

Suite 406, 372 Bay Street Toronto, ON Canada M5H 2W9  
Phone: (416) 203-0860 Fax: (416) 203-3980



[www.duncanpark.com](http://www.duncanpark.com)

# *Duncan Park Holdings Corporation*

Unaudited Consolidated Interim Financial Statements

As At and For the Three and Six Month Periods Ended

May 31, 2007 and 2006

# TABLE OF CONTENTS

	<u>Page</u>
Consolidated Balance Sheets	1
Consolidated Statements of Deficit	2
Consolidated Statements of Accumulated Comprehensive Income	2
Consolidated Statements of Operations and Comprehensive Income	3
Consolidated Statements of Changes in Cash Position	4
Notes to Consolidated Financial Statements	5-13

# Duncan Park Holdings Corporation

## Consolidated Balance Sheets

As At May 31, 2007 and November 30, 2006

(Unaudited)

	May 31	November 30
	2007	2006
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$33,206	\$146,803
Due from brokers	1,411	58,923
Temporary investments		
Marketable securities	-	558,769
	34,617	764,495
<b>INVESTMENT IN MINING PROPERTIES</b>		
Mining claims		
Elephant - at nominal value	1	1
Rock Creek - at staking cost	26,360	26,360
Deferred expenditures on leased properties		
Elephant	3,230,476	3,092,205
Rock Creek	1,439,532	1,217,832
Santa Renia	385,420	298,899
	5,081,789	4,635,297
	\$5,116,406	\$5,399,792
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued expenses	\$363,093	\$542,353
Unclaimed dividends	6,957	6,957
	370,050	549,310
<b>MINORITY INTEREST</b>		
Randsburg interest in Elephant Joint Venture (Note 4)	1,234,915	1,234,915
<b>TOTAL LIABILITIES</b>	1,604,965	1,784,225
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	5,602,554	5,542,554
Contributed surplus	33,972	33,972
	5,636,526	5,576,526
Deficit	(2,125,085)	(1,960,959)
Accumulated comprehensive income	-	-
	3,511,441	3,615,567
	\$5,116,406	\$5,399,792

# Duncan Park Holdings Corporation

## Consolidated Statements of Deficit

For the Three and Six Month Periods Ended May 31, 2007 and 2006

(Unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
Deficit - beginning of period	(\$2,021,152)	(\$1,958,084)	(\$1,960,959)	(\$2,193,787)
Income (loss) for the period	(118,933)	100,270	(194,126)	335,973
Stock-based compensation	15,000	-	30,000	-
Deficit - end of period	(\$2,125,085)	(\$1,857,814)	(\$2,125,085)	(\$1,857,814)

## Consolidated Statements of Accumulated Comprehensive Income

For the Three and Six Month Periods Ended May 31, 2007 and 2006

(Unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
Accumulated comprehensive income-				
Beginning of period	-	-	-	-
Comprehensive income for the period	-	-	-	-
Accumulated comprehensive income-				
End of period	-	-	-	-

**Duncan Park Holdings Corporation**  
**Consolidated Statements of Operations**  
**And Comprehensive Income**

For the Three and Six Month Periods Ended May 31, 2007 and 2006

(Unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
<b>INCOME</b>				
Interest	\$2,841	\$5,303	\$11,055	\$6,053
Trading gains				
Realized	30,550	167,356	82,759	434,582
Unrealized	(4,916)	47,211	(4,916)	128,975
Foreign exchange gain (loss)	(25,766)	18,493	(25,898)	13,243
	<u>2,709</u>	<u>238,363</u>	<u>63,000</u>	<u>582,853</u>
<b>EXPENSES</b>				
Executive compensation				
Chief executive officer	21,400	16,050	39,045	32,100
Chief financial officer	14,974	12,997	26,920	22,413
Stock-based compensation (Note 6)	15,000	-	30,000	-
Professional fees				
Legal	41,372	63,203	88,953	122,396
Audit	4,280	3,210	7,490	6,420
Regulatory compliance	10,607	4,902	16,758	13,773
Investor communications	(1,602)	18,115	(1,390)	18,115
Interest and bank charges	6,433	7,893	29,953	10,328
Office and general	9,178	11,723	19,397	21,335
	<u>121,642</u>	<u>138,093</u>	<u>257,126</u>	<u>246,880</u>
INCOME (LOSS) BEFORE INCOME TAXES	(118,933)	100,270	(194,126)	335,973
PROVISION FOR INCOME TAXES (NOTE 8)	-	-	-	-
NET INCOME (LOSS) FOR THE PERIOD	(118,933)	100,270	(194,126)	335,973
OTHER COMPREHENSIVE INCOME	-	-	-	-
NET INCOME AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>(\$118,933)</u>	<u>\$100,270</u>	<u>(\$194,126)</u>	<u>\$335,973</u>
<b>INCOME (LOSS) PER SHARE</b>				
Basic	(\$0.006)	\$0.014	(\$0.010)	\$0.020
Fully diluted	(\$0.006)	\$0.012	(\$0.010)	\$0.017
Weighted Average Number of Shares Outstanding	<u>18,581,891</u>	<u>18,517,605</u>	<u>18,525,718</u>	<u>17,030,191</u>

