

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AUGUST 31, 2004**

**DUNCAN PARK HOLDINGS CORPORATION  
CONSOLIDATED INTERIM BALANCE SHEETS  
AUGUST 31<sup>ST</sup>, 2004 AND NOVEMBER 30<sup>TH</sup>, 2003  
(Unaudited)**

	August 31 <sup>st</sup> , <u>2004</u>	November 30 <sup>th</sup> , <u>2003</u>
<b>ASSETS</b>		
Current assets -		
Cash and cash equivalents	\$ 186,608	\$ 61,507
Investments	<u>332,399</u>	<u>221,950</u>
	519,007	283,457
 Investment in mining claims	 <u>1,436,483</u>	 <u>551,910</u>
	<u>\$1,955,490</u>	<u>\$ 835,367</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities -		
Accounts payable	\$ 35,303	\$ 52,653
Unclaimed dividends	<u>6,957</u>	<u>6,957</u>
	42,260	59,610
 Debentures (Note 2)	 -	 25,000
Shareholders' equity -		
Share capital	3,270,666	1,950,766
Contributed surplus	<u>33,972</u>	<u>33,972</u>
	3,304,638	1,984,738
Deficit	<u>(1,391,408)</u>	<u>(1,233,981)</u>
	<u>1,913,230</u>	<u>750,757</u>
	<u>\$1,955,490</u>	<u>\$ 835,367</u>

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED INTERIM STATEMENTS OF INCOME AND EXPENSES**  
**FOR THE THREE MONTHS AND NINE MONTHS**  
**ENDED AUGUST 31, 2004 AND 2003**  
**(Unaudited)**

	<u>Three Months</u>		<u>Nine Months</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Income				
Interest and dividends	\$ 161	\$ 201	\$ 791	\$ 539
Trading gains (loss)	51,782	37,023	(70,169)	53,607
Foreign exchange gain (loss)	43,906	4,639	35,390	(8,075)
	<u>95,849</u>	<u>41,863</u>	<u>(33,988)</u>	<u>46,071</u>
Expenses				
Bookkeeping, registrar and filing fees	6,022	4,089	15,447	18,261
Consulting fees	15,000	-	16,500	12,500
Interest expense - current	1,494	819	2,725	1,752
- debenture	-	9,950	-	29,950
Legal and audit	7,218	16,377	26,705	74,358
Office	15,317	9,322	41,794	28,540
Rent	4,151	3,880	8,101	9,700
Travel	7,759	1,799	12,167	6,350
	<u>56,961</u>	<u>46,236</u>	<u>123,439</u>	<u>181,411</u>
Net income (loss)	<u>\$38,888</u>	<u>\$(4,373)</u>	<u>\$(157,427)</u>	<u>\$(135,340)</u>
Earnings (loss) per share	<u>\$0.028</u>	<u>\$ -</u>	<u>\$(0.117)</u>	<u>\$(0.016)</u>

**INTERIM STATEMENTS OF DEFICIT**

	<u>Three Months</u>		<u>Nine Months</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net deficit at beginning of period	\$(1,430,296)	\$(1,230,587)	\$(1,233,981)	\$(1,099,620)
Net income (loss) for the period	<u>38,888</u>	<u>(4,373)</u>	<u>(157,427)</u>	<u>(135,340)</u>
Net deficit at end of period	<u>\$(1,391,408)</u>	<u>\$(1,234,960)</u>	<u>\$(1,391,408)</u>	<u>\$(1,234,960)</u>

**DUNCAN PARK HOLDINGS CORPORATION**  
**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN CASH POSITION**  
**FOR THE THREE MONTHS AND NINE MONTHS**  
**ENDED AUGUST 31, 2004 AND 2003**  
**(Unaudited)**

	Three Months		Nine Months	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Operating activities -				
Income (loss) for the period	\$ 38,888	\$ (4,373)	\$(157,427)	\$(135,340)
Decrease (increase) in investments	(121,148)	34,310	(110,449)	39,256
Increase (decrease) in current liabilities	<u>(17,422)</u>	<u>784</u>	<u>(17,350)</u>	<u>22,289</u>
Increase (decrease) in cash from operations	(99,682)	30,721	(285,226)	(73,795)
Investing activities -				
Investment in mining claims	<u>(535,852)</u>	<u>(69,399)</u>	<u>(884,573)</u>	<u>(294,800)</u>
Financing activities -				
Issue shares/warrants	700,000	109,950	1,319,900	234,088
Advance from shareholder	-	30,000	-	30,000
Issue (conversion) debentures	<u>-</u>	<u>(100,000)</u>	<u>(25,000)</u>	<u>(100,000)</u>
	<u>700,000</u>	<u>39,950</u>	<u>1,294,900</u>	<u>164,088</u>
Increase (decrease) in cash for the period	64,466	1,272	125,101	(204,507)
Cash at beginning of period	<u>122,142</u>	<u>44,740</u>	<u>61,507</u>	<u>250,519</u>
Cash at end of period	<u>\$186,608</u>	<u>\$ 46,012</u>	<u>\$186,608</u>	<u>\$ 46,012</u>

**DUNCAN PARK HOLDINGS CORPORATION**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 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	1,983,000	594,900
Issued for cash	<u>1,000,000</u>	<u>700,000</u>
	<u>14,336,351</u>	<u>\$3,270,666</u>



**DUNCAN PARK HOLDINGS CORPORATION**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31<sup>ST</sup>, 2004**

- ii) In the first quarter of 2004 the balance of the debentures outstanding in the principal 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, resulting in 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 in the current quarter completed a \$700,000 "non-brokered" private placement of 1,000,000 units; each unit being comprised of one common share and one share purchase warrant. The warrants have a two year term and each warrant is exercisable for one common share at a price of \$1 during the first year to June 5, 2005 and at a price of \$1.25 during the second year to June 5, 2006. The shares issued are subject to a four month hold period expiring October 5, 2004. Net proceeds will be used for exploration and development. A finder's fee of \$42,000 was paid and 70,000 warrants were issued exercisable at \$1 for the first year and \$1.25 for the second year.
- iv) The Company has in place an Incentive Stock Option Plan for directors, officers, employees and consultants of the Company 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 and the two other directors had been granted stock options on a total of 230,000 shares at \$0.30 per share to January 3, 2006.

In the first quarter, the Company granted a total of 540,470 stock options to its officers and directors as well as a consultant of the Company at \$0.60 per share to January 9, 2007.

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3. 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.

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

The Company has received approval on its Elephant property from the U.S. Bureau of Land Management (BLM) in Battle Mountain, Nevada. The Company has commenced the construction of up to 34 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.



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4. Related party transaction

Leonard J. Taylor, president and a director, was paid consulting fees during the period of \$15,000.