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Duncan Park Holdings Corporation

Unaudited Consolidated Interim Financial Statements

As At and For the Three Months Ended

February 28, 2009 and February 29, 2008

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Duncan Park Holdings Corporation
Unaudited Consolidated Balance Sheets

As At February 28, 2009 and November 30, 2008

	February 28 2009		November 30 2008	
	Duncan Park Holdings Corporation	Duncan Park Holdings Nevada Ltd.	Duncan Park Holdings Consolidated	Duncan Park Holdings Consolidated
ASSETS				
CURRENT				
Cash and cash equivalents	\$89,796	\$3,732	\$93,528	\$255,359
Reclamation performance bond	-	38,437	38,437	34,347
	89,796	42,169	131,965	289,706
INVESTMENT IN MINING PROPERTIES				
Mining claims				
Elephant - at nominal value	-	1	1	1
Rock Creek - at nominal value (2008 at staking cost)	-	1	1	26,360
Deferred expenditures on leased properties				
Elephant	-	3,537,803	3,537,803	3,537,803
Less: amount written off	-	3,537,803	3,537,803	1,909,793
	-	-	-	1,628,010
Rock Creek	-	1,917,468	1,917,468	1,881,080
Less: amount written off	-	1,917,468	1,917,468	-
	-	-	-	1,881,080
	-	2	2	3,535,451
INTERCORPORATE ACCOUNT				
Due from Duncan Park Holdings Nevada Ltd.	5,420,073	-	-	-
TOTAL ASSETS	\$5,509,869	\$42,171	\$131,967	\$3,825,157
LIABILITIES				
CURRENT				
Accounts payable and accrued expenses	\$21,204	\$2,155	23,359	\$138,668
Unclaimed dividends	6,957	-	6,957	6,957
Accrued reclamation costs	-	22,427	22,427	-
Accrued penalties for insufficient drilling	-	282,806	282,806	275,310
	28,161	307,388	335,549	420,935
INTERCORPORATE ACCOUNT				
Due to Duncan Park Holdings Corporation	-	5,419,973	-	-
TOTAL LIABILITIES	28,161	5,727,361	335,549	420,935
SHAREHOLDER'S EQUITY				
Share capital (Note 4)	7,616,754	100	7,616,754	7,616,754
Contributed surplus	33,972	-	33,972	33,972
	7,650,726	100	7,650,726	7,650,726
Deficit	(2,169,018)	(5,685,290)	(7,854,308)	(4,246,504)
Accumulated comprehensive income	-	-	-	-
	5,481,708	(5,685,190)	(203,582)	3,404,222
	\$5,509,869	\$42,171	\$131,967	\$3,825,157

Duncan Park Holdings Corporation

Unaudited Consolidated Interim Statements of Deficit

For the Three Month Periods Ended February 28, 2009 and 2008

	<u>2009</u>	<u>2008</u>
DEFICIT - BEGINNING OF PERIOD	(\$4,246,504)	(\$4,246,504)
INCOME (LOSS) FOR THE PERIOD	(3,607,804)	(120,596)
STOCK-BASED COMPENSATION	-	10,000

DEFICIT - END OF PERIOD	(\$7,854,308)	(\$4,357,100)
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Unaudited Consolidated Interim Statements of Accumulated Comprehensive Income

For the Three Month Periods Ended February 28, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ACCUMULATED COMPREHENSIVE INCOME BEGINNING OF PERIOD	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-	-

ACCUMULATED COMPREHENSIVE INCOME END OF PERIOD	-	-
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Duncan Park Holdings Corporation
Unaudited Consolidated Interim Statements of Operations
And Comprehensive Income
For the Three Month Periods Ended February 28, 2009 and 2008