**Duncan Park Holdings Corporation**  
**Consolidated Statements of Changes in Cash Position**  
For the Three and Six Month Periods Ended May 31, 2007 and 2006  
(Unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Income (loss) for the period	(\$118,933)	\$100,270	(\$194,126)	\$335,973
Stock-based compensation	15,000	-	30,000	-
Gain on sale of investments	(25,634)	(214,587)	(77,843)	(563,557)
Increase (decrease) in current liabilities	(61,246)	(155,355)	(179,260)	65,049
Decrease (Increase) in cash in brokerage accounts	115,274	(543,475)	57,512	(582,599)
	(75,539)	(813,147)	(363,717)	(745,134)
FINANCING				
Issue of common shares				
On exercise of options	-	-	60,000	69,000
On exercise of warrants	-	793,620	-	913,620
In payment of advance minimum royalties	-	-	-	125,000
Randsburg funding of the Elephant joint venture	-	(5,005)	-	168,906
Repayment by Randsburg of advance re cash call	-	86,775	-	-
	-	875,390	60,000	1,276,526
INVESTING				
Investment in mining properties	(64,972)	(262,706)	(446,492)	(998,655)
Treasury management - marketable securities				
Purchases	-	-	-	-
Proceeds of sales	111,756	734,510	636,612	1,131,984
	46,784	471,804	190,120	133,329
INCREASE (DECREASE) IN CASH	(28,755)	534,047	(113,597)	664,721
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF PERIOD	61,961	234,397	146,803	103,743
AT END OF PERIOD	\$33,206	\$768,444	\$33,206	\$768,464

# **Duncan Park Holdings Corporation**

## **Notes to Unaudited Consolidated Interim Financial Statements**

May 31, 2007

---

### **1. NATURE OF OPERATIONS**

The Corporation, directly and through a joint venture, is exploring for gold on owned and leased properties in the State of Nevada, USA. It has not yet determined whether the properties contain ore reserves that are economically recoverable.

### **2. SIGNIFICANT ACCOUNTING POLICIES:**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include:

- a) **Consolidation**  
The investments in the wholly owned subsidiary, Duncan Park Holdings Nevada Ltd., and in the project commonly referred to as the Elephant Joint Venture are consolidated.
- b) **Financial Instruments**  
The Corporation is reporting its financial position and results of operations in accordance with the recommendations of the CICA Handbook section 3855 "Financial Instruments". No change in accounting policy or the method of applying an accounting policy was required to conform with the requirements as the Corporation had always carried its financial instruments, including shares in common stocks, share purchase warrants and commodity contracts, at estimated market value. There is no other comprehensive income. The only change is that the financial statements now explicitly refer to the zero amounts of other comprehensive income and accumulated comprehensive income.
- c) **Mining Properties**  
Investments in mining properties are recorded at cost and are not written down except to the extent that it is determined that their value is less than cost, or the project is abandoned.
- d) **Stock Based Compensation**  
The Corporation follows the recommendations of the CICA Handbook Section 3870, "*Stock Based Compensation and Other Stock-Based Payments*". The section establishes standards for the recognition, measurement and disclosure of stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards made to employees and non-employees must be measured and recognized using a fair value based method.

Fair value is estimated using the Black-Scholes Option Pricing Model, discounted to allow for the relative illiquidity of the Corporation's shares. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Corporation's stock options or other stock awards.

