

## **Management's Discussion and Analysis Three Months Ended February 28, 2007**

### **General**

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Duncan Park Holdings Corporation ("Duncan Park" or "the Corporation") as at and for the three months ended February 28, 2007. It is provided and should be read in conjunction with the Corporation's unaudited, consolidated interim financial statements and notes thereto for the same period which have been prepared in accordance with Canadian generally accepted accounting principles. Readers should also refer to the Corporation's annual audited consolidated financial statements and notes thereto for the year ended November 30, 2006, which have comparative figures for 2005. Readers are further encouraged to visit the Corporation's public information filings at [www.sedar.com](http://www.sedar.com).

This MD&A also covers the subsequent period up to April 27, 2007, the date of preparation of this report.

### **Management's Responsibility for Financial Statements**

The information provided in this report and in the financial statements is the responsibility of management. In the preparation of this information estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes that such estimates have been based upon careful judgments and have been properly reflected in the accompanying financial statements.

### **Disclosure and Internal Controls**

Disclosure controls and procedures have been established to provide reasonable assurance that material information that is required to be disclosed by the Corporation is accumulated and communicated to the Corporation's management as appropriate to allow timely decisions regarding required disclosure. Management has evaluated the effectiveness of the disclosure controls and procedures as of November 30, 2006 and has concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in this report.

Furthermore, internal controls over financial reporting have been established to ensure that the Corporation's assets are safeguarded and to provide reasonable assurance

regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles. However, readers must understand and accept that, due to the small size of the Corporation, the Corporation cannot institute many of the internal control procedures, such as the segregation of duties, available to larger organizations.

It is not expected that the disclosure controls and procedures will prevent or detect all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable assurance that the objectives of the control system are met.

## **Overview**

Duncan Park Holdings Corporation is an Ontario corporation exploring for gold and other precious metals in Nevada, USA. The Corporation entered into leases with Carl and Janet Pescio on four mineral exploration properties in the Carlin Trend and the Battle Mountain-Eureka Trend in northern Nevada. They are known as the Elephant Gold-Silver property (253 claims), the Rock Creek-South Silver Cloud Gold-Silver property (186 claims), the Santa Renia Gold-Silver property (27 claims), and the Woodruff/Tonka Gold-Silver property (20 claims). It also entered into leases of mining claims with Nevada Land and Resource Corporation on property adjoining the Pescio Elephant property (3,591 acres). Further it staked 73 claims in its own name in the vicinity of the Pescio Elephant property and 270 claims in the vicinity of the Rock Creek property.

In 2004 the Corporation conducted drilling operations on the Pescio Elephant property, spending approximately \$900,000. The needed funding was raised by the issue of convertible debentures, which have since been converted into shares of the Corporation. It also conducted some surface exploratory work on the Rock Creek property. No work has been done on the Santa Renia property and the Woodruff/Tonka property has been abandoned.

In 2005 the Corporation entered into a joint venture with Randsburg International Gold Corp. ("Randsburg") to further explore the Pescio Elephant property and the Nevada Land and Resource property, which now comprise the Elephant Joint Venture. Approximately \$1,140,000 was spent in 2005, and \$995,000 in 2006. As described below, a dispute has arisen with Randsburg concerning the funding of ongoing exploration costs on the Elephant Joint Venture.

In 2006 and the first quarter of 2007, the Corporation spent \$1,002,010 and \$225,921 respectively on exploration and the staking of an additional 270 claims to significantly expand the Rock Creek property.

The Corporation has no operating revenues. Cash inflows have been provided by securities issuances and from net realized gains pursuant to a temporary investment program which is now effectively completed.

Cash outflows relate primarily to lease payments for property, exploration thereon, and administrative costs, including significant legal fees.

The Corporation needs additional financing to continue operations and is exploring possible alternatives with respect to arranging a private placement of new capital to fund an expanded exploration program over the next twelve months.

This MD&A presents financial information by fiscal quarters. However, as the Corporation has no ongoing, repetitive economic activity, there is no reason to expect that any quarterly financial activity would bear any relationship to that of the same quarter of another year.

## **Exploration Activities**

### **Elephant**

The Elephant project is located in the heart of the Battle Mountain mining district in Nevada. It comprises 346 unpatented lode claims which cover approximately 6,400 acres, and 3,591 acres leased from Nevada Land & Resource Company LLC. It abuts Newmont Mining Corporation's Phoenix project upon which Newmont has constructed a mining complex.

There are four main targets in the Elephant project.

