

Duncan Park Holdings Corporation

Consolidated Financial Statements

For the Years Ended November 30, 2005 and 2004

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

AUDITOR'S REPORT

To the Shareholders of
Duncan Park Holdings Corporation

I have audited the consolidated balance sheets of Duncan Park Holdings Corporation as at November 30th 2004 and 2005 and the consolidated statements of deficit, income and expenses, 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, 2005 and 2004 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.

“Signed”

Toronto, Ontario
March 27, 2005

T. Robert Hambley
Chartered Accountant

Duncan Park Holdings Corporation

Consolidated Balance Sheets

As At November 30, 2005 and 2004

	2005	2004
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 103,743	\$ 26,949
Due from brokers	100,513	14,201
Temporary investments		
Randsburg International Gold Corp.		
300,000 shares	531,000	-
100,000 warrants @ \$1.85	-	-
Other marketable securities	343,468	240,641
Advance payments on drilling contracts	89,265	-
	1,167,989	281,791
INVESTMENT IN MINING PROPERTIES		
Mining claims staked - at nominal value	1	1
Deferred expenditures on leased properties		
Elephant	2,043,638	1,236,953
Rock Creek	242,181	161,770
Santa Renia	182,056	141,896
	2,467,876	1,540,620
	\$ 3,635,865	\$ 1,822,411
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	\$ 347,780	\$ 242,646
Unclaimed dividends	6,957	6,957
	354,737	249,603
NON-CONTROLLING INTEREST		
50% Of Elephant Joint Venture	1,066,009	-
TOTAL LIABILITIES	1,420,746	249,603
SHAREHOLDER'S EQUITY		
Share capital (Note 5)	4,344,934	3,270,666
Warrants (Note7)	-	-
Options (Note 7)	-	-
Proceeds from exercise of warrants	30,000	-
Contributed surplus	33,972	33,972
	4,408,906	3,304,638
Deficit	(2,193,787)	(1,731,830)
	2,215,119	1,572,808
	\$ 3,635,865	\$ 1,822,411

Approved by the board

Leonard J. Taylor, Director

Ian McAvity, Director

Duncan Park Holdings Corporation
Consolidated Statements of Deficit
For The Years Ended November 30, 2005 and 2004

	2005	2004
DEFICIT - BEGINNING OF PERIOD	\$ (1,731,830)	\$ (1,233,981)
INCOME (LOSS) FOR THE PERIOD	(461,957)	(497,849)
DEFICIT - END OF PERIOD	\$ (2,193,787)	\$ (1,731,830)

Duncan Park Holdings Corporation
Consolidated Statements of Income and Expenses
For The Years Ended November 30, 2005 and 2004

	2005	2004
INCOME		
Interest and dividends	\$ 2,351	\$ 906
Trading gains (losses) on temporary investments	(67,806)	(106,733)
Foreign exchange gain (loss)	1,832	(7,537)
	<u>(63,623)</u>	<u>(113,364)</u>
EXPENSES		
Interest and bank charges	14,117	5,211
Management fees	60,000	34,000
Office and general	45,102	31,464
Professional fees		
Legal	125,214	52,862
Audit	15,500	14,052
Finance and accounting	30,526	17,679
Regulatory compliance	39,671	33,200
Share issue expense	61,800	42,000
Travel and meals	6,404	12,996
Mining claims abandoned	-	141,021
	<u>398,334</u>	<u>384,485</u>
NET LOSS FOR THE PERIOD	\$ (461,957)	\$ (497,849)
LOSS PER SHARE	\$0.030	\$0.040
Weighted Average Number of shares outstanding	15,035,576	12,324,988

Duncan Park Holdings Corporation
Consolidated Statements of Changes in Cash Position
For The Years Ended November 30, 2005 and 2004