# **Duncan Park Holdings Corporation**

## **Notes to Unaudited Consolidated Interim Financial Statements**

May 31, 2007

---

### **3. EXPLORATION LEASES**

In February, 2003 the Corporation 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 (the Pescio leases) call for first-year advance minimum royalty (AMR) payments of US\$20,000 per property and the issue to the Pescios of an aggregate of 297,536 common shares of the Corporation. In addition, the Corporation was responsible for an aggregate of US\$132,978 of initial staking costs and holding and filing fees.

In the event the Corporation were to proceed with exploration on a property after the first year, the terms of the lease call for the following additional AMR payments in respect of each 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 Corporation 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 lessors on each of the properties. The Corporation 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.

The Corporation paid the additional AMR's on all of the properties on the first anniversary in 2004 and on three of the four properties on the second and third and fourth anniversaries in 2005, 2006, and 2007. The Corporation decided not to proceed with exploration on the Woodruff/Tonka property in 2005. In knowledge of this decision when the 2004 annual financial statements were issued, the Corporation wrote off the related costs in the fourth quarter of that year.

The Corporation has received approval from the U.S. Bureau of Land Management (BLM) in Battle Mountain, Nevada to drill up to 50 drill holes on 34 drill sites on its Elephant property.

In addition, the Corporation entered into a lease agreement with Nevada Land Resources Company, LLC for the lease of 3,591 acres of land adjoining the Pescio Elephant properties. Taken together with the Pescio Elephant properties, these form the Corporation's Elephant gold and silver mining project.

The Nevada Land arrangement is subject to annual rental payments ranging from US\$5.00 per acre in the first year to US\$20.00 per acre in the fifteenth and subsequent years, and to royalty percentage payments of 3.25% on precious metals and 1.0% on base metals. The Corporation also has an option to purchase this property for cash of US\$500 per acre acquired.

The U.S. Bureau of Land Management in Battle Mountain, Nevada has approved a Corporation Letter of Intent to drill up to 50 drill holes on 23 sites on its Rock Creek property.



# **Duncan Park Holdings Corporation**

## **Notes to Unaudited Consolidated Interim Financial Statements**

May 31, 2007

---

### **4 ELEPHANT PROPERTY**

The Elephant project is located in the heart of the Battle Mountain mining district in Nevada. It abuts Newmont Mining Corporation's Phoenix project upon which Newmont has constructed an open pit mining complex. The Corporation began drilling on the Elephant property in 2004 and spent approximately \$900,000 on exploration. From February, 2005 the Elephant project has been carried on as a joint venture with Randsburg International Gold Corp. (Randsburg). (see "Elephant Joint Venture" below). A further \$1,250,000 was spent in fiscal 2005, and \$1,036,600 in fiscal 2006. Due to the dispute with Randsburg (see Elephant Joint Venture Below) nothing has been spent in fiscal 2007.

There are four main targets in the Elephant project.

1. Porphyry-related gold-copper-silver intrusive-hosted deposits
2. Scarn-related gold-silver-copper deposits similar to Newmont's nearby Fortitude mine
3. Replacement gold-silver (copper) bodies in Paleozoic lime rocks
4. Debris flow alluvial gold deposits

Detailed maps of the exploration project are available on the Corporation's Website at [www.duncanpark.com](http://www.duncanpark.com).

### **ELEPHANT JOINT VENTURE**

On February 15, 2005 the Corporation signed an agreement with Randsburg whereby Randsburg could earn up to a 50% interest in the Corporation's Elephant Gold and Silver project in the Battle Mountain mining district in Nevada. To earn the first 25% Randsburg 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 was also required to and did expend US\$200,000 on exploration costs in the first year.

On June 6, 2005 Randsburg indicated its intention to exercise its right to earn an additional 25% interest in the project. To do so it was required to first pay an additional US\$250,000 in stock or cash. It chose to issue 200,000 shares at \$1.48. It was then to spend an additional US\$250,000 on the property to earn the first additional 12 % interest, and a further US\$250,000 on the property for another 13%. By June 30, 2005, Randsburg had advanced US\$245,000. On July 7 2005, the Corporation advanced Cdn\$200,000 to the project on behalf of Randsburg to meet ongoing exploration expenditures. Randsburg was given until September 30, 2005 to meet its commitment without facing the adverse dilution provisions of the agreement. This was done, and the loan by the Corporation was repaid on September 29, 2005.

