30, closing	<u>11,228,351</u>	<u>\$1,950,766</u>	<u>7,926,835</u>	<u>\$1,168,700</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
November 30th, 2003 and 2002

- ii) During 2003, 2,375,000 common share purchase warrants and 2,375,000 common shares were issued upon the conversion of \$475,000 of principal amount of the debentures. Each of the purchase warrants entitles the holder to acquire one common share of the company at an exercise price of \$0.30 per share until December 18, 2003. Effective November 30, 2003, 517,000 purchase warrants had been exercised with proceeds of \$155,100 being realized. Subsequent to the year-end, the balance of the debentures outstanding in the amount of \$25,000 were converted into 125,000 purchase warrants and 125,000 common shares. In addition, the 1,983,000 purchase warrants were exercised with proceeds of \$594,900.
- iii) The Company has in place an Incentive Stock Option Plan for directors, officers, employees and consultants of the Corporation pursuant to which options on up to 1,591,026 shares (approximately 20% of the issued and outstanding common shares at the time the plan was adopted) may be issued.

Two directors have been granted stock options on a total of 446,340 shares at \$0.20 per share to March 11, 2005. Two other directors were granted stock options on a total of 230,000 of \$0.30 per share to January 3, 2006.

- iv) Subsequent to November 30, 2003, the Company granted a total of 540,470 stock options to its officers and directors as well as a consultant of the Company, subject to regulatory approval. Each of the options is exercisable at a price of \$0.60 per common share until January 9, 2007.

3. Private Placement

The company in 2002 closed a private placement of 8% unsecured convertible debentures for gross proceeds of \$500,000. The proceeds of the private placement were used for general working capital and exploration and development.

Each \$1.00 of debentures was convertible into 5 units, each unit comprised of one common share of the Company and one common share purchase warrant. The debentures were convertible at the option of the holder until December 18, 2003. Each purchase warrant, in turn, entitled the holder to acquire one common share of the Company at an exercise price of \$0.30 per share until December 18, 2003.

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
November 30th, 2003 and 2002

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

At November 30, 2003, \$475,000 of the debentures had been converted into common shares and common share purchase warrants. The balance of \$25,000 were converted subsequent to November 30, 2003.

4. Exploration Activities

The Company has entered 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 have been 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. 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 or more of the percentage points on the NSR up to the time of commencement of production on a property for US\$1,000,000 per percentage point.

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
November 30th, 2003 and 2002

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.

Subsequent to the year end US \$120,000 was paid to the Pescios representing the advance royalty payments on the four properties.

5. Related party transaction

Leonard J. Taylor, president and a director, was paid consulting fees during the year in the total amount of \$27,500.

6. Change of business

- 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 advised the Company that effective February 24, 2003 the Company's Tier Classification was changed from Tier 3 to Tier 2 and its 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 were subject to escrow based on a timed release over 18 months from February 19, 2003.