1. Porphyry-related gold-copper-silver intrusive-hosted deposits
2. Skarn-related gold-silver-copper deposits similar to Newmont's nearby Fortitude mine
3. Replacement gold-silver (copper) bodies in Paleozoic limerock
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). Where reference is made to a press release, it may be viewed on the Corporation's website at [www.duncanpark.com](http://www.duncanpark.com) or in the Corporation's public filings at [www.sedar.com](http://www.sedar.com)

### **Phase 1 – February 2004 to August 2004**

The Corporation engaged Zonge Geosciences Inc. ("Zonge") to do an Induced Polarization ("IP") survey on the Elephant property. Three lines were run atop the Porphyry target area, and five atop the Peninsula skarn gold-copper target area. The data was interpreted for the Corporation by Wright Geophysics Inc. Positive IP chargeability anomalies were defined in both target areas. Subtle IP chargeability highs were defined at the Porphyry, and a strong open-ended IP chargeability anomaly along the entire north-south distance covered by the survey at Peninsula. The latter was interpreted as a new

skarn-porphyry target at Peninsula. Details of the find may be found in the Corporation's press release of May 18, 2004.

Based upon the survey, the Corporation drilled five reverse circulation holes; two at the Peninsula target area and three at the Porphyry target area. One hole at the Peninsula encountered 109.8 meters of sulfide skarn mineralization. At least three layers of skarn were identified. The best gold intercept was 1.848 g/ton. The same interval contained highly elevated contents of silver, zinc, copper, bismuth and lead. A second interval contained highly elevated levels of tungsten and cobalt, and a third skarnified layer contained 0.97 g/ton of gold in cherty strata of the Scott Canyon Formation. In the other two holes no significant zones of gold mineralization were found, nor was the source of the IP anomaly found. Details may be found in the Corporation's press releases of May 18, July 27, August 12, and August 20, 2004.

The two reverse circulation holes drilled at the Porphyry were into the central and a peripheral part of a possible, inferred large granitic porphyry-skarn system. The first hole, into the central part could not be completed to bedrock due to difficult drilling conditions and equipment problems. The second hole was drilled into an IP chargeability anomaly along the northeast periphery of the main target area. It encountered metasomatic skarn mineralization. Severe dilution of the drill cuttings was encountered due to sands from the overlying gravels caving into the holes. As a result of this dilution, the exact nature and intensity of the skarn and gold mineralization could not be determined.

## **Phase 2 - February 2005 to September 2005**

On February 15, 2005, the Corporation signed a joint venture agreement with Randsburg International Gold Corp. for the continuing exploration of the Elephant project. See "Elephant Joint Venture" below.

Phase 2 (Joint Venture Phase 1) of the project was to comprise at least four core drill holes totaling 1370 metres on the property leased from Nevada Land and Resources LLC., to the southeast of the hole in which the Corporation had encountered the 109.8 metres of sulfidic skarn mineralization. One additional hole was being considered to the south of a mineralized skarn "finger" discovered by Barrick Gold in 1999.

On September 7, 2005 the Corporation announced the discovery of polymetallic gold-silver-copper-lead-zinc mineralization on the property. Five holes were drilled to test the eastern edge of the induced polarization (IP) anomaly identified by Zonge in 2004. The first two holes had no significant results. The next three holes were to test the noticeably curving western edge of the IP high. All three holes intersected Paleozoic basement rock. A detailed geological description of the discovery is contained in the Corporation's press release of September 7, 2005.

### **Phase 3 – September 2005 to May 2006**

Based upon this discovery, on September 26, 2005, the joint venturers announced that they were initiating a 5,000ft drilling program, which was intended to verify the width and strike length (north to south) of the mineralization discovery. The geophysical survey conducted by Zonge in 2004 indicated that the target area might be up to 1,200ft wide by 5,000ft long. Drilling in this phase commenced in October, 2005.

After the completion of three holes, Gradient Geophysics Ltd. (“Gradient”) was engaged to conduct geophysical testing, this time based upon Mis-a-la-Masse and IP techniques. Based upon their preliminary report, the Corporation spotted and commenced drilling the fourth hole in this phase of the project. While the drilling was still in progress, Gradient completed its report, which showed some interesting possibilities. The drilling was completed on March 16, 2006. Gradient was then re-engaged to do some follow-up geophysical work, and confirmed their earlier opinion. The detailed results were reported in a press release on May 17, 2006.