On September 7, 2005, the joint venturers announced the encouraging results of the five cored holes drilled to that time. Details of those results can be found in the Corporation's press release of that date, which is available on the Corporation's website at [www.duncanpark.com](http://www.duncanpark.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

# **Duncan Park Holdings Corporation**

## **Notes to Unaudited Consolidated Interim Financial Statements**

**May 31, 2007**

---

Based upon the results referred to above, on September 26, 2005 the joint venturers announced phase 3 of the exploration program, a 5,000 ft. drilling program which was intended to increase and verify the strike width of the mineralized zone reported in the September 7, 2005 press release. That program was completed and reported in a press release of May 17, 2006, which is available on the Corporation's website at [www.duncanpark.com](http://www.duncanpark.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

On March 9, 2006 and again on May 10, 2006, the Management Committee of the joint venture approved phase 4 of the exploration program which included up to three holes at a cost of up to US\$300,000. The drill targets were based upon the then recently completed Mise-a-la-Masse and Induced Polarization surveys done by Gradient Geophysics Ltd. The geophysical surveys indicated highly prospective anomalies within probable Paleozoic basement rock. The Paleozoic rock sequence is the known host for the nearby Phoenix Project operated by Newmont Mining Corporation. Additional details can be found in the Corporation's press release of June 14, 2006. The phase 4 drilling further delineated the length and width of the North-South trending horst block of mineralized Paleozoic basement rock. On October 31, 2006 the Corporation issued a press release on these results. Please refer to the Corporation's website at [www.duncanpark.com](http://www.duncanpark.com) to view the details contained in this release.

There is, however, a dispute concerning the extent to which Randsburg must contribute to the costs of that exploration. Randsburg refused to meet certain cash calls issued by the Corporation in its capacity as operator of the project relating to that phase by denying the validity of the cash calls. Randsburg maintains that, pursuant to the joint venture agreement, it does not have to contribute to any exploration costs before 2008, and that it will not suffer any dilution of its interest in the project for not having done so. The Corporation maintains that Randsburg must contribute its share of the costs either in cash or by way of dilution of its interest pursuant to a formula specified in the agreement. Further, the Corporation notified Randsburg that it elected to treat Randsburg's failure to meet the cash calls as a deemed withdrawal from the project pursuant to the joint venture agreement, in which instance the Randsburg interest in the project automatically terminates and is relinquished to the Corporation. For accounting and financial reporting purposes, the Randsburg interest will continue to be shown as existing, until the matter is resolved.

Randsburg has demanded arbitration of the issue (and others – see contingent liabilities below). The Corporation is cooperating in the arbitration process. The arbitration was to have been heard in January, 2007, but has been deferred. The Corporation is hopeful that the arbitration will be rescheduled for the fall of 2007.

# **Duncan Park Holdings Corporation**

## **Notes to Unaudited Consolidated Interim Financial Statements**

May 31, 2007

---

### **ROCK CREEK PROPERTY**

The Rock Creek project is located in northern Nevada, thirty miles east-northeast of the town of Battle Mountain. The property is located along the Northern Nevada Rift (NNR), a major geologic feature that hosts high-grade, vein gold properties like Midas, Ivanhoe and Silver Cloud. The property has had shallow, intermittent exploration in the past. None of the earlier drilling tested deeper levels for high-grade mineralization associated with boiling zones during vein formation.

The Corporation acquired data from a Gradient Array IP/SP survey, conducted by Practical Geophysics. Gradient Array IP/SP is a geophysical technique useful for locating and defining veins associated with the NNR. The data covers much of the Rock Creek project area and is interpreted to show both known and previously unknown veins on the property. A new Gradient Array induced polarization/self potential survey was conducted by Practical Geophysics to completely cover the remainder of the then existing Rock Creek project.

In a previous Management Discussion and Analysis, the Corporation reported that it had had preliminary discussions with a major mining Corporation concerning the possibility of a joint venture for the exploration of the Rock Creek property. The Corporation received the outline of a proposal, responded in very general terms, and met with representatives of that Corporation. No suitable proposal was forthcoming so the Corporation elected to conduct its own exploration of the property, retaining a 100% interest in it.

