

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



www.duncanpark.com

Duncan Park Holdings Corporation

Financial Statements

As At and For the Years Ended

November 30, 2009 and 2008

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

AUDITOR'S REPORT

To the Shareholders of
Duncan Park Holdings Corporation

I have audited the consolidated balance sheets of Duncan Park Holdings Corporation as at November 30th 2009 and 2008 and the consolidated statements of deficit, accumulated comprehensive income, operations and comprehensive income, and changes in cash position for the years then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company at November 30th, 2009 and 2008 and the results of its operations and comprehensive income and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.

“Signed”

Toronto, Ontario
March 8, 2010

T. Robert Hambley, C.A.
Licensed Public Accountant

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	5-20

Duncan Park Holdings Corporation

Balance Sheets

As At November 30, 2009 and 2008

	2009	2008
ASSETS		
CURRENT		
Cash	\$264,216	\$255,359
Reclamation performance bond	-	34,347
Federal sales tax recoverable (Note 4)	50,886	-
	<u>315,102</u>	<u>289,706</u>
INVESTMENT IN MINING PROPERTIES (Notes 2 and 12)		
Mining claims		
Elephant - at nominal value	-	1
Rock Creek - at staking cost	-	26,360
Deferred expenditures on leased properties		
Elephant	-	3,537,803
Less: amount written off	-	1,909,793
	<u>-</u>	<u>1,628,010</u>
Rock Creek	-	1,881,080
	<u>-</u>	<u>3,535,451</u>
TOTAL ASSETS	\$315,102	\$3,825,157
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	27,569	138,668
Unclaimed dividends (Note 5)	-	6,957
Accrued penalties for insufficient drilling	-	275,310
TOTAL LIABILITIES	27,569	420,935
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	7,916,754	7,616,754
Contributed surplus (Note 5)	-	33,972
	<u>7,916,754</u>	<u>7,650,726</u>
Deficit	(7,629,221)	(4,246,504)
Accumulated comprehensive income	-	-
	<u>287,533</u>	<u>3,404,222</u>
	<u>\$315,102</u>	<u>\$3,825,157</u>

Approved by the Board

Ian McAvity - Acting President

Eric Salsberg - Director

Duncan Park Holdings Corporation

Statements of Deficit

For the Years Ended November 30, 2009 and 2008

	2009	2008
DEFICIT - BEGINNING OF PERIOD	(\$4,246,504)	(\$2,686,678)
LOSS FOR THE PERIOD	(3,423,646)	(1,599,826)
STOCK-BASED COMPENSATION	-	40,000
WRITEOFF OF CONTRIBUTED SURPLUS (Note 5)	33,972	
WRITE OFF OF UNCLAIMED DIVIDENDS (Note 5)	6,957	-
DEFICIT - END OF PERIOD	(\$7,629,221)	(\$4,246,504)

Statements of Accumulated Comprehensive Income

For the Three and Twelve Month Periods Ended November 30, 2009 and 2008

	2009	2008
ACCUMULATED COMPREHENSIVE INCOME		
BEGINNING OF PERIOD	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-	-
ACCUMULATED COMPREHENSIVE INCOME		
END OF PERIOD	-	-

Duncan Park Holdings Corporation
Statements of Operations and Comprehensive Income
For the Years Ended November 30, 2009 and 2008