### **Phase 4 – June 2006 to July 2006**

On March 9 and again on May 10, 2006, the joint venturers approved phase 4 of the exploration of the project which included up to three holes at a cost of up to US\$300,000. The drill targets were based upon the recently completed Mise-a-la-Masse and Induced Polarization surveys done by Gradient which indicated 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 detailing the results.

During the first quarter of 2007, the Corporation paid the US\$75,000 lease payment on the Pescio properties for the period from February 13, 2007 to February 12, 2008. The required US\$ 44,888 lease payment for the Nevada Land leased property, which was due on April 1, 2007, subsequent to the end of the first quarter, has not yet been paid, although the Corporation intends to pay it when it obtains the needed financing. This is an event of default which could result in the loss of the property interest. The previously announced discovery (see press release dated September 7, 2005) is not on the Nevada Land portion of the Elephant property.

The Corporation remains optimistic about the initial discovery and unexplored potential of the Elephant project.

## Elephant Project Costs

The following table sets out the Elephant project costs for the past two fiscal years and the first quarter of 2007 by category of expense.

	Q1-2007	2006	2005
Advance royalty payments	86,520	152,851	82,579
Government fees	0	35,167	84,654
Exploration costs			
Drilling contractor	-	507,503	755,874
Drilling supplies and service	-	110,935	152,958
Assays	-	41,811	32,036
Geologist	-	54,000	155,396
Geological technicians	-	57,639	30,956
Geophysics	-	25,964	-
Management travel	-	16,788	15,216
Storage and administration	-	45,769	28,013
Total exploration	0	860,409	1,170,449
Total costs	86,520	1,048,427	1,337,682

## Qualified Persons

The Corporation's qualified persons in accordance with the requirements of the Canadian Securities Administrators NI 43-101 on the Elephant project are Mr. Alexander Po M.Eng., and Mr. Larry Kornze B.Sc. (Geological Engineering). Mr. Kornze is a director of the Corporation.

## Elephant Joint Venture

On February 15, 2005 the Company signed an agreement with Randsburg whereby Randsburg could earn up to a 50% interest in the Company'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 interest free 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. The loan by the Company was repaid on September 29, 2005, at which time Randsburg became a 50% joint venturer with the Corporation.

On September 7, 2005, the joint venturers announced the encouraging results of the five cored holes drilled to that time. Based upon the results referred to above, on September 26, 2005 the joint venturers announced phase 3 of the exploration program previously described.

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.

There is, however, a dispute concerning the extent to which Randsburg must contribute to the ongoing costs of exploration. Randsburg refused to meet certain cash calls issued by the Company in its capacity as operator of the project relating to Phase 4 of the project 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 Company 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. The Company notified Randsburg that it has 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 Company. For accounting and financial reporting purposes, the Randsburg interest will continue to be shown separately, until the matter is resolved.

Randsburg demanded arbitration of the issue (and others – see contingent liabilities below). The Company is cooperating in the arbitration process. In the meantime, the Corporation had to be prepared to at least temporarily fund 100% of any drilling activity which is undertaken. The Corporation funded the two holes that were drilled in June and July 2006, but then suspended exploration activity on the Elephant property until the matters under arbitration are resolved.

## **Rock Creek**

The Corporation's current priority is its Rock Creek property, and the most recent exploration activity has been on it.

The Rock Creek project is located in northern Nevada, thirty miles east-northeast of the town of Battle Mountain. It comprises 456 unpatented lode claims which cover a total of approximately 9,000 acres. 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 Company holds approvals 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.

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.

On August 10, 2006, the Company announced the commencement of a four diamond bit core drill hole program in the initial phase of drilling to test the deeper levels of the known volcanic-hosted, low sulfidation epithermal vein system as expressed on the surface. The Corporation completed four diamond bit core holes totaling 7,855 feet. Besides drilling into altered volcanics, three of the four holes encountered carbonaceous Paleozoic sediments comprised of chert, mudstone, siltstone and laminated limestone with rare fossiliferous debris flow at depth. This suggests that the exploration targets are Midas-Style volcanic hosted epithermal vein systems at shallow levels and possible Carlin-type disseminated gold hosted in both Upper and Lower Plate lithologies at depth.

In November 2006, the Corporation staked the additional 270 claims referred to above, more than an additional seven square miles of exploration properties. The addition of these claims expands the Corporation's land position between the Rock Creek exploration project on the southern end and the South Silver Cloud property on the northern end. Please see the Corporation's press release dated November 10, 2006 for further details.



## Rock Creek Project Costs

The following table sets out the Rock Creek project costs by category of expense.

