

DUNCAN PARK HOLDINGS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

FEBRUARY 28TH, 2003

(Unaudited)

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>February 28,</u> <u>2003</u>	<u>November 30,</u> <u>2002</u>
ASSETS		
Current assets -		
Cash and cash equivalents	\$ 197,313	\$250,519
Investments	<u>177,618</u>	<u>154,468</u>
	374,931	404,987
 Investment in mining claims	 <u>229,303</u>	 <u>229,303</u>
	<u>\$ 604,234</u>	<u>\$634,290</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities -		
Accounts payable	\$ 21,582	\$ 24,281
Unclaimed dividends	<u>6,958</u>	<u>6,957</u>
	28,540	31,238
 Debenture (Note 3)	 500,000	 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>(1,126,978)</u>	<u>(1,099,620)</u>
	<u>75,694</u>	<u>103,052</u>
	<u>\$ 604,234</u>	<u>\$ 634,290</u>

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28TH 2003 AND 2002
(Unaudited)

	<u>2003</u>	<u>2002</u>
Income		
Interest and dividends	\$ 11	3,524
Trading gains	21,748	23,043
Foreign exchange gain (loss)	<u>(3,504)</u>	<u>-</u>
	18,255	26,567
Expenses		
Bookkeeping and registrar	3,295	1,000
Consulting fee	7,500	-
Meeting	5,000	2,648
Interest expense	167	1,456
Legal and audit	10,130	2,900
Office	9,060	5,974
Professional fees	3,000	-
Rent	2,910	2,799
Travel	<u>4,551</u>	<u>2,623</u>
	45,613	19,400
Net income (loss) for the period	<u>\$(27,358)</u>	<u>\$ 7,167</u>

CONSOLIDATED STATEMENTS OF DEFICIT
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28TH 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Net deficit at beginning of year	\$1,099,620	\$875,358
Net income (loss) for the period	<u>(27,358)</u>	<u>7,167</u>
Net deficit at end of period	<u>\$1,126,978</u>	<u>\$868,191</u>

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28TH, 2003 AND 2002
(Unaudited)

	<u>2003</u>	<u>2002</u>
Operating activities -		
Income (loss) for the period	\$(27,358)	\$ 7,167
Decrease (increase) in investments	(23,150)	(29,328)
Increase (decrease) in current liabilities	<u>(2,698)</u>	<u>49,749</u>
Increase (decrease) in cash from operations for this period	(53,206)	27,588
Cash at beginning of period	<u>250,519</u>	<u>220,694</u>
Cash at end of period	<u>\$197,313</u>	<u>\$248,282</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28TH, 2003
(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 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 February 28, 2003 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 1,591,026 of the common shares (approximately 20% of the issued and outstanding common shares) have been reserved for the plan.

3. Private Placement

The company in the previous year 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.

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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 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.

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5. Related party transaction

Leonard J. Taylor, president and a director, was paid consulting fees during the three months ended February 28th, 2003 in total amount of \$7,500.

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 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.

7. Subsequent event

The Company intends to undertake a non-brokered private placement of a minimum US \$500,000 and a maximum of US \$1,000,000 principal amount of 8% convertible debentures.

The Debentures will mature 18 months following their issuance. Prior to maturity, the Debenture principal may be converted by the holders into Units of the Company at a conversion price of \$1.00 per Unit. Each Unit would consist of 1 Common Share of the Company and ½ of 1 Purchase Warrant. Each one whole Purchase Warrant would entitle the holder to acquire 1 Common Share at a price of:

- i) CDN \$1.25 during the 9 month period following the closing of the private placement,
- ii) CDN \$1.50 during the following 9 month period.

Proceeds from the proposed private placement will be used for exploration and development and working capital.

Completion of the private placement is subject to regulatory approval, including satisfaction of the requirements of the TSX Venture Exchange.