	2009	2008
INCOME		
Interest	-	\$4,988
Foreign exchange gain (loss)	(6,836)	2,390
	(6,836)	7,378
EXPENSES		
Executive compensation		
Chief executive officer	7,875	7,900
Chief financial officer	4,937	10,521
Stock-based compensation (Note 5)	-	10,000
Professional fees		
Legal	1,396	16,661
Audit	2,100	3,210
Regulatory compliance	6,225	8,576
Interest and bank charges	1,912	494
Office and general	4,685	4,288
	29,130	61,650
Mining claims and exploration costs written off	3,571,838	66,324
	3,600,968	127,974
LOSS BEFORE INCOME TAXES	(3,607,804)	(120,596)
PROVISION FOR INCOME TAXES (NOTE 7)	-	-
LOSS FOR THE PERIOD	(3,607,804)	(120,596)
OTHER COMPREHENSIVE INCOME	-	-
LOSS AND COMPREHENSIVE LOSS		
FOR THE PERIOD	(\$3,607,804)	(\$120,596)
LOSS PER SHARE		
Basic	(\$0.114)	(\$0.040)
Fully diluted	(\$0.114)	(\$0.005)
Weighted Average Number of Shares Outstanding	31,634,224	22,962,568

Duncan Park Holdings Corporation
Unaudited Consolidated Interim Statements of Changes in Cash Position
For the Three Month Periods Ended February 28, 2009 and 2008

	<u>2009</u>	<u>2008</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Loss for the period	(\$3,607,804)	(\$120,596)
Mining claims and exploration costs written off	3,571,838	60,000
Increase (decrease) in current liabilities	(89,477)	163,218
Stock-based compensation	-	10,000
Gain on sale of investments	-	(3,241)
	<u>(125,443)</u>	<u>109,381</u>
INVESTING		
Investment in mining properties	(36,388)	(370,641)
Treasury management - T-Bills		
Purchases	-	(648,599)
Proceeds of sales	-	900,000
	<u>(36,388)</u>	<u>(119,240)</u>
DECREASE IN CASH	(161,831)	(9,859)
CASH AND EQUIVALENTS		
AT BEGINNING OF PERIOD	255,359	79,104
AT END OF PERIOD	<u>\$93,528</u>	<u>\$69,245</u>

Duncan Park Holdings Corporation

Notes to Consolidated Financial Statements

February 28, 2009

1. NATURE OF OPERATIONS

The Corporation, through its wholly-owned subsidiary Duncan Park Holdings Nevada Ltd., has been 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. However, as more fully explained in note 2 below, on April 6, 2009 the Corporation received a letter from the lessor of certain key properties effectively forcing the termination of renegotiation of the contractual arrangements needed by the Corporation to continue exploration of those properties. The result is that the Corporation presently has no ongoing operations.

2. SUBSEQUENT EVENT

On April 7, 2009, the Corporation gave notice of termination on its two leased properties in northern Nevada known as the "Elephant" Project and the "Rock Creek/South Silver Cloud" project.

From December 8, 2008 to April 6, 2009, the Company had been in negotiation with Allied Nevada Gold Corp. ("ANV"), the lessor, to restructure the terms of the leases originally entered into in early 2003 between it and the Corporation's wholly-owned subsidiary Duncan Park Holdings Nevada Ltd. ("DPH NV"), which required escalating annual advance minimum royalty ("AMR") payments, and penalties for not meeting minimum annual drilling footage requirements. As noted in the Corporation's annual financial statements and MD&A for the year ended November 30, 2008, ANV granted DPH-NV an extension of the termination notice date from January 6, 2009 to April 6, 2009.

Despite negotiations, DPH-NV has been unable to obtain acceptable revised lease/contract terms with respect to the leased Nevada properties. Based upon ANV proposals and subsequent discussions the Corporation was led to believe, and did believe, that a suitable revised contract was achievable. The concept under consideration was the ANV proposal that the existing leases with their AMR's and penalty provisions be replaced with a double sided option agreement by which DPH NV could earn-in to a significant interest in the properties by spending on exploration activities and, ANV could later back-in to the project by paying DPH NV a multiple of the amount spent. The forgone AMR's and accrued penalties were to be deducted from the ANV back-in payment if it exercised that option. No exploration costs were required in the first two years of the agreement but the Corporation would have been responsible for the government claim maintenance fees. Changes to other details were being sought to make the projects more readily financeable by the Corporation and DPH-NV.

Without any intervening communication, a DPH NV counter-offer proposal submitted to ANV on March 18, 2009 was firmly rejected a few hours before the April 6, 2009 deadline. In the same communication, despite its delinquency in not having responded to the DPH NV proposal in the three weeks available to it, ANV unilaterally decreed that the time during which the parties agreed to renegotiate the new agreements had expired and that the parties' relationship was governed by the existing mining leases. As a result, DPH-NV faced AMR and accrued insufficient-drilling penalty payments in excess of US\$500,000 if it were to continue under the terms of the original 2003 leases. Over the life of the two projects, DPH-NV had invested in excess of C\$5,000,000 in the two projects, including US\$640,000 in the escalating AMR payments. With those payments rising to US\$150,000 per annum for each property in 2009, the situation has become unworkable given the company's current financial situation.

Duncan Park Holdings Corporation

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As previously disclosed, DPH-NV has made it clear that it did not have and could not raise such funding required under the original terms of the leases. The last minute, outright rejection of DPH-NV's counter-offer of March 18, 2009 regrettably left no option but to give notice of termination and abandon the projects. In knowledge of this fact when the first quarter financial statements were being prepared the Corporation wrote off the previously deferred exploration costs related to these properties. Notice of termination of the leases having been given, the February 2009 AMR's were not accrued.

A result is that as of April 6, 2009 the Corporation's wholly-owned subsidiary is insolvent and its viability as going concern is in doubt. The Corporation did not guarantee the debts of its subsidiary and is itself solvent.

Further, subsequent to the quarter end, the Corporation notified Nevada Land and Resource Company, LLC. ("NLRC") that it was terminating the lease and option to buy of 3,591 acres of land adjacent to the Allied Elephant properties. Taken together with the Allied Elephant properties and 56 owned claims in the area these formed the Corporation's Elephant gold and silver mining project. In knowledge of this fact when the first quarter financial statements were being prepared the Corporation wrote off the related costs.

3. SIGNIFICANT ACCOUNTING POLICIES:

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

- a) Consolidation
The financial statements of the wholly owned subsidiary, Duncan Park Holdings Nevada Ltd., and in prior years the project that was known as the Elephant Joint Venture are consolidated. In addition, because of the impact of the subsequent event referred to above, the balance sheet contains the individual company financial positions of the Corporation and the subsidiary company.
- 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".
- c) Exploration Properties
Investments in exploration properties are recorded at cost and are not written down except to the extent that it is determined that their value is less than the recorded 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

Duncan Park Holdings Corporation
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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.

4. SHARE CAPITAL

The authorized capital is an unlimited number of common shares.

The following share transactions have occurred in the past two fiscal years and the current year to date.

	Shares	\$
Balance November 30, 2006	<u>18,486,891</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>18,586,891</u>	<u>5,602,554</u>
Third quarter		
Issue of units pursuant to a private placement (see below)	<u>4,380,667</u>	<u>1,314,200</u>
Balance August 31, 2007 and May 31, 2008	<u>22,967,558</u>	<u>6,916,754</u>
2008		
Third quarter		
Issue of shares in for the acquisition of the Randsburg interest in the Elephant project and the settlement of all other outstanding matters	<u>2,000,000</u>	<u>500,000</u>
Balance August 31, 2008	<u>24,967,558</u>	<u>7,416,754</u>
Fourth quarter		
Issue of units pursuant to a private placement (see below)	<u>6,666,666</u>	<u>200,000</u>
Balance November 30, 2008, and February 28, 2009	<u>31,634,224</u>	<u>7,616,754</u>

In the third quarter of 2007, the Corporation completed a non-brokered private placement and has issued 4,380,667 units ("Units") at a price of \$0.30 per unit for aggregate gross proceeds of \$1,314,200. Each unit was comprised of one common share (a "Common Share"), one-half of one common share purchase warrant exercisable for six months (a "Six-Month Warrant") and one-half of one common share purchase warrant exercisable for 12 months (a "12-Month Warrant"). Each whole Six-Month Warrant was exercisable for one Common Share at a price of \$0.45 per share expiring July 13, 2008, and each whole 12-Month Warrant was exercisable for one Common Share at a price of \$0.60 per share expiring January 13, 2009. The Company could have required 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") was \$0.90 per

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share or above; and (ii) the 12-Month Warrants in event that the Weighted Average Price was \$1.20 per share or above.