	2009	2008
INCOME		
Interest	-	\$11,263
Foreign exchange gain (loss)	(4,795)	(62,988)
	(4,795)	(51,725)
EXPENSES		
Executive compensation		
Chief executive officer	30,125	31,525
Chief financial officer	35,632	43,100
Stock-based compensation (Note 6)	-	40,000
Professional fees		
Geologist	17,647	-
Legal		
General matters	40,071	49,623
Financings and exploration contracts	10,236	33,410
Audit	8,400	9,510
Regulatory compliance	22,054	22,419
Investor communications	1,879	1,022
Interest and bank charges	2,083	1,997
Office and general	17,787	19,571
	185,914	252,177
Exploration costs incurred	-	71,045
Mining claims and exploration costs written off	3,277,008	1,224,879
Federal sales tax recoverable	(44,071)	-
NET EXPENSES	3,418,851	1,548,101
LOSS BEFORE INCOME TAXES	(3,423,646)	(1,599,826)
PROVISION FOR INCOME TAXES (NOTE 7)	-	-
LOSS FOR THE PERIOD	(3,423,646)	(1,599,826)
OTHER COMPREHENSIVE INCOME	-	-
NET LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD	(\$3,423,646)	(\$1,599,826)
LOSS PER SHARE		
Basic	(\$0.108)	(\$0.066)
Fully diluted	(\$0.108)	(\$0.066)
Weighted Average Number of Shares Outstanding	31,716,191	24,076,378

Duncan Park Holdings Corporation
Statements of Changes in Cash Position
For the Years Ended November 30, 2009 and 2008

	2009	2008
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Loss for the period	(\$3,423,646)	(\$1,599,826)
Write off of mining properties and exploration costs	3,260,141	1,224,879
Increase { decrease) in current liabilities	(111,099)	54,855
Accrual of federal sales tax recovery	(50,886)	-
Stock-based compensation		40,000
Reclamation performance bond	34,347	(21,747)
Insurance premium refund	-	-
	<u>(291,143)</u>	<u>(301,839)</u>
FINANCING		
Issue of common shares on acquisition of Randsburg		
On acquisition of Randsburg interest in		
Elephant joint venture		500,000
On issue of units	300,000	200,000
Promissory note		
	<u>300,000</u>	<u>700,000</u>
INVESTING		
Investment in mining properties		(369,411)
Acquisition of Randsburg interest in Elephant joint venture	-	(550,000)
Treasury management - Net sales of T-Bills	-	697,505
	<u>-</u>	<u>(221,906)</u>
INCREASE (DECREASE) IN CASH	8,857	176,255
CASH AND EQUIVALENTS		
AT BEGINNING OF PERIOD	255,359	79,104
AT END OF PERIOD	<u>\$264,216</u>	<u>\$255,359</u>

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

1. NATURE OF OPERATIONS

The Corporation operates in the mining industry exploring for gold and other precious metals.

As at November 30, 2009 the Corporation has no operating activity.

Previously, the Corporation, through its wholly-owned subsidiary Duncan Park Holdings Nevada Ltd., had been exploring for gold on owned and leased properties in the State of Nevada, USA. It had not determined whether the properties contained ore reserves that were 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 was that the Corporation had to abandon those properties and as at the year end date had no ongoing operations.

Subsequent to the year end, the Corporation signed an agreement with respect to the exploration of certain properties in the Red Lake mining district of Northern Ontario. See note 12 below.

2. TERMINATION OF LEASES

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 and for the first three quarters of 2009, ANV had granted DPH-NV an extension of the termination notice date from January 6, 2009 to April 6, 2009.

Despite negotiations, DPH-NV had 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

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

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 had become unworkable given the company's then current financial situation.

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, 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 deferred costs.

3. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements are stated in Canadian dollars and are prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern assumption is dependent upon, among other things, future profitable operations, the ability to realize assets and discharge liabilities in the normal course of business in the foreseeable future and the ability of the Corporation to raise additional capital. Specifically, the recovery of the Corporation's investment in mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

Consolidation

Effective November 30, 2009 the Corporation discontinued consolidating the financial position and results of operations of its wholly-owned Nevada subsidiary company because, due to the change in circumstances referred to in note 2 above, the Corporation has no ongoing beneficial interest in that company. The subsidiary company has no assets and one liability of record; that being an accrual of US\$222,600 in respect of penalties for insufficient drilling pursuant to the leases referred to in note 2 above. The Corporation did not guarantee those obligations.