	2005	2004
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Income (loss) for the period	\$ (461,957)	\$ (497,849)
Increase in net current liabilities	105,134	189,993
Advance to exploration contractors	(89,265)	-
Investment in Randsburg International Gold Corp.	(531,000)	-
Increase in temporary investments	(102,827)	(18,691)
Increase in cash in brokerage accounts	(86,312)	(14,201)
	<u>(1,166,227)</u>	<u>(340,748)</u>
FINANCING		
Issue of common shares	1,074,268	1,319,900
Proceeds from exercise of warrants	30,000	-
Randsburg funding of the Elephant joint venture	1,066,009	-
Conversion of debentures	-	(25,000)
	<u>2,170,277</u>	<u>1,294,900</u>
INVESTING		
Investment in mining properties	(1,458,256)	(988,710)
Less: recovery of prior exploration costs by entry into a joint venture agreement with Randsburg International Gold Corp.	531,000	-
	<u>(927,256)</u>	<u>(988,710)</u>
INCREASE (DECREASE) IN CASH	76,794	(34,558)
CASH AND EQUIVALENTS		
AT BEGINNING OF PERIOD	26,949	61,507
AT END OF PERIOD	<u>\$ 103,743</u>	<u>\$ 26,949</u>

Duncan Park Holdings Corporation

Notes to Consolidated Financial Statements

November 30, 2005

1. NATURE OF OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES:

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

a) Consolidation

The investments in the wholly owned subsidiary, Duncan Park Holdings Nevada Ltd., and in the project commonly referred to as the Elephant Joint Venture are consolidated.

b) Temporary Investments

Shares in common stocks, share purchase warrants and commodity contracts are carried at estimated market value.

c) Mining Properties

Investments in mining properties are recorded at cost and are not written down except to the extent that it is determined that their value is less than cost, or the project is abandoned.

3. EXPLORATION ACTIVITIES

In February, 2003 the Company entered into leases on four mineral exploration properties in the Carlin Trend and the Battle Mountain-Eureka Trend in northern Nevada: the Rock Creek-South Silver Cloud Gold-Silver property, the Santa Renia Gold-Silver property, the Woodruff/Tonka Gold-Silver property and the Elephant Gold-Silver property.

The terms of the arms-length leases with Carl A. and Janet L. Pescio (the Pescio leases) 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 Company. In addition, the Company was responsible for an aggregate of US\$132,978 of initial staking costs and holding and filing fees.

In the event the Company were to proceed with exploration on a property after the first year, the terms of the lease 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 and US\$150,000 on the sixth and subsequent anniversaries. The Company may terminate the lease on a property on 30 days notice, subject to certain conditions.

Duncan Park Holdings Corporation

Notes to Consolidated Financial Statements

November 30, 2005

The AMR payments are to be deducted from a 3% net smelter royalty (NSR) retained by the vendors on each of the properties. The Company may purchase one or more of the percentage points on the NSR up to the time of commencement of production on a property for US\$1,000,000 per percentage point.

The Company paid the additional AMR's on all of the properties on the first anniversary in 2004 and on three of the four on the second anniversary in 2005. The Company decided not to proceed with exploration on the Woodruff/Tonka property in 2005. In knowledge of this decision when the 2004 annual financial statements were issued, the Company wrote off the related costs in the fourth quarter of that year. Subsequent to the year-end, the Company and its joint venture partner paid the 2006 AMR's and issued the required shares.

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

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

The Nevada Land arrangement is subject annual rental payments ranging from US\$5.00 per acre in the first year to US\$20.00 per acre in the fifteenth and subsequent years, and to royalty percentage payments of 3.25% on precious metals and 1.0% on base metals.

The Company has an option to purchase this property for cash.

4 JOINT VENTURE

On February 15, 2005 the Company signed an agreement with Randsburg International Gold Corporation 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, Randsburg had advanced US\$245,000. On July 7, the Company advanced Cdn\$200,000 to the project on behalf of Randsburg to meet ongoing exploration expenditures. Randsburg was given until September 30, 2005 to meet its commitment without facing the adverse dilution provisions of the agreement. This it has done, and the loan to the Company was repaid.

The Company is the operator of the project.

Duncan Park Holdings Corporation
Notes to Consolidated Financial Statements
November 30, 2005

5. SHARE CAPITAL

The authorized capital is an unlimited number of common shares.