In the first quarter of 2008, the term of each of the warrants was extended by six months. This extension is reflected in the dates cited above.

In addition, the warrants provided holders with certain additional exercise rights (the "Additional Exercise Rights") that would have enabled them to acquire additional Common Shares, if available, at the applicable warrant exercise price. The Additional Exercise Rights might have been exercised for additional Common Shares, if available, by holders that fully exercised all of their applicable series of Warrants by the exercise deadline. The additional Common Shares would have been allotted from the number of Common Shares, if any, not issued as a result of the applicable series of Warrants not having been fully exercised by other holders by the applicable exercise deadline. A Holder that duly exercised its rights at or before the applicable exercise deadline would have been entitled to its pro rata share of additional Common Shares calculated on the basis of the number of Warrants of the applicable series exercised by that holder as a percentage of the total number of such Warrants exercised by all holders that exercise their Additional Exercise Rights.

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 the following finders: First Canadian Capital Markets Ltd., Jones, Gable & Company Limited and Pope & Company Limited. The finder's warrants were exercisable for Common Shares at a price of \$0.30 per share for 18 months, expiring January 13, 2009.

During the 2008 fiscal year and the first quarter of 2009, all of the July 2007 private placement warrants expired with none exercised.

Net proceeds from this placement were 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.

In November 2008, the Corporation completed a non-brokered private placement and issued 6,666,666 units at a price of \$0.03 per unit for aggregate gross proceeds of approximately \$200,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at a price of \$0.05 per share during the first twelve months of its term and thereafter at a price of \$0.10 per share during the second twelve months of its term. The securities issued and issuable pursuant to the private placement are subject to a four-month hold period expiring March 20, 2009.

5. 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 amended in 2005) 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 the conditional grant of 125,000 options at a price of \$0.80, subject to regulatory and shareholder

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approval which has since been obtained. On January 2, 2008 the Board approved the grant of 900,000 options to officers and directors of the Corporation. Each of the options is exercisable at a price of \$0.30 per common share until January 2, 2013. The options vest over an eighteen month period.

The Corporation determined that the fair value of the options issued in 2005 pursuant to the plan was \$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 was charged to expense in equal amounts over the final two quarters of fiscal 2006 and the first two quarters of fiscal 2007. Using a similar calculation the Corporation determined that the fair value of the 2008 options was \$40,000, which was charged to expense equally over the four quarters of fiscal 2008.

6. WARRANTS / OPTIONS

The following table sets out the stock option activity for the latest two fiscal years and the current year to date.

	2009 Q1		2008		2007	
	Number	Average Price	Number	Average Price	Number	Average Price
At beginning of period	1,450,000	\$0.42	1,217,174	\$0.62	1,862,644	\$0.62
Granted	-	-	900,000	\$0.30	-	-
Exercised	-	-	-	-	(200,000)	\$0.60
Expired	-	-	(567,174)	-	(420,470)	\$0.64
Forfeited	-	-	(100,000)	-	(25,000)	\$0.80
At end of period	1,450,000	\$0.42	1,450,000	\$0.42	1,217,174	\$0.62

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At February 28, 2009, the following warrants / options were outstanding:

Holder	On # Of Shares	Exercise Price	Expiry Date
Warrants			
Various	6,666,666	\$0.05	November 20, 2009
Exercise price increases		\$0.10	November 20, 2010
	6,666,666		
Options			
Eric Salsberg	100,000	\$0.60	June 2, 2010
Eric Salsberg	100,000	\$0.30	January 2, 2013
Ian McAvity	150,000	\$0.70	July 22, 2009
Ian McAvity	300,000	\$0.30	January 2, 2013
Larry Kornze	250,000	\$0.30	January 2, 2013
Ron Arnold	100,000	\$0.30	January 2, 2013
Harold Doran	150,000	\$0.60	June 2, 2010
Harold Doran	150,000	\$0.30	January 2, 2013
Alexander Po	150,000	\$0.60	June 2, 2010
	1,450,000		

During the quarter, warrants for 2,440,513 shares expired.