	Q1-2007	2006	2005
Claims staked	-	26,360	-
Advance royalty payments	86,520	113,091	49,795
Government fees	63,744	30,315	28,734
Exploration costs			
Drilling contractor	-	512,158	-
Drilling supplies and service	360	114,329	-
Assays	12,750	35,355	-
Geologist	30,078	83,901	1,882
Geological technicians	17,935	17,616	-
Geophysics	-	36,957	-
Management travel	3,105	15,523	-
Storage and administration	11,429	16,405	-
Total exploration	75,657	832,244	1,882
Total costs	225,921	1,002,010	80,411

## Qualified Person

The Corporation's qualified person in accordance with the requirements of the Canadian Securities Administrators NI 43-101 on the Rock Creek project is Mr. Larry Kornze B.Sc. (Geological Engineering). Mr. Kornze is a director of the Corporation.

## Santa Renia

Santa Renia is located in 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 has no formal plans for the exploration of the Santa Renia property, but intends to initiate activities to begin this process.

## Qualified Person

The Corporation's qualified person in accordance with the requirements of the Canadian Securities Administrators NI 43-101 on this project is Mr. Larry Kornze B.Sc. (Geological Engineering). Mr. Kornze is a director of the Corporation.

## Exploration Costs to Date

The following table sets out the advance minimum royalty payments and the exploration costs by quarter for the last four fiscal years and the first quarter of 2007.

	Quarter				
	First	Second	Third	Fourth	Total
<b>2003</b>					
Elephant	\$ -	\$62,996	\$69,399	\$27,807	\$160,199
Rock Creek	-	54,136	-	-	54,136
Santa Renia	-	54,136	-	-	54,139
Woodruff/Tonka	-	54,136	-	-	54,136
<b>Total</b>		<b>225,404</b>	<b>69,399</b>	<b>27,807</b>	<b>322,610</b>
<b>2004</b>					
Elephant	25,023	143,863	559,007	218,032	945,9255
Rock Creek	41,749	-	10,477	23,250	75,476
Santa Renia	41,749	-	10,477	3,373	55,559
Woodruff/Tonka	41,749	-	10,477	2,500	54,726
<b>Total</b>	<b>150,270</b>	<b>143,863</b>	<b>590,438</b>	<b>247,155</b>	<b>1,129,726</b>
<b>2005</b>					
Elephant	40,547	689,655	409,005	198,475	1,337,682
Rock Creek	49,795	1,882	28,734	-	80,411
Santa Renia	37,347	-	2,814	-	40,161
<b>Total</b>	<b>127,689</b>	<b>691,537</b>	<b>440,553</b>	<b>198,475</b>	<b>1,458,254</b>
<b>2006</b>					
Elephant	478,396	253,491	264,829	11,951	1,008,667
Rock Creek	113,091	-	329,952	558,967	1,002,010
Santa Renia	113,091	-	3,753	-	116,844
<b>Total</b>	<b>704,578</b>	<b>253,491</b>	<b>598,534</b>	<b>570,918</b>	<b>2,127,521</b>
<b>2007</b>					
Elephant	86,520				86,520
Rock Creek	225,921				225,921
Santa Renia	86,520				85,520
<b>Total</b>	<b>398,961</b>				<b>398,961</b>

## Financial Activities and Results

### Income

The Corporation has no operating income. It has, however, achieved net gains and incurred losses on its temporary investments. See “Treasury Management Activities” below.

### Financing Activities

The Corporation’s primary source of funds is the issuance of additional shares. These issuances, all effected by private placements, have taken the form of convertible debentures and units consisting of a share and a share purchase warrant. The following table provides the details of the financing activities for the past two years and the first quarter of 2007. Readers may note that the 2005 Q2 financing program provided cash in both 2005 and again in 2006 Q2, when the warrants attached to the units issued in 2005 were partially exercised.

2005	
Second Quarter	
<ul style="list-style-type: none"> <li>Randsburg subscribes for 200,000 shares @ \$0.50 in connection with the Elephant joint venture</li> </ul>	100,000
<ul style="list-style-type: none"> <li>Exercise options to purchase 446,340 shares</li> </ul>	89,268
<ul style="list-style-type: none"> <li>Unit offering of 1,770,000 units consisting of 1 share and 1 warrant to purchase shares @ \$0.75</li> </ul>	885,000
2006	
First Quarter	
<ul style="list-style-type: none"> <li>Two directors exercise options @ \$0.30 to purchase 230,000 shares</li> </ul>	69,000
<ul style="list-style-type: none"> <li>Exercise of warrants @ \$0.75 to purchase 200,000 shares</li> </ul>	150,000
Second Quarter	
<ul style="list-style-type: none"> <li>Exercise of warrants @ an average of \$0.74 to purchase 1,074,200 shares</li> </ul>	796,320
Third Quarter	
<ul style="list-style-type: none"> <li>A former director exercises options @ \$0.60 to purchase 100,000 shares</li> </ul>	60,000
2007	
First Quarter	
<ul style="list-style-type: none"> <li>One director exercises options @ \$0.60 to purchase 100,000 shares</li> </ul>	60,000