Subsequent to the year end the subsidiary company was wound up.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

The deconsolidation of the subsidiary as of the year end date had no effect on the Corporation's financial statements for the year ending November 30, 2009 other than the omission of the subsidiary company's liability. The results of the subsidiary company's operations through November 30, 2009 were consolidated. The Corporation wrote off the Cdn\$5,412,101 it had advanced to the subsidiary company, but these advances had already been reflected in the consolidated financial statements initially as deferred exploration costs, which is what the subsidiary company did with them, and subsequently as write offs in the income statement as the impairment of the exploration assets became evident.

In prior years the financial statements of the wholly owned subsidiary, were consolidated.

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 impaired.

Expenditures which are initially capitalized include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling;
- Trenching;
- Sampling, and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Some facts and circumstances which may be indicative of possible impairment are:

- The expiration of the period for which the Corporation has the right to explore the property or the Corporation's intention not to renew that right;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Corporation has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.

Any impairment loss identified is recognized as an expense in the income statement.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

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.

Financial Instruments

The Corporation has no complex financial instruments. In reporting its financial position and results of operations in accordance with the recommendations of the CICA Handbook section 3855 “Financial Instruments” the Corporation classifies its cash and cash equivalents as held-for-trading which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost.

Income Taxes

Income taxes are calculated using the asset and liability method of accounting. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax asset and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and on unclaimed losses carried forward and are measured using the substantively enacted tax rates that will be in effect when the differences are expected to reverse or the losses are expected to be utilized. A valuation allowance is recognized to the extent that the recoverability of future income tax assets is not considered “more likely than not”.

Loss Per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. In periods of a loss, the effect of

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

potential issuances of shares under options and warrants would be anti-dilutive, and, accordingly, reported basic and dilutive loss per share are equal.

Flow-Through Shares

The Corporation intends to finance a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. The proceeds received on the issue of such shares are credited to share capital and the related exploration costs are charged to mineral properties. Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation will reduce share capital and increase future tax liability.

Foreign Currency Translation

The Corporation's wholly-owned subsidiary was accounted for as an integrated foreign operation. Transactions of the Corporation and its subsidiary originating in a foreign currency were translated at the rates in effect at the time of the transaction. Monetary items denominated in a foreign currency were translated into Canadian dollars at the exchange rate in effect at the balance sheet date and non-monetary items were translated at historical exchange rates. Foreign exchange gains and losses are included in operations.

4. FEDERAL SALES TAX REFUND

During the year the Corporation filed GST returns for the years 2005 to 2008 inclusive claiming a refund of \$43,606. The returns have been assessed as filed and the refund was received subsequent to the year end. In 2010 the Corporation has filed a GST return for 2009. Refundable input tax credits accumulated to November 30, 2009 amount to \$7,280.

5. UNCLAIMED DIVIDENDS AND CONTRIBUTED SURPLUS

Previously reflected unclaimed dividends in the amount of \$6,957 and contributed surplus in the amount of \$33,972 relate to transactions which occurred more than ten years ago, are not quantitatively material and are considered by management as of no ongoing relevance in the evaluation of the Corporation's financial position. At November 30, 2009 they were written off to deficit rather than to income because they were not initially an income type of transaction.

6. SHARE CAPITAL

The authorized capital is an unlimited number of common shares.

The following share transactions have occurred in the past three fiscal years.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

	<u>Shares</u>	<u>\$</u>
Balance November 30, 2006	18,486,891	5,542,554
2007		
Issued for cash on the exercise of options	100,000	60,000
Issue of units pursuant to a private placement (see (i) below)	4,380,667	1,314,200
Balance November 30, 2007	<u>22,967,558</u>	<u>6,916,754</u>
2008		
Issue of shares for the acquisition of the Randsburg interest in the Elephant project and all other outstanding matters	2,000,000	500,000
Issue of units pursuant to a private placement (see (ii) below)	6,666,666	200,000
Balance November 30, 2008	<u>31,634,224</u>	<u>7,616,754</u>
2009		
Issue of shares pursuant to a private placement (see (iii) below)	<u>30,000,000</u>	<u>300,000</u>
Balance November 30, 2009	<u>61,634,224</u>	<u>7,916,754</u>

(i) In the third quarter of 2007, the Corporation completed a non-brokered private placement and 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 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

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

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.