7. INCOME TAXES

For Canadian income tax purposes the Corporation is reporting a first quarter loss of approximately \$27,000. As of November 30, 2008 the Corporation had cumulative losses for income tax purposes of approximately \$1,711,000, expiring at various times up to 2019, which it has no current prospect of utilizing.

The Corporation's American subsidiary is also reporting a first quarter loss for US income tax purposes of approximately US\$2,860,000 and as of November 30, 2008 had cumulative losses of US\$4,560,000 expiring at various times up to 2028, which it has no current prospect of utilizing.

8. FINANCIAL INSTRUMENTS

- i) Foreign-exchange risk management -
The Corporation's exposure to foreign exchange fluctuations is limited to its U.S. cash 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 interest bearing debt outstanding.

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- iii) Fair value of financial instruments -
Financial instruments include cash, and in prior years investments and debentures, all of which are carried at estimated fair market value.

9. ADDITIONAL SUBSEQUENT EVENT

On April 14, 2009 the TSX Venture exchange notified the Corporation that pursuant to its review of the Corporation's disclosure documents, presumably its press release of April 8, 2009 in which it described its intention to give notice of termination of the leases with respect to the Elephant and Rock Creek projects, it appeared that the Corporation no longer meets the assets and operations requirement of Tier 2 issuers listed on that exchange. It gave the Corporation three months until July 14, 2009 to provide a submission to the Exchange evidencing that it meets Tier 2 maintenance requirements. Failure to do so will result in the Corporation's shares being transferred to the NEX.

The NEX is a separate board of the TSX Venture Exchange for companies previously listed on the TSX Venture Exchange or Toronto Stock Exchange which have failed to maintain compliance with the ongoing listing standards of these markets. NEX has been designed to provide a forum for the trading of publicly listed shell companies while they seek and undertake transactions in furtherance of their reactivation as companies which carry on an active business.

10. EXPLORATION PROPERTIES

The following is historical information relating to properties reflected in the comparative figures on the balance sheet. It is of no ongoing relevance because the event described above in note 2 leaves the Corporation with no continuing beneficial interest in these properties.

Leased Properties

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 which have since been sold by the Pescios to Allied Nevada Gold Corp. ("Allied") called 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 leases called 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 which occurred in 2008, and US\$150,000 on the sixth and subsequent anniversaries. The Corporation did not make the payment which was due on February 8, 2009. The Corporation could terminate the lease on a property on 30 days notice,

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subject to certain conditions, which it did on April 8, 2009 under the terms of an extension granted January 6, 2009.

The AMR payments were to be deducted from a 3% net smelter royalty (NSR) increasing by .1% for each US\$10 increase in the price of gold above US\$320 up to a maximum NSR of 4% retained by the lessors on each of the properties. The Corporation might have purchased one percentage point of the NSR up to the time of commencement of production on a property for US\$1,000,000.

The Corporation paid the additional AMR's on all of the properties on the first anniversary in 2004, on three of the four properties on the second and third and fourth anniversaries in 2005, 2006, and 2007, and on two of the properties on the fifth anniversary in 2008. In 2005 the Corporation decided not to proceed with exploration on the Woodruff/Tonka property. 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. In 2008 the Corporation decided not to proceed with the exploration of the Santa Renia property. In knowledge of this decision when the 2007 annual financial statements were issued, the Corporation wrote off the related costs in the fourth quarter of that year. In April 2009 the Corporation determined that it could not continue the exploration of the Elephant and Rock Creek properties, and, in knowledge of that when preparing these financial statements, it wrote off the related costs in these first quarter financial statements.

Each lease contained a work commitment pursuant to which the Corporation was required to drill a minimum of 4,000 feet during the first three years of the agreement followed by a yearly commitment of 5,000 feet. After completion of 1,000 feet of the initial 4,000 foot commitment on each property the balance could be applied to any of the other properties. Excess drilling in any year may be carried forward to fulfil commitments for subsequent years. Failure to complete the required drilling in any year does not constitute a default under the agreement but the Corporation must pay a penalty in the amount of US\$10 per foot not drilled. As at November 30, 2008, the Corporation had accrued \$275,310 (US\$225,650) in such penalties

The Corporation had approvals that have lapsed from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill up to 50 drill holes on 23 sites on its Elephant property. The Corporation has approvals from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill on 23 sites on its Rock Creek property.

