

DUNCAN PARK HOLDINGS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30TH, 2004

T. ROBERT HAMBLEY
Chartered Accountant
151 Bloor Street West, Suite 800
Toronto, Ontario M5S 1S4

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, 2004 and 2003 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, 2004 and 2003 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, 2005

T. Robert Hambley
CHARTERED ACCOUNTANT

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
NOVEMBER 30TH, 2004 and 2003

	<u>2004</u>	<u>November 30,</u> <u>2003</u>
ASSETS		
Current assets -		
Cash and cash equivalents	\$ 41,150	\$ 61,507
Investments	<u>240,641</u>	<u>221,950</u>
	281,791	283,457
 Investment in mining claims	 <u>1,540,620</u>	 <u>551,910</u>
	<u>\$1,822,411</u>	<u>\$ 835,367</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities -		
Accounts payable	\$ 242,646	\$ 52,653
Unclaimed dividends	<u>6,957</u>	<u>6,957</u>
	249,603	59,610
 Debentures (Note 2)	 -	 25,000
 Shareholders' equity -		
Share capital (Note 2)	3,270,666	1,950,766
Contributed surplus	<u>33,972</u>	<u>33,972</u>
	3,304,638	1,984,738
Deficit	<u>(1,731,830)</u>	<u>(1,233,981)</u>
	<u>1,572,808</u>	<u>750,757</u>
	<u>\$1,822,411</u>	<u>\$ 835,367</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, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Income		
Interest and dividends	\$ 906	\$ 738
Trading gain (loss)	(106,733)	141,365
Foreign exchange gain (loss)	<u>(7,537)</u>	<u>(16,802)</u>
	<u>(113,364)</u>	<u>125,301</u>
Expenses		
Bookkeeping, registrar and filing fees	17,679	17,637
Consulting fee	34,000	27,500
Mining claims abandoned (Note 7)	141,021	-
Meeting	6,500	6,500
Interest expense - current	5,211	2,763
- debenture	-	47,828
Legal and audit	66,914	91,128
Office	47,153	47,345
Rent	11,011	12,610
Share issue expense	42,000	-
Travel	<u>12,996</u>	<u>6,351</u>
	<u>384,485</u>	<u>259,662</u>
Net income (loss) for the year	<u>\$(497,849)</u>	<u>\$(134,361)</u>

CONSOLIDATED STATEMENTS OF DEFICIT

	<u>2004</u>	<u>2003</u>
Net deficit at beginning of year	\$1,233,981	\$1,099,620
Net loss for the year	<u>497,849</u>	<u>134,361</u>
Net deficit at end of year	<u>\$1,731,830</u>	<u>\$1,233,981</u>

DUNCAN PARK HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN CASH POSITION
FOR THE YEARS ENDED NOVEMBER 30TH, 2004 AND 2003

	<u>November 30,</u>	
	<u>2004</u>	<u>2003</u>
Operating activities -		
Income (loss) for the period	\$(497,849)	\$(134,361)
Decrease (increase) in investments	(18,691)	(67,482)
Increase in current liabilities	<u>189,993</u>	<u>28,372</u>
Increase (decrease) in cash from operations	(326,547)	(173,471)
Investing activities -		
Investment in mining claims	<u>(988,710)</u>	<u>(322,607)</u>
Financing activities -		
Issue of common shares/warrants	1,319,900	782,066
Issue (conversion) of debenture	<u>(25,000)</u>	<u>(475,000)</u>
	<u>1,294,900</u>	<u>307,066</u>
Increase (decrease) in cash for the period	(20,357)	(189,012)
Cash at beginning of period	<u>61,507</u>	<u>250,519</u>
Cash at end of period	<u>\$ 41,150</u>	<u>\$ 61,507</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 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 or the claim is abandoned.

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>
Balance November 30, 2004	<u>14,336,351</u>	<u>\$3,270,666</u>

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 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 third 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 were issued are subject to a four month hold period which expired on 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.

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2004

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.

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2004

4. Related party transaction

Leonard J. Taylor, president and a director, earned consulting fees during the year of \$30,000, of which \$15,000 was paid.

5. Financial Instruments

i) Foreign-exchange risk management -

The company's exposure to foreign exchange fluctuations is limited to its U.S. cash, U.S. investments and certain accounts payable. All such assets and liabilities are recorded on the balance sheet at current exchange rates. Assets of the wholly owned subsidiary are carried in Canadian dollars which is considered to be fair market value.

ii) Interest-rate management -

The company currently has no exposure to interest bearing debt.

iii) Fair value of financial instruments -

Financial instruments include cash, investments and in the prior year debentures. At November 30, 2004 these financial instruments were recorded at fair market value.

6. Comparative balances

Certain balances have been restated to conform with current year presentation.

DUNCAN PARK HOLDINGS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2004

7. Subsequent events

- a) The Company is in the process of undertaking a “non-brokered” private placement of up to 3,000,000 units at a price of \$0.50 per unit for aggregate gross proceeds of up to \$1,500,000.

Each unit is comprised of one common share and one common share purchase warrant. The warrants have a two year term following closing and each warrant will be exercisable for one common share at price of \$0.75 during the first year and \$1.00 during the second year.

Proceeds from the private placement will be used for exploration and development on the Company’s Nevada properties and for general working capital purposes. A finder’s fee comprised of an 8% cash commission and 8% options is payable in connection with certain subscriptions. The options will be exercisable for units at price of \$0.65 for a 12 month term following closing.

- b) On February 15, 2005 the Company signed an agreement with Randsberg International Gold Corporation whereby Randsberg can earn up to a 50% interest in the Company’s Elephant Gold and Silver project in the Battle Mountain mining district in Nevada. Drilling has commenced. To earn the first 25% Randsberg paid 100,000 shares of its stock and an option to acquire 100,000 shares at a strike price of \$1.85 for two years. It is also required to expand \$200,000 US on exploration costs in the first year. Randsberg has the right to earn an additional 25% by the payment of \$250,000 in stock or cash and the expenditure of \$500,000 US on the property in the second year of the project. The Company is the operator of the project.
- c) The Company has renewed its leases on three of its 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 and the Elephant Gold-Silver property. The Company has made the advance royalty payments for 2005 for these properties in the aggregate amount of \$110,000 US. The Company has not renewed its lease on the Woodruff/Tonka Gold-Silver property and accordingly has written-off the advance royalty payments and government fees related thereto.

