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Duncan Park Holdings Corporation

Unaudited Consolidated Interim Financial Statements

As At and For the Three and Nine Month Periods Ended

August 31, 2008 and 2007

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Duncan Park Holdings Corporation
Unaudited Consolidated Balance Sheets
As At August 31, 2008 and November 30, 2007

ASSETS	August 31 2008	November 30 2007
CURRENT		
Cash and cash equivalents	\$44,022	\$79,104
Government of Canada Treasury Bills	127,793	697,505
Reclamation performance bond	13,389	-
	<u>185,204</u>	<u>776,609</u>
INVESTMENT IN MINING PROPERTIES		
Mining claims		
Elephant - at nominal value	1	1
Rock Creek - at staking cost	26,360	26,360
Deferred expenditures on leased properties		
Elephant	3,534,794	3,263,624
Less provision for decline in value	(1,909,793)	-
Rock Creek	1,776,204	1,523,138
	<u>3,427,566</u>	<u>4,813,123</u>
	<u>\$3,612,770</u>	<u>\$5,589,732</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	\$98,022	\$83,812
Accrued contractual obligations	210,000	-
Unclaimed dividends	6,957	6,957
	<u>314,979</u>	<u>90,769</u>
MINORITY INTEREST		
Randsburg interest in Elephant Joint Venture (Note 4)	-	1,234,915
TOTAL LIABILITIES	<u>314,979</u>	<u>1,325,684</u>
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	7,416,754	6,916,754
Contributed surplus	33,972	33,972
	<u>7,450,726</u>	<u>6,950,726</u>
Deficit	(4,152,935)	(2,686,678)
Accumulated comprehensive income	-	-
	<u>3,297,791</u>	<u>4,264,048</u>
	<u>\$3,612,770</u>	<u>\$5,589,732</u>

Duncan Park Holdings Corporation

Consolidated Statements of Deficit

For the Three and Nine Month Periods Ended August 31, 2008 and 2007

Unaudited)

	Three Months		Nine Months	
	2008	2007	2008	2007
DEFICIT - BEGINNING OF PERIOD	(\$2,863,230)	(\$2,125,085)	(\$2,686,678)	(\$1,960,959)
INCOME (LOSS) FOR THE PERIOD	(1,299,705)	(155,232)	(1,496,257)	(349,358)
STOCK-BASED COMPENSATION	10,000	12,000	30,000	42,000
DEFICIT - END OF PERIOD	(\$4,152,935)	(\$2,268,317)	(\$4,152,935)	(\$2,268,317)

Consolidated Statements of Accumulated Comprehensive Income

For the Three and Nine Month Periods Ended August 31, 2008 and 2007

Unaudited)

	Three Months		Nine Months	
	2008	2007	2008	2007
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 August 31, 2008 and 2007

(Unaudited)

	Three Months		Nine Months	
	2008	2007	2008	2007
INCOME				
Interest	\$1,685	\$2,376	\$10,205	\$13,432
Realized gains on marketable securities	-	-	-	49,415
Gain on Randsburg International Gold Corp.	-	-	-	29,725
Foreign exchange gain (loss)	(14,049)	(4,616)	(11,644)	(31,811)
	(12,364)	(2,240)	(1,439)	60,761
EXPENSES				
Executive compensation				
Chief executive officer	7,875	-	23,650	39,045
Chief financial officer	12,734	6,420	34,264	33,430
Stock-based compensation (Note 6)	10,000	-	30,000	30,000
Professional fees				
Legal	18,984	39,605	69,868	128,559
Audit	2,100	-	7,410	7,400
Regulatory compliance	5,082	11,441	16,931	28,200
Investor communications	210	159	497	(1,231)
Interest and bank charges	589	580	1,555	30,532
Office and general	4,888	6,233	14,719	24,365
Executive travel				1,265
Share issue expense				
Cash	-	76,554	-	76,554
Stock based compensation	-	12,000	-	12,000
Exploration costs			71,045	-
Provision for decline in value of Elephant project	1,224,879		1,224,879	-
	1,287,341	152,992	1,494,818	410,119
LOSS BEFORE INCOME TAXES	(1,299,705)	(155,232)	(1,496,257)	(349,358)
PROVISION FOR INCOME TAXES (NOTE 8)	-	-	-	-
NET LOSS FOR THE PERIOD	(1,299,705)	(155,232)	(1,496,257)	(349,358)
OTHER COMPREHENSIVE INCOME	-	-	-	-
NET INCOME AND COMPREHENSIVE INCOME				
(LOSS FOR THE PERIOD)	(\$1,299,705)	(\$155,232)	(\$1,496,257)	(\$349,358)
LOSS PER SHARE				
Basic	(\$0.057)	(\$0.008)	(\$0.065)	(\$0.019)
Fully diluted	(\$0.057)	(\$0.008)	(\$0.065)	(\$0.010)
Weighted Average Number of Shares Outstanding	22,962,568	20,104,250	22,962,568	18,525,718

