# Management's Discussion And Analysis – Second Quarter 2005

## General

This management's discussion and analysis (MD&A) is provided and should be read in conjunction with the Company's interim consolidated financial statements and notes thereto for the second quarter of its 2005 fiscal year, which ended on May 31. Readers should refer to the annual audited consolidated financial statements of the Company and notes thereto for the year ended November 30, 2004, which have comparative figures for 2003. This MD&A also covers the subsequent period up to July 25, 2005, the date of preparation of this report.

This MD&A presents financial information by fiscal quarters. However, as the Company has no ongoing, repetitive economic activity, there is no reason to expect that any quarterly financial activity would bear any relationship to that of the same quarter of another year.

Readers are also encouraged to visit the Company's web site at www.duncanpark.com and to read the Company's public information filings at www.sedar.com.

## Overview Of Activities

Duncan Park Holdings Corporation is a Canadian venture company exploring for gold and other precious metals in Nevada, USA. The Company has no revenues. Cash inflows are provided by investors pursