

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

Unaudited Financial Statements

As At and For the Three and Six Months Ended

May 31, 2010 and 2009

TABLE OF CONTENTS

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

Duncan Park Holdings Corporation

Unaudited Balance Sheets

As At May 31, 2010 and November 30, 2009

	31-May 2010	November 30 2009
ASSETS		
CURRENT		
Cash	\$301,699	\$264,216
Deposits on contracts	39,000	-
Federal sales tax recoverable (Note 5)	6,393	50,886
	<u>347,092</u>	<u>315,102</u>
INVESTMENT IN MINING PROPERTIES (Note 2)		
Option on mining claims		
Property payments	25,000	-
Exploration expenses	7,141	-
	<u>32,141</u>	<u>-</u>
TOTAL ASSETS	\$379,233	\$315,102
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	56,622	27,569
TOTAL LIABILITIES	56,622	27,569
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	8,116,754	7,916,754
Deficit	(7,794,143)	(7,629,221)
Accumulated comprehensive income	-	-
	<u>322,611</u>	<u>287,533</u>
	<u>\$379,233</u>	<u>\$315,102</u>

Duncan Park Holdings Corporation

Consolidated Statements of Deficit

For the Three and Six Month Periods Ended May 31, 2010 and 2009

Unaudited)

	Three Months		Six Months	
	2010	2009	2010	2009
DEFICIT - BEGINNING OF PERIOD	(\$7,707,282)	(\$7,854,308)	(\$7,629,221)	(\$4,246,504)
INCOME (LOSS) FOR THE PERIOD	(86,861)	23,094	(164,922)	(3,584,710)
STOCK-BASED COMPENSATION	-	-	-	-
DEFICIT - END OF PERIOD	(\$7,794,143)	(\$7,831,214)	(\$7,794,143)	(\$7,831,214)

Consolidated Statements of Accumulated Comprehensive Income

For the Three and Six Month Periods Ended May 31, 2010 and 2009

Unaudited)

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

Duncan Park Holdings Corporation
Consolidated Statements of Operations
And Comprehensive Income

For the Three and Six Month Periods Ended May 31, 2010 and 2009
(Unaudited)

	Three Months		Six Months	
	2010	2009	2010	2009
INCOME				
Interest	-	-	-	-
Foreign exchange gain (loss)	(488)	33,324	(424)	26,491
	(488)	33,324	(424)	26,491
EXPENSES				
Executive compensation	18,638	24,263	43,288	38,504
Professional fees				
Geologist	7,715	16,704	7,715	16,704
Legal	39,185	18,934	84,295	20,331
Audit	2,100	2,100	4,200	4,200
Regulatory compliance	12,265	9,763	13,784	15,989
Investor communications	1,626	2,150	1,626	2,150
Interest and bank charges	145	422	422	904
Office and general	4,699	4,731	9,168	9,417
	86,373	79,067	164,498	108,199
Mining claims and exploration costs written off	-	(21,299)	-	3,550,540
Federal sales tax recoverable	-	(47,538)	-	(47,538)
NET EXPENSES	86,373	10,230	164,498	3,611,201
INCOME (LOSS) BEFORE INCOME TAXES	(86,861)	23,094	(164,922)	(3,584,710)
PROVISION FOR INCOME TAXES (NOTE 9)	-	-	-	-
NET INCOME (LOSS) FOR THE PERIOD	(86,861)	23,094	(164,922)	(3,584,710)
OTHER COMPREHENSIVE INCOME	-	-	-	-
NET INCOME AND COMPREHENSIVE INCOME				
(LOSS FOR THE PERIOD)	(\$86,861)	\$23,094	(\$164,922)	(\$3,584,710)
INCOME (LOSS) PER SHARE				
Basic	(\$0.001)	\$0.001	(\$0.003)	(\$0.113)
Fully diluted	(\$0.001)	\$0.001	(\$0.003)	(\$0.113)
Weighted Average Number of Shares Outstanding	62,677,702	31,634,224	62,100,243	31,634,224

Duncan Park Holdings Corporation
Consolidated Statements of Changes in Cash Position
For the Three and Six Month Periods Ended May 31, 2010 and 2009

	Three Months		Six Months	
	2010	2009	2010	2009
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Income (loss) for the period	(\$86,861)	\$23,094	(\$164,922)	(\$3,584,710)
Unrealized foreign exchange gain	-	(31,950)	-	(\$30,164)
Insurance premium refund	-	(3,250)	-	(\$3,250)
Recovery of federal sales tax	3,641	(47,538)	44,493	(47,538)
Write off of mining properties and exploration costs	-	(21,299)	-	3,550,540
Increase (decrease) in current liabilities	27,848	15,309	29,053	(118,552)
	(55,372)	(65,634)	(91,376)	(233,674)
FINANCING				
Issue of "flow through" shares for cash	200,000	-	200,000	-
INVESTING				
Investment in mining properties	(7,141)	(21,299)	(32,141)	(15,090)
Advances on contracts	(39,000)	-	(39,000)	-
	(46,141)	(21,299)	(71,141)	(15,090)
INCREASE (DECREASE) IN CASH	98,487	(86,933)	37,483	(248,764)
CASH AND EQUIVALENTS				
AT BEGINNING OF PERIOD	203,212	93,528	264,216	255,359
AT END OF PERIOD	\$301,699	\$6,595	\$301,699	\$6,595

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

1. NATURE OF OPERATIONS

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

2. EXPLORATION OPTION AGREEMENT

On March 7, 2010, following upon a letter of intent dated November 28, 2009, the Corporation entered into an option and joint venture arrangement (the "Option Agreement") 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 (the "Property").

Under the terms of the Option Agreement, the Corporation would join Sphere in exploring the 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 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;
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 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

3. PREVIOUS OPERATIONS

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, 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. It then also abandoned the lease of neighbouring property and subsequently abandoned mining claims it owned in the area. In 2010 the Nevada subsidiary company was wound up.

4. 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 3 above, the Corporation had no ongoing beneficial interest in that company. The subsidiary company had 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 3 above. The Corporation did not guarantee those obligations

The deconsolidation of the subsidiary as of the 2009 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 one 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 that particular write off did not appear in the 2009 financial statements because the advances had already been reflected in the consolidated financial statements initially as deferred exploration costs, and subsequently as write offs in the income statement as the impairment of the exploration assets became evident.

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

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.

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

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

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 potential issuances of shares under options and warrants would be anti-dilutive, and, accordingly, reported basic and diluted 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

Foreign Currency Translation

In prior years 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.

5. FEDERAL SALES TAX REFUND

During 2009 the Corporation filed GST returns for the years 2005 to 2008 inclusive claiming a refund of \$43,606. The returns were assessed as filed and the refund was received. In 2010 the Corporation filed a GST return for 2009 claiming a refund of \$7,852 which was received in March. The Corporation continues to file quarterly GST/HST returns claiming back GST/HST paid as input tax credits.

6. 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.

	<u>Shares</u>	<u>\$</u>
Balance November 30, 2007	22,967,558	6,916,754
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 (i) below)	6,666,666	200,000
Balance November 30, 2008	31,634,224	7,616,754
2009		
Issue of shares pursuant to a private placement (see (ii) below)	30,000,000	300,000
Balance November 30, 2009	61,634,224	7,916,754
2010		
Issue of "flow through" shares pursuant to a private placement at \$0.05 per share for cash	4,000,000	200,000
Balance May 31, 2010	65,634,224	8,116,754

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

(i) 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.

(ii) 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 are being used for general working capital purposes and to enable the acquisition of new exploration projects. The Corporation continues to seek new opportunities aimed at creating new shareholder value for Duncan Park shareholders. Although, as described in note 2 above, one such project is underway, 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. 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.

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

8. WARRANTS / OPTIONS

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

	2010		2009		2008	
	Number	Average Price	Number	Average Price	Number	Average Price
At beginning of period	1,300,000	\$0.39	1,450,000	\$0.42	1,217,174	\$0.00
Granted	-	-	-	-	900,000	\$0.30
Exercised	-	-	-	-	-	-
Expired	-	-	(150,000)	\$0.70	(567,174)	-
Forfeited	(100,000)	-	-	-	(100,000)	-
At end of period	1,200,000	\$0.39	1,300,000	\$0.39	1,450,000	\$0.42

At May 31, 2010, 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			
Alexander Po	150,000	\$0.60	June 2, 2010
Eric Salsberg	100,000	\$0.60	June 2, 2010
Eric Salsberg	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
Ian McAvity	300,000	\$0.30	January 2, 2013
Larry Kornze	<u>250,000</u>	\$0.30	January 2, 2013
	1,200,000		

Subsequent to the quarter end, options on 400,000 shares expired without being exercised.

9. INCOME TAXES

For Canadian income tax purposes the Corporation is reporting a year to date operating loss of approximately \$157,000. As of November 30, 2009 the Corporation had cumulative losses for income tax purposes of approximately \$1,728,500, expiring at various times up to 2020, and a capital loss arising from the write off of the advances to the subsidiary company of \$5,412,100,

Duncan Park Holdings Corporation

Notes to Financial Statements

MAY 31, 2010

one half of which is deductible for income tax purposes and which may be carried forward indefinitely. The Corporation has no current prospect of utilizing these losses.

These losses available for carry-forward give rise to a latent tax asset in the amount of approximately \$1,500,000. 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 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 May 31, 2010 amounted to US\$1,175 and US accounts payable of which there were none. 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. 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.

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.

Duncan Park Holdings Corporation
Notes to Financial Statements
MAY 31, 2010

12. COMMITMENTS

Pursuant to the Option Agreement referred to in Note 2, the Corporation is committed to incur further exploration costs in the amount of approximately \$60,000 before November 18, 2010 (which it has done), pay \$25,000 to Global on that date, and to incur additional exploration costs in the amount of \$350,000 before November 18, 2011. It is also committed to issue 2,000,000 shares to Sphere and again in April 2011. If it elects to continue with the option agreement it must then pay Global \$25,000 on November 18, 2011, incur a further \$500,000 in exploration expenses in the ensuing year, and issue 2,000,000 shares to Sphere in April 2012.