The Corporation has received approval from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill up to 50 drill holes on 23 sites on its Rock Creek property. On August 10, 2006, the Corporation announced the commencement of a four diamond bit core drill hole program in the initial phase of drilling, totaling a minimum of 8,000 feet of coring. The results of this program were reported in press releases on November 9, 2006, and April 2, 2007.

The Corporation also staked an additional 270 claims for greater than an additional seven square miles of exploration properties along the North-Northwest trending Rock Creek – South Silver Cloud claims group. The addition of these claims solidifies the Corporation's land position between the Rock Creek exploration project on the southern end and the South Silver Cloud property at the northern end.

### **SANTA RENIA PROPERTY**

Santa Renia is located in the North Carlin Trend area of northern Nevada. The Corporation leases 27 unpatented lode mining claims covering a total of 487 acres. Previous geologic mapping and exploration geophysical surveys on and near the Santa Renia property show that it lies directly on the main Carlin Trend. No exploration holes have ever been drilled on the Santa Renia property, making it one of the only untested properties directly on the Carlin Trend.

The Corporation intends to initiate some geophysical and chemical analysis of the Santa Renia property in the current year.

**Duncan Park Holdings Corporation**  
**Notes to Unaudited Consolidated Interim Financial Statements**  
**May 31, 2007**

---

**5. SHARE CAPITAL**

The authorized capital is an unlimited number of common shares.

The following share transactions have occurred:

	Shares	\$
Balance November 30, 2004	14,336,351	3,270,666
2005		
Issued for cash in connection with the Elephant joint venture	200,000	100,000
Issued for cash on exercise of options	446,340	89,268
Issued for cash	<u>1,770,000</u>	<u>885,000</u>
Balance November 30, 2005	16,752,691	4,344,934
2006		
First quarter		
Issued for cash on exercise of options	230,000	69,000
Issued in connection with the Elephant joint venture	125,000	125,000
Issues for cash on exercise of warrants	<u>200,000</u>	<u>150,000</u>
Balance February 28, 2006	<u>17,307,691</u>	<u>4,688,934</u>
Second quarter		
Issued for cash on exercise of warrants	<u>1,074,200</u>	<u>793,620</u>
Balance May 31, 2006	18,381,891	5,482,554
Third quarter		
Issued for cash on exercise of options	<u>100,000</u>	<u>60,000</u>
Balance August 31 and November 30, 2006	<u>18,481,891</u>	<u>5,542,554</u>
2007		
First quarter		
Issued for cash on exercise of options	<u>100,000</u>	<u>60,000</u>
Balance February 28 and May 31, 2007	<u>18,581,891</u>	<u>5,602,554</u>

**6. STOCK OPTION PLAN**

The Corporation has in place an incentive Share Option Plan for directors, officers, employees and consultants of the Corporation to provide a meaningful incentive to persons to join and remain with the Corporation and to remain committed to its growth. Pursuant to this plan options on up to 3,350,538 shares (approximately 20% of the issued and outstanding common shares at the time the plan was adopted) may be issued. On June 2, 2005 the Board approved the conditional grant of 1,117,174 options at an exercise price of \$0.60, and on September 16, 2005

**Duncan Park Holdings Corporation**  
**Notes to Unaudited Consolidated Interim Financial Statements**  
**May 31, 2007**

---

the conditional grant of 125,000 options at a price of \$0.80, subject to regulatory and shareholder approval which has since been obtained.

The Corporation has determined that the fair value of the options issued pursuant to the plan is \$60,000. The value was determined using the Black-Scholes option pricing model, assuming a risk free interest rate of 2.5% and a stock volatility averaged between 25% and 50%. The arithmetic result was discounted to one-third thereof to allow for the relative illiquidity of the Corporation's shares. This discounted value of \$60,000 has been charged to expense in equal amounts over the final two quarters of fiscal 2006 and the first two quarters of fiscal 2007.