Duncan Park Holdings Corporation
Consolidated Statements of Changes in Cash Position
For the Three and Six Month Periods Ended August 31, 2008 and 2007

	Three Months		Nine Months	
	2008	2007	2008	2007
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Income (loss) for the period	(\$1,299,705)	(\$155,232)	(\$1,496,257)	(\$349,358)
Stock-based compensation	10,000	12,000	30,000	42,000
Provision for decline in value of Elephant project	1,224,879	-	1,224,879	-
Gain on sale of investments	-	-	-	(77,843)
Increase in current liabilities	45,751	(260,650)	224,209	(439,910)
Decrease (Increase) in cash in brokerage accounts	-	1,411	-	58,923
	(19,075)	(402,471)	(17,169)	(766,188)
FINANCING				
Issue of units comprising common shares and warrants	-	1,314,200	-	1,314,200
Issue of common shares				
On acquisition of Randsburg interest in joint venture	500,000	-	500,000	-
On exercise of options	-	-	-	60,000
	500,000	1,314,200	500,000	1,374,200
INVESTING				
Investment in mining properties	(142,386)	(110,519)	(537,625)	(557,011)
Acquisition of Randsburg interest in joint venture	(550,000)		(550,000)	
Treasury management - Net sales of T-Bills	174,751	-	569,712	636,612
	(517,635)	(110,519)	(517,913)	79,601
INCREASE IN CASH	(36,710)	801,210	(35,082)	687,613
CASH				
AT BEGINNING OF PERIOD	80,732	33,206	79,104	146,803
AT END OF PERIOD	\$44,022	\$834,416	\$44,022	\$834,416

Duncan Park Holdings Corporation

Notes to Unaudited Consolidated Interim Financial Statements

August 31, 2008

1. NATURE OF OPERATIONS

The Corporation, 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) **Financial Instruments**
The Corporation is reporting its financial position and results of operations in accordance with the recommendations of the CICA Handbook section 3855 "Financial Instruments".
- c) **Exploration Properties**
Investments in exploration properties are recorded at cost and are not written down except to the extent that it is determined that their value is less than the recorded cost, or the project is abandoned.
- d) **Stock Based Compensation**
The Corporation follows the recommendations of the CICA Handbook Section 3870, "*Stock Based Compensation and Other Stock-Based Payments*". The section establishes standards for the recognition, measurement and disclosure of stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards made to employees and non-employees must be measured and recognized using a fair value based method.

Fair value is estimated using the Black-Scholes Option Pricing Model, discounted to allow for the relative illiquidity of the Corporation's shares. Option pricing models 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.

Duncan Park Holdings Corporation

Notes to Unaudited Consolidated Interim Financial Statements

August 31, 2008

3. EXPLORATION LEASES

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 (the Pescio leases) call 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 lease call 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 the previous quarter) and US\$150,000 on the sixth and subsequent anniversaries. The Corporation may terminate the lease on a property on 30 days notice, subject to certain conditions.

The AMR payments are 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 may purchase 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.

Each lease contains a work commitment pursuant to which the Corporation is 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 remaining 3,000 feet can be applied to any of the other properties. Excess drilling in any year may be carried forward to fulfil commitments for subsequent years. Failure to complete the required drilling in any year does not constitute a default under the agreement but the Corporation must pay a penalty in the amount of US\$10 per foot not drilled.

The Corporation had approvals that have lapsed from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill up to 50 drill holes on 23 sites on its Elephant property. It is in the process of having these reinstated.

Duncan Park Holdings Corporation

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In addition, the Corporation 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 Corporation's Elephant gold and silver mining project.

The Nevada Land arrangement is 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, and to royalty percentage payments of 3.25% on precious metals and 1.0% on base metals. The Corporation also has an option to purchase this property for cash of US\$500 per acre acquired. The agreement also contains a work commitment to spend annually US\$100,000 on the property. Failure to do so constitutes an event of default which gives Nevada Land and Resources Company, LLC an option to terminate the agreement. As a result of the recently 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, and none is likely to be conducted this year.

