

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FEBRUARY 29TH, 2004

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED INTERIM BALANCE SHEETS
FEBRUARY 29TH, 2004 AND NOVEMBER 30TH, 2003
(Unaudited)

| | February 29 th , <u>2004</u> | November 30 th , <u>2003</u> |
|---|--|--|
| ASSETS | | |
| Current assets - | | |
| Cash and cash equivalents | \$ 391,853 | \$ 61,507 |
| Investments | <u>237,797</u> | <u>221,950</u> |
| | 629,650 | 283,457 |
| Investment in mining claims | <u>743,931</u> | <u>551,910</u> |
| | <u>\$1,373,581</u> | <u>\$ 835,367</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities - | | |
| Accounts payable | \$ 52,440 | \$ 52,653 |
| Unclaimed dividends | <u>6,957</u> | <u>6,957</u> |
| | 59,397 | 59,610 |
| Debentures (Note 3) | - | 25,000 |
| Shareholders' equity - | | |
| Share capital | 2,570,666 | 1,950,766 |
| Contributed surplus | <u>33,972</u> | <u>33,972</u> |
| | 2,604,638 | 1,984,738 |
| Deficit | <u>(1,290,454)</u> | <u>(1,233,981)</u> |
| | <u>1,314,184</u> | <u>750,757</u> |
| | <u>\$1,373,581</u> | <u>\$ 835,367</u> |

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES
FOR THE THREE MONTH PERIODS ENDED
FEBRUARY 29TH 2004 AND FEBRUARY 28TH, 2003
(Unaudited)

| | <u>2004</u> | <u>2003</u> |
|----------------------------------|--------------------------|--------------------------|
| Income | | |
| Interest and dividends | \$ - | \$ 11 |
| Trading gains (loss) | (26,343) | 21,748 |
| Foreign exchange gain (loss) | <u>(1,674)</u> | <u>(3,504)</u> |
| | (28,017) | 18,255 |
| Expenses | | |
| Bookkeeping and registrar | 2,500 | 3,295 |
| Consulting fee | - | 7,500 |
| Meeting | - | 5,000 |
| Interest expense | 381 | 167 |
| Legal and audit | 8,488 | 10,130 |
| Office | 13,618 | 9,060 |
| Professional fees | - | 3,000 |
| Rent | 970 | 2,910 |
| Travel | <u>2,499</u> | <u>4,551</u> |
| | <u>28,456</u> | <u>45,613</u> |
| Net income (loss) for the period | <u><u>\$(56,473)</u></u> | <u><u>\$(27,358)</u></u> |

CONSOLIDATED STATEMENTS OF DEFICIT
FOR THE THREE MONTH PERIODS ENDED
FEBRUARY 29TH 2004 AND FEBRUARY 28TH, 2003
(Unaudited)

| | <u>2004</u> | <u>2003</u> |
|----------------------------------|---------------------------|---------------------------|
| Net deficit at beginning of year | \$1,233,981 | \$1,099,620 |
| Net income (loss) for the period | <u>(56,473)</u> | <u>(27,358)</u> |
| Net deficit at end of period | <u><u>\$1,290,454</u></u> | <u><u>\$1,126,978</u></u> |

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION
FOR THE THREE MONTH PERIODS ENDED
FEBRUARY 29TH, 2004 AND FEBRUARY 28TH, 2003
(Unaudited)

| | <u>2004</u> | <u>2003</u> |
|---|------------------|------------------|
| Operating activities - | | |
| Income (loss) for the period | \$ (56,473) | \$(27,358) |
| Decrease (increase) in investments | (15,847) | (23,150) |
| Increase (decrease) in current liabilities | <u>(213)</u> | <u>(2,698)</u> |
| Increase (decrease) in cash from operations | (72,533) | (53,206) |
| Investing activities - | | |
| Investment in mining claims | (192,021) | - |
| Financing activities - | | |
| Issue of common shares | 619,900 | - |
| Conversion of debenture | <u>(25,000)</u> | <u>-</u> |
| | <u>594,900</u> | <u>-</u> |
| Increase (decrease) in cash for the period | 330,346 | (53,0206) |
| Cash at beginning of period | <u>61,507</u> | <u>250,519</u> |
| Cash at end of period | <u>\$391,853</u> | <u>\$197,313</u> |

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 29TH, 2004

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:

| | | |
|--|-------------------|--------------------|
| Balance November 30, 2002 | 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> |
| Balance, November 30, 2003 | 11,228,351 | 1,950,766 |
| Issued on conversion of debentures | 125,000 | 25,000 |
| Issued on exercise of warrants | <u>1,983,000</u> | <u>594,900</u> |
| Balance February 29, 2004 | <u>13,336,351</u> | <u>\$2,570,666</u> |

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 29TH, 2004

- ii) In the first quarter of 2004 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, all of the purchase warrants not previously exercised (1,983,000 purchase warrants) were exercised with the proceeds of \$594,900 and the issue of 1,983,000 common shares.

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. In following transactions 517,000 purchase warrants were exercised with proceeds of \$155,100 being realized.

- 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.

At November 30, 2003 two directors had 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.

In the current quarter, 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.

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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 in December, 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.

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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 preceding 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.

7. 2004 Work Program

The Company has filed a Notice of Intent to Conduct Exploration on its Elephant property with the U.S. Bureau of Land Management (BLM) in Battle Mountain, Nevada. The Company is proposing the construction of up to 31 drill sites for up to fifty drill holes. The Company will test the Peninsula skarn and debris flow gold targets, as well as the Elephant Porphyry target by reverse-circulation drilling. This program will commence upon receipt of approval of a program from the BLM, which is expected before the end of April.