**7. WARRANTS / OPTIONS OUTSTANDING**

At May 31, 2007, the following warrants / options were outstanding:

<b>Holder</b>	<b>On # Of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>Warrants</b>			
Nil			
<b>Options</b>			
Leonard Taylor	567,174	\$0.60	June 2, 2010
Eric Salsberg	100,000	\$0.60	June 2, 2010
Ian McAvity	150,000	\$0.70	July 22, 2009
Harold Doran	150,000	\$0.60	June 2, 2010
Gregory L. Griffin	100,000	\$0.80	September 16, 2010
Alexander Po	150,000	\$0.60	June 2, 2010
Sherry Thompson	25,000	\$0.80	September 16, 2010
	<u>1,392,174</u>		

See also Note 13 - Subsequent Event

**8. INCOME TAXES**

For income tax purposes the Corporation is reporting a year to date loss of approximately \$160,000. The main reason for the difference between that and the reported pre tax profit is that only one half of the capital gains are subject to tax. As of May 31, 2007 the Corporation had cumulative losses for income tax purposes of approximately \$1,400,000, expiring at various times up to 2017, which it has no current prospect of utilizing.

**9. RELATED PARTY TRANSACTION**

Leonard J. Taylor, president and a director, earned consulting fees during the second quarter and year to date of \$15,000 and \$30,000 respectively.

**Duncan Park Holdings Corporation**  
**Notes to Unaudited Consolidated Interim Financial Statements**  
May 31, 2007

---

**10. FINANCIAL INSTRUMENTS**

- i) Foreign-exchange risk management -  
The Corporation'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.
- ii) Interest-rate risk management -  
The Corporation 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, all of which are carried at estimated fair market value.

**12. CONTINGENT LIABILITIES**

- 1. The Corporation withheld US\$285,342 payment on a disputed invoice from a previous drilling contractor which had worked on its Elephant project prior to the formation of the joint venture. The driller issued a writ for full payment of the amount billed plus contractual interest at 2% per month. The Corporation filed a counterclaim seeking reimbursement for what it contended was an overpayment for the exploratory drilling services rendered to it by the contractor. Subsequent to the period end, this matter was settled with a payment by the Corporation of less than the amount which the Corporation had previously provided in its accounts.
- 2. Randsburg expanded the arbitration referred to in the Elephant Joint Venture in Note 4 above to include a claim for damages, plus punitive damages, as a result of the Corporation maintaining that Randsburg had withdrawn from the joint venture, specifically including damages flowing from the publication of a press release to that effect released by the Corporation on July 7, 2006. Further, Randsburg claims damages, or in the alternative, rescission of the joint venture agreement, for misrepresentation in relation to adverse claims with regard to a portion of the joint venture property. The Corporation maintains that these Randsburg allegations are totally without merit, and will vigorously defend against such allegations.

**13. SUBSEQUENT EVENT**

Subsequent to the period end the Corporation completed a non-brokered private placement pursuant to which it issued 4,380,667 units at a price of \$0.30 per unit for aggregate gross proceeds of approximately \$1,314,200.

Each unit is comprised of one common share (a "Common Share"), one-half of one common share purchase warrant exercisable for six months expiring January 13, 2008 (a "Six-Month Warrant") and one-half of one common share purchase warrant exercisable for 12 months expiring July 13, 2008 (a "12-Month Warrant"). Each whole Six-Month Warrant will be

**Duncan Park Holdings Corporation**  
**Notes to Unaudited Consolidated Interim Financial Statements**  
**May 31, 2007**

---

exercisable for one common share at a price of \$0.45 per share and each whole 12-Month Warrant will be exercisable for one common share at a price of \$0.60 per share. The Corporation can require holders to exercise (i) the Six-Month Warrants in the event that the volume weighted average of the common shares (based on closing trading prices for a 10- consecutive trading day period) on the TSX Venture Exchange (the "Weighted Average Price") is \$0.90 per share or above; and (ii) the 12-Month Warrants in event that the Weighted Average Price is \$1.20 per share or above.

An aggregate cash finder's fee of \$75,054 was paid and 250,180 finder's warrants were issued in connection with certain subscriptions to First Canadian Capital Markets Ltd., Jones, Gable & Company Limited and Pope & Company Limited. The finder's warrants are exercisable for common shares at a price of \$0.30 per share for 18 months.

Net proceeds from this placement will be used for exploration and development of, and related property payments on, the Corporation's Rock Creek project and its other Nevada properties and for general working capital purposes.