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

4 ELEPHANT PROPERTY

The Elephant project is located in the heart of the Battle Mountain mining district in Nevada. It abuts Newmont Mining Corporation's Phoenix project upon which Newmont has constructed an open pit mining complex. The Corporation began drilling on the Elephant property in 2004 and spent approximately \$900,000 on exploration. From February, 2005 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 has been spent in fiscal 2007 or in fiscal 2008 to date.

There are four main targets in the Elephant project.

1. Porphyry-related gold-copper-silver intrusive-hosted deposits
2. Scarn-related gold-silver-copper deposits similar to Newmont's nearby Fortitude mine
3. Replacement gold-silver (copper) bodies in Paleozoic lime rocks
4. Debris flow alluvial gold deposits

Detailed maps of the exploration project are available on the Corporation's Website at www.duncanpark.com.

Duncan Park Holdings Corporation

Notes to Unaudited Consolidated Interim Financial Statements

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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%. By June 30, 2005, Randsburg had advanced US\$245,000. On July 7 2005, the Corporation 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 was done, and the loan by the Corporation was repaid on September 29, 2005. Randsburg also paid the additional US\$55,000 required to earn its 50% interest.

The Randsburg money was used for exploration activities referred to as phase 2 of the Elephant project which commenced in February, 2005. On September 7, 2005, the joint venturers announced the encouraging results of the five cored holes drilled in phase 2 to that time. Details of those results can be found in the Corporation's press release of that date, which is available on the Corporation's website at www.duncanpark.com and on SEDAR at www.sedar.com.

Based upon the results referred to above, on September 26, 2005 the joint venturers announced phase 3 of the exploration program, a 5,000 ft. drilling program which was intended to increase and verify the strike width of the mineralized zone reported in the September 7, 2005 press release. That program was completed and reported in a press release of May 17, 2006, which is available on the Corporation's website at www.duncanpark.com and on SEDAR at www.sedar.com.

The Management Committee of the joint venture approved phase 4 of the exploration program which included up to three holes at a cost of up to US\$300,000. The drill targets were based upon the then recently completed Mise-a-la-Masse and Induced Polarization surveys done by Gradient Geophysics Ltd. The geophysical surveys indicated highly prospective anomalies within probable Paleozoic basement rock. The Paleozoic rock sequence is the known host for the nearby Phoenix Project operated by Newmont Mining Corporation. Additional details can be found in the Corporation's press release of June 14, 2006. The phase 4 drilling further delineated the length and width of the North-South trending horst block of mineralized Paleozoic basement rock. On October 31, 2006 the Corporation issued a press release on these results. Please refer to the Corporation's website at www.duncanpark.com to view the details contained in this release.

There was, however, a dispute concerning the extent to which Randsburg must contribute to the costs of that exploration. Randsburg refused to meet certain cash calls issued by the Corporation in its capacity as operator of the project relating to that phase by denying the validity of the cash calls. Randsburg demanded arbitration of this issue and other matters. During the quarter the Corporation acquired the Randsburg interest in the joint venture, and, as part of the acquisition

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August 31, 2008

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

In accordance with the Corporation's accounting policies

5 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 is less than ½ of the project area.

In a previous Management Discussion and Analysis, the Corporation reported that it had had preliminary discussions with a major mining Corporation concerning the possibility of a joint venture for the exploration of the Rock Creek property. The Corporation received the outline of a proposal, responded in very general terms, and met with representatives of that Corporation. No suitable proposal was forthcoming so the Corporation elected to conduct its own exploration of the property, retaining a 100% interest in it. The Corporation has approvals from the U.S. Bureau of Land Management in Battle Mountain, Nevada to drill up to 50 drill holes on 23 sites on its Rock Creek property. It is in the process of having these reinstated. On August 10, 2006, the Corporation announced the commencement of a four diamond bit core drill hole program in the initial phase of drilling, totaling a minimum of 8,000 feet of coring. The results of this program were reported in press releases on November 9, 2006, and April 2, 2007.

The Corporation also staked an additional 270 claims for greater than an additional seven square miles of exploration properties along the North-Northwest trending Rock Creek – South Silver Cloud claims group. The addition of these claims solidifies 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.

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6. SHARE CAPITAL

The authorized capital is an unlimited number of common shares.
The following share transactions have occurred:

	Shares	\$
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	16,752,691	4,344,934
2006		
First quarter		
Issued for cash on exercise of options	230,000	69,000
Issued in connection with the Elephant joint venture	125,000	125,000
Issues for cash on exercise of warrants	<u>200,000</u>	<u>150,000</u>
Balance February 28, 2006	<u>17,307,691</u>	<u>4,688,934</u>
Second quarter		
Issued for cash on exercise of warrants	<u>1,074,200</u>	<u>793,620</u>
Balance May 31, 2006	18,381,891	5,482,554
Third quarter		
Issued for cash on exercise of options	<u>100,000</u>	<u>60,000</u>
Balance August 31 and November 30, 2006	<u>18,481,891</u>	<u>5,542,554</u>
2007		
First quarter		
Issued for cash on exercise of options	<u>100,000</u>	<u>60,000</u>
Balance February 28 and May 31, 2007	18,581,891	5,602,554
Third quarter		
Issue of units pursuant to a private placement (see below)	<u>4,380,667</u>	<u>1,314,200</u>
Balance August 31, 2007 and May 31, 2008	<u>22,962,568</u>	<u>6,916,754</u>
2008		
Third quarter		
Issue of shares in for the acquisition of the Randsburg interest in the Elephant project and the settlement of all other outstanding matters	<u>2,000,000</u>	<u>500,000</u>
Balance August 31, 2008	<u>24,962,568</u>	<u>7,416,754</u>

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In the third quarter of 2007, the Corporation completed a non-brokered private placement and has issued 4,380,667 units (“Units”) at a price of \$0.30 per unit for aggregate gross proceeds of \$1,314,200.

Each unit is 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 will be exercisable for one Common Share at a price of \$0.45 per share expiring July 13, 2008, and each whole 12-Month Warrant will be exercisable for one Common Share at a price of \$0.60 per share expiring January 13, 2009. The Company can require 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”) is \$0.90 per share or above; and (ii) the 12-Month Warrants in event that the Weighted Average Price is \$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.

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 are exercisable for Common Shares at a price of \$0.30 per share for 18 months, expiring January 13, 2009.

Net proceeds from this placement will be 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.

During the quarter the July 2008 warrants expired without any having been exercised.

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 adopted) 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 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 has determined that the fair value of the options issued pursuant to the plan is \$60,000. The value was determined using the Black-Scholes option pricing model, assuming a risk free interest rate of 2.5% and a stock volatility averaged between 25% and 50%. The arithmetic result was discounted to one-third thereof to allow for the relative illiquidity of the Corporation’s shares. This discounted value of \$60,000 has been charged to expense in equal amounts over the final two quarters of fiscal 2006 and the first two quarters of fiscal 2007. Using

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a similar calculation the Corporation determined that the fair value of the 2008 options was \$40,000, which is being 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 two prior years and the current year to date.

	2008		2007		2006	
	Number	Average Price	Number	Average Price	Number	Average Price
At beginning of period	1,217,174	\$0.62	1,862,644	\$0.62	2,092,644	\$0.59
Granted	900,000	\$0.30	-	-	-	-
Exercised	-	-	(200,000)	\$0.60	(230,000)	\$0.30
Expired	-	-	(420,470)	\$0.64	-	-
Forfeited	-	-	(25,000)	\$0.80	-	-
At end of period	2,117,174	\$0.49	1,217,174	\$0.62	1,862,644	\$0.62

At August 31, 2008, the following warrants / options were outstanding:

Holder	On # Of Shares	Exercise Price	Expiry Date
Warrants			
Various	2,190,333	\$0.60	January 13, 2009
Various	250,180	\$0.30	January 13, 2009
	<u>2,440,513</u>		
Options			
Estate of Leonard J. Taylor	567,174	\$0.60	September 20, 2008
Eric Salsberg	100,000	\$0.60	June 2, 2010
Eric Salsberg	100,000	\$0.30	January 2, 2013
Ian McAvity	150,000	\$0.70	July 22, 2009
Ian McAvity	300,000	\$0.30	January 2, 2013
Larry Kornze	250,000	\$0.30	January 2, 2013
Ron Arnold	100,000	\$0.30	January 2, 2013
Harold Doran	150,000	\$0.60	June 2, 2010
Harold Doran	150,000	\$0.30	January 2, 2013
Gregory Griffin	100,000	\$0.80	September 16, 2010
Alexander Po	150,000	\$0.60	June 2, 2010
	<u>2,117,174</u>		

Subsequent to the quarter end Mr. Taylor's options on 567,174 shares expired.

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9. INCOME TAXES

For Canadian income tax purposes the Corporation is reporting a third quarter loss of approximately \$120,600. As of August 31, 2008 the Corporation had cumulative losses for income tax purposes of approximately \$1,800,000, expiring at various times up to 2018, which it has no current prospect of utilizing.

10. FINANCIAL INSTRUMENTS

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