(ii) 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 to November 19, 2009, and thereafter at a price of \$0.10 per share during the second twelve months of its term to on November 19, 2010. The securities issued and issuable pursuant to the private placement were subject to a four-month hold period which expired March 20, 2009.

(iii) In the fourth quarter of 2009, the Corporation completed a non-brokered private placement of 30,000,000 common shares at a price of \$0.01 per share for aggregate gross proceeds of up to \$300,000. The pricing of the private placement was consistent with the temporary pricing measures implemented by the TSX Venture Exchange. Insiders of the Company purchased 25% of the private placement.

Proceeds from the private placement will be used for general working capital purposes and to enable the acquisition of new exploration projects. The Corporation intends to continue to seek new opportunities aimed at creating new shareholder value for Duncan Park shareholders. At the present time, it is not possible to predict the timing of this process and there is no certainty that the process will be successful.

7. 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

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

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.

8. WARRANTS / OPTIONS

The following table sets out the stock option activity for the latest three fiscal years.

	2009		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	(150,000)	\$0.70	(567,174)	-	(420,470)	\$0.64
Forfeited	-	-	(100,000)	-	(25,000)	\$0.80
At end of period	1,300,000	\$0.39	1,450,000	\$0.42	1,217,174	\$0.62

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

At November 30, 2009, the following warrants / options were outstanding:

Holder	On # Of Shares	Exercise Price	Expiry Date
Warrants			
Various	<u>6,666,666</u>	\$0.10	November 20, 2010
Options			
Eric Salsberg	100,000	\$0.60	June 2, 2010
Eric Salsberg	100,000	\$0.30	January 2, 2013
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	<u>150,000</u>	\$0.60	June 2, 2010
	1,300,000		

9. INCOME TAXES

For Canadian income tax purposes the Corporation is reporting a year to date operating loss of approximately \$125,400. and a capital loss arising from the write off of the advances to the subsidiary company of \$5,412,100, one half of which is deductible for income tax purposes. As of November 30, 2009 the Corporation had cumulative losses for income tax purposes of approximately \$1,650,500, expiring at various times up to 2020, which it has no current prospect of utilizing.

These losses available for carry-forward give rise to a latent tax asset in the amount of approximately \$1,480,000. However, as the prospect of utilizing these losses is not "more likely than not" the Corporation has not reflected the potential asset in these financial statements.

10. FINANCIAL INSTRUMENTS

The Corporation's financial instruments include from time to time cash, Government of Canada treasury bills, miscellaneous receivables and deposits and trade accounts payable and accrued liabilities.

i) Classification

The Corporation designated its cash and Government of Canada treasury bills as held for trading which are measured at fair value. Transaction costs are expensed as incurred for financial instruments classified as held for trading. Miscellaneous receivables and deposits are classified

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

ii) Foreign-exchange risk management -

The Corporation's exposure to foreign exchange fluctuations is limited to its U.S. cash which at November 30, 2009 amounted to US\$18,200 and US accounts payable of which there was none at November 30, 2009. All such assets and liabilities are recorded on the balance sheet at current exchange rates.

iii) Interest-rate risk management -

The Corporation currently has no interest bearing debt outstanding.

11. CHANGE IN LISTING STATUS

On August 19, 2009 the TSX Venture exchange transferred the Corporation's stock exchange listing from the TSXV to the NEX board of the TSXV. The Corporation's common shares now trade under the symbol "DPH.H". The transfer to NEX is a result of Duncan Park's current inability to meet the TSXV's Tier 2 Tier Maintenance Requirements following the previously announced termination of the leases on its US subsidiary's two former properties in northern Nevada known as the "Elephant Project" and the "Rock Creek/South Silver Cloud" project.

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.

The Company's Board of Directors intends to continue to explore possible opportunities aimed at creating new shareholder value for Duncan Park shareholders. The Corporation had been close to finalizing Letters of Intent for two such possible, but both failed to come to fruition as their deadlines approached. At the present time, it is not possible to predict the timing of this process and there is no certainty that the process will be successful.

12. EXPLORATION OPTION AGREEMENT

On November 28, 2009 the Corporation entered into a letter of intent pursuant to which it might enter into an option and joint venture arrangement with Sphere Resources Inc. ("Sphere") with respect to 13 unpatented mining claims covering 34 units in the Dome, Byshe and Hyeson Townships in Ontario's Red Lake Gold District, generally referred to as the Dome property. Subsequent to the year end the letter of intent was superseded by a formal option agreement. Under the terms of the option agreement, the Corporation would join Sphere in exploring the Dome property, which has been optioned by Sphere from Global Minerals Limited ("Global"). Sphere has granted Duncan Park the option to acquire its option to acquire a 75% interest in the Dome property, subject to the following:

1. A 2% net smelter royalty ("NSR") held by the original property owners, one percent of which may be acquired for \$1,750,000 and one percent of which is subject to a right of first refusal in favour of Sphere and Duncan Park;

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

2. Satisfaction of the terms of the Global/Sphere agreement, which are essentially the making of the payments and incurring the exploration expenses set out below and the issue to Global by Sphere of 500,000 shares of Sphere each year for three years; and
3. Sphere's right to claw back from Duncan Park a 51% undivided interest in the Property by paying Duncan Park an amount equal to four times Duncan Park's expenditures on the Property, which right may be exercised by Sphere within 30 days following the earn-in date.

In addition, if Sphere, or failing it, Duncan Park, activates its option, Global has the right to require Sphere or Duncan Park, as the case may be, to acquire its remaining 25% undivided interest in the Property in exchange for a 3% NSR, which NSR may be acquired by Sphere or Duncan Park by the issue of 3,000,000 Sphere shares or 1,500,000 Duncan Park shares.

For Duncan Park to acquire Sphere's option to acquire a 75% interest in the Dome property, Duncan Park must make cash payments of \$25,000 per year to Global, issue to Sphere two million Duncan Park shares per year for three years, and make staged exploration expenditures of \$75,000 in year one, \$350,000 in year two and \$500,000 in year three. Duncan Park retains the right to accelerate the cash payments and share issuances and Duncan Park may abandon the project after year two with no residual interest, further spending requirements or obligation to issue Sphere the third installment of Duncan Park shares.

The Option Agreement contemplates that Sphere will act as operator of the Property during the option period with Duncan Park having the right to approve all work plans and budgets. It also contemplates that shortly after the earn-in date the continuing parties will enter into a joint venture agreement to carry on the exploration.

The agreement is subject to regulatory approval and the fulfillment of other conditions to the benefit of the Corporation.

13. 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

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, 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 the first quarter financial statements, it wrote off the related costs in those 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 could be carried forward to fulfil commitments for subsequent years. Failure to complete the required drilling in any year did not constitute a default under the agreement but the

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

Corporation was required to 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 had 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 had 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 constituted 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 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.

In April 2009 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 the 2009 second quarter 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 the 2009 second quarter financial statements. Further, the Corporation did not file the annual "Notice of Intent to Hold" the properties and pay the related US\$ 45,640 fee due on August 31, 2009, required to maintain their status which resulted in the loss of the properties.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

Elephant Property

The Elephant project was located in the heart of the Battle Mountain mining district in Nevada. It abutted 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 were 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 were 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 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

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.

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 2008 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 at that time consisted only of the Allied leased property.

The Corporation had 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

November 30, 2009

In 2006 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, 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.