The following share transactions have occurred:

	Shares	\$
Balance November 30, 2002	7,926,835	1,168,700
2003		
Issued with respect to interest on debentures	111,980	47,828
Issued on conversion of debentures	2,375,000	475,000
Issued on exercise of warrants	517,000	155,100
Issued in partial consideration of Nevada leases	<u>297,536</u>	<u>104,138</u>
Balance November 30, 2003	11,228,351	1,950,766
2004		
Issued on conversion of debentures	125,000	25,000
Issues on exercise of warrants	1,983,000	594,900
Issued for cash	<u>1,000,000</u>	<u>700,000</u>
Balance November 30, 2004	14,336,351	3,270,666
2005		
Issued for cash in connection with the Elephant joint venture	200,000	100,000
Issued for cash on exercise of options	446,340	89,268
Issued for cash	<u>1,770,000</u>	<u>885,000</u>
Balance November 30, 2005	<u>16,752,691</u>	<u>4,344,934</u>

6. STOCK OPTION PLAN

The Company has in place an incentive Share Option Plan for directors, officers, employees and consultants of the Company to provide a meaningful incentive to persons to join and remain with the Company and to remain committed to its growth. Pursuant to this plan options on up to 1,591,026 shares (approximately 20% of the issued and outstanding common shares at the time the plan was adopted) may be issued. On June 2, 2005 the board of directors of the Company approved certain amendments to the plan increasing the maximum number of common shares which may be issued by 1,240,488 to 3,350,538 which is equal to 20% of the presently issued and outstanding common shares. The amendments to the plan were subject to regulatory and shareholder approval. Shareholder approval has been obtained; regulatory approval is still pending.

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 shareholder approval which has since been obtained. However, the options cannot be issued until the amendments to the plan receive regulatory approval.

Duncan Park Holdings Corporation
Notes to Consolidated Financial Statements
November 30, 2005

At November 30, 2003 two directors had been granted stock options on a total of 446,340 shares at \$0.20 per share to March 11, 2005, which were exercised in the second quarter, and two other directors had been granted stock options on a total of 230,000 shares at \$0.30 per share to January 3, 2006.

7. WARRANTS / OPTIONS OUTSTANDING

At November 30, 2005 the following warrants / options were outstanding:

Holder	On # Of Shares	Exercise Price	Expiry Date
Warrants			
Top-Gold AG	1,000,000	First year - \$1.25	June 4, 2006
Randsburg	200,000	First year - \$0.65 Second year - \$0.75	February 15, 2006 February 15, 2007
Private placement	1,770,000	\$0.75 \$1.00	April 4, 2006 April 4, 2007
Brokers	<u>129,000</u>	\$0.65	April 4, 2006
Total	<u>3,099,000</u>		
Options			
Leonard Taylor	270,470 567,174*	\$0.60 \$0.60	January 9, 2007 June 2, 2010
Eric Salsberg	100,000 100,000*	\$0.60 \$0.60	January 9, 2007 June 2, 2010
Ronald Arnold	80,000 70,000	\$0.30 \$0.60	January 3, 2006 January 9, 2007
Larry Kornze	150,000 30,000	\$0.30 \$0.60	January 3, 2006 January 9, 2007
Ian McAvity	150,000	\$0.70	July 22, 2007
Michael Opara	150,000*	\$0.60	June 2, 2010
Harold Doran	150,000*	\$0.60	June 2, 2010
Gregory L. Griffin	100,000*	\$0.80	September 16, 2010
Alexander Po	150,000*	\$0.60	June 2, 2010
Sherry Thompson	<u>25,000*</u>	\$0.80	September 16, 2010
	<u>2,092,644</u>		

* Subject to regulatory approval

- Options on 75,000 shares expired during the year.
- Proceeds of \$30,000 were received with respect to the exercise of warrants outstanding at \$0.75.

Duncan Park Holdings Corporation
Notes to Consolidated Financial Statements
November 30, 2005

8. RELATED PARTY TRANSACTION

Leonard J. Taylor, president and a director, earned consulting fees during the year of \$60,000.

9. FINANCIAL INSTRUMENTS

- i) Foreign-exchange risk management -
The company's exposure to foreign exchange fluctuations is limited to its U.S. cash, U.S. investments and certain accounts payable. All such assets and liabilities are recorded on the balance sheet at current exchange rates.
- ii) Interest-rate management -
The company currently has no exposure to interest bearing debt.
- iii) Fair value of financial instruments -
Financial instruments include cash, investments and in the prior year debentures, all of which are carried at estimated fair market value.

10. SUBSEQUENT EVENTS

On January 6, 2006, two directors exercised their options to purchase a total of 230,000 shares at \$0.30, for which the Company received \$69,000.

11. CONTINGENT LIABILITY

The Company 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\$100,000 at November 30, 2005. The Company has responded. Subsequent to the year end, depositions of the witnesses for both sides were taken. The matter has been referred for arbitration. The Company has provided in these accounts for the estimated amount of a likely settlement.