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

The NLRC arrangement was 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, (in 2008 it was US\$5.20) and to royalty percentage payments of 3.25% on precious metals and 1.0% on base metals. The Corporation also had an option to purchase this property for cash of US\$500 per acre acquired. The agreement also contained a work commitment to spend annually US\$100,000 on the property. Failure to do so constitutes an event of default which gave NLRC an option to terminate the agreement. As a result of the now resolved dispute concerning the joint venture

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partner's obligation to pay its share of ongoing exploration costs (see "Elephant Joint Venture" below) no exploration has been conducted on this property since 2005.

Subsequent to the quarter end the Corporation notified NLRC that it was terminating the agreement. In knowledge of that fact when these financial statements were being prepared the Corporation wrote off the related costs in these financial statements.

Owned Properties

The Corporation had staked 56 claims in the vicinity of the Elephant leased property and 270 claims in the vicinity of the leased Rock Creek property.

The result was that approximately 46% of the Elephant project ground was leased from Allied, 41% was leased from NLRC, and 13% was owned. The corresponding figures for the Rock Creek project were 40% leased from Allied and 60% owned.

All of the Corporation's exploration activity was on leased property. Neither the relatively small owned portion of the Elephant project nor the more substantial owned portion of the Rock Creek project which filled in the gap between the northern and southern leased properties is thought to be of any significant value without the leased properties. Accordingly, the related costs were written off in these financial statements.

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 to August 2008 the Elephant project was 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 was spent in fiscal 2007 or in fiscal 2008. In August 2008, the Corporation purchased Randsburg's interest in the joint venture.

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 calcareous rocks
4. Debris flow alluvial gold deposits

Detailed maps of the exploration project are available on the Corporation's Website at 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

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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%, which it did.

The Randsburg money was used for exploration activities referred to as phase 2 of the Elephant project which commenced in February, 2005. On September 7, 2005, the joint venturers announced the encouraging results of the five cored holes drilled in phase 2 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 and on SEDAR at www.sedar.com.

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 and on SEDAR at www.sedar.com.

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 to view the details contained in this release.

There was, 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 demanded arbitration of this issue and other matters. During the third quarter of the 2008 fiscal year the Corporation acquired the Randsburg interest in the joint venture, and, as part of the acquisition agreement, all other matters were settled. For accounting and financial reporting purposes, the Randsburg interest continued to be shown as existing until the matter was resolved.

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Elephant Property Valuation

The acquisition of the Randsburg interest resulted in an implied value for the entire property of \$1,625,000. In accordance with the Corporation's accounting policies, in the third quarter the Corporation wrote down the carrying value of the property to this amount.

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, which consisted only of the Allied leased property.

In October 2008 the Corporation commissioned a rapid geological reconnaissance of the 270 wholly-owned claims staked in 2006. The work verified the occurrence of volcanic volcanoclastic rocks and identified several areas for additional work based upon observed structures and weak alteration.

The Corporation has approval under a Notice of Intent from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill on 23 sites on its Rock Creek property. On August 10, 2006, the Corporation announced the commencement of a four hole core drilling 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 solidified 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.

In November, 2008 the company completed a two-hole Reverse Circulation Rotary drill program designed to test one of the known mineralized zones on the Rock Creek property. The drilling successfully established the down-dip geometry of a highly prospective mineralized structure defined at the surface by previous mapping, sampling and shallow drilling.

Also in November 2008, the Corporation engaged a geologist to carry out a rapid geological reconnaissance of the 270 DPH owned claims staked in late 2006 and to document his findings in a brief memo to management. The results of this work indicate that the claims are, as expected,

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underlain by diverse volcanic rocks ranging from andesite to rhyolite with a few areas of lacustrine tuffaceous rocks. Several areas were identified for additional work based on observed structures and weak alteration indicating the potential for extension of the epithermal mineral system previously identified.