## Treasury Management Activities

The treasury management function, run by the Chief Executive Officer, has made a major contribution to the Corporation's financial strength. The following sets out the pertinent details for the past two years and the first quarter of the current year.

	2007	2006	2005
Randsburg – net gains	-	\$147,442	-
Other shares and commodities – net gains (losses)			
Realized	39,083	330,306	23,503
Unrealized	12,744	198,968	(91,903)
Total Net Gains/Losses	51,827	676,716	(66,400)
Cost of purchases	-	644,771	373,837
Proceeds from sale	524,504	1,627,339	202,604

These profits enabled the Phase 4 exploration of the Elephant property and the Phase 1 exploration of the Rock Creek property.

Although these results have been a significant favourable event for the Corporation, the Board of Directors has determined that in the future the Corporation should confine itself to more conservative investments in interest bearing instruments. The program of disposition of these marketable securities is now effectively completed. Accordingly, investors are cautioned not to expect continuing financial performance such as that recently experienced by the Corporation.

## Expenses

The major expenses are the exploration activities detailed previously and the administrative expenses as set out in the following table.

Year	Q1	Q2	Q3	Q4	Total
2005	73,870	63,152	84,573	115,029	336,534
2006	109,582	138,093	149,859	99,495	497,029
2007	135,483				135,483

The Corporation operates from a small office in downtown Toronto, and has a core cutting/storage facility in Battle Mountain, Nevada. Administrative expenses are minimized to the extent possible. The most significant costs in each of the periods shown below were the legal fees, which break down as follows:

	Q1-2007	2006	2005
General corporate matters	2,657	30,600	57,100
Dispute with Randsburg	44,924	57,575	
Dispute with former drilling contractor		84,150	68,100
<b>Total</b>	<b>47,581</b>	<b>172,325</b>	<b>125,200</b>

## Working Capital

The following table sets out the progression of the Corporation's working capital (\$000s) for the previous two years and the first quarter of the current year.

	Current Assets	Current Liabilities	Working Capital	Working Capital Ratio
2005				
Q1	502	604	(102)	
Q2	1,139	499	640	2.3
Q3	1,542	519	1,023	3.0
Q4	1,168	348	820	3.4
2006				
Q1	1,287	348	939	3.7
Q2	1,758	479	1,279	3.7
Q3	1,121	421	700	2.7
Q4	764	542	222	1.4
2007				
Q1	265	431	(166)	

The expected pattern is that there will be intermittent increases as a result of financings and the exercise of stock options, followed by decreases for exploration and administrative expenses. Superimposed on this are the results of the treasury management activities.

The unspecified provision relating to the contingent liability described in the notes to the financial statements and later in this MD&A is included in the current liabilities. Accordingly, the working capital related to operations is somewhat better than indicated above. The negative working capital reported for 2005 Q1 reflects a temporary loan to the Corporation by two directors to assist in paying suppliers until the completion of the financing in Q2.

## Liquidity

In the first quarter of 2007, the Corporation continued its program of disposition of temporary investments, resulting in proceeds of \$524,504. During the Quarter, it also paid the United States Bureau of Land Management and local counties approximately US\$50,000 in fees related to the registration of the claims staked on expanding the Rock

Creek property and paid US\$225,000 in advance minimum royalty payments on the three Pescio properties. As a result of these payments, combined with the normal overhead costs, the Corporation's working capital at the end of the first quarter is negative.

The Corporation needs additional financing to carry on business and further exploration in 2007. While seeking that financing, the Corporation is exploring the possibility of financing from its directors to provide temporary cash flow.

### Capital Structure

The following table sets out the share transactions for the previous fiscal year and the first quarter of 2007.

	Shares	\$
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
Issued for cash on exercise of warrants	200,000	150,000
Balance February 28, 2006	17,307,691	4,688,934
Second quarter		
Issued for cash on exercise of warrants	1,074,200	793,620
Balance May 1, 2006	18,381,891	5,482,554
Third quarter		
Issued for cash on exercise of options	100,000	60,000
Balance August 31 and November 30, 2006	18,481,891	5,542,554
2007		
First quarter		
Issued for cash on exercise of options	100,000	60,000
Balance February 28, 2007	18,581,891	5,602,554

As at April 27, 2007, there were (i) an aggregate of 967,174 stock options, expiring June 2, 2010; each exercisable for one Common Share at a price of \$0.60 per share; (ii) an aggregate of 150,000 stock options expiring July 22, 2009, each exercisable for one Common Share at a price of \$0.70 per share; and (iii) 125,000 stock options expiring September 16, 2010, each exercisable for one Common Share at a price of \$0.80 per share

### Foreign Exchange Exposure

The Corporation has ongoing foreign exchange exposure in that it raises money in Canadian dollars while its major expenditures are denominated in US dollars. The Corporation attempts to manage inter-currency conversions at the most appropriate times. The net foreign exchange exposure at February 28, 2007, was a net liability of approximately US\$928,000. Subsequent to the quarter-end, the Corporation has reduced the above mentioned amount to a nominal amount.

## **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 Company’s stock options or other stock awards.

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 amount is being charged to expense in equal amounts over the final two quarters of fiscal 2006 and the first two quarters of fiscal 2007.

## **Off Balance Sheet Arrangements**

The Corporation does not employ any such arrangements.

## **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 has issued a writ for full payment of the amount billed plus contractual interest at 2% per month which has accumulated to approximately US\$200,000 at November 30, 2006. The Corporation has responded. In January, 2006, depositions of the witnesses for both sides were taken. On April 24, 2006 the matter was aired before a mediator in Nevada. No significant matter was settled. Additional depositions of potential witnesses were scheduled. After the close of discovery the Plaintiff filed a Motion for Summary Judgment arguing that it had appropriately applied the Corporation’s payments to the oldest invoices first and that as a consequence the shortfall was for services at the end of the job to which the Corporation has little or no objection. The Corporation opposed, indicating that the payments were made on account, and the court dismissed the plaintiff’s motion. The case will be set for trial likely in the

autumn of 2007. The Company has provided in these accounts for the estimated amount of a settlement.

The Corporation has filed a counterclaim seeking reimbursement for what it contends has been an overpayment for the exploratory drilling services rendered to it by the contractor.

2. In its statement of claims in the arbitration agreement, Randsburg claims damages, or in the alternative rescission of the joint venture agreement for misrepresentation in relation to adverse claims to a portion of the joint venture property by a third party. The Corporation maintains that the Randsburg allegations are without merit and no misrepresentation was relied upon by Randsburg to its detriment in entering into the joint venture agreement.

3. Randsburg expanded the arbitration to include a claim for significant damages, plus punitive damages, allegedly caused by the Corporation. Randsburg has not identified how it has been harmed or what Corporation activity allegedly caused the harm. The Corporation maintains that the Randsburg allegations are totally without merit, and will vigorously defend against any Randsburg action.



## **Risk Factors**

The Corporation's principle activity is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to environmental, fluctuating metal prices, political and economical. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While management cannot eliminate the impact of all potential risks, the Corporation strives to manage such risks to the extent possible.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may apply.

The Corporation has no revenue from operations or other source of operating cash flow. None of the Corporation's mineral properties currently have proven reserves. The Corporation has limited financial resources. Substantial expenditures are required to be made to establish ore reserves. The Corporation relies on the sale of equity to fund its operations. There is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Corporation. Additional funds raised by the Corporation through the issuance of equity or convertible debt securities may cause the Corporation's current shareholders to experience dilution. Such securities may grant rights or privileges senior to those of the Corporation's common stockholders.

The Company's ability to achieve and maintain positive cash flow is dependent upon the Company's ability to raise required funding through equity issuances, asset sales, joint venture arrangements or a combination thereof.

## **Cautionary Note Regarding Forward-Looking Information**

This Management Discussion and Analysis contains "forward-looking information", within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of Duncan Park. Forward-looking information includes, but is not limited to, statements with respect to exploration plans and capital expenditures. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Duncan Park, to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks related to arbitration, international operations; conclusions of economic evaluations;

changes in project parameters as plans continue to be refined; future commodity prices; possible variations in possible mineralization, government regulation, environmental risks, failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mineral exploration. Although Duncan Park has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Duncan Park does not undertake to update any forward-looking information that is referenced herein, except in accordance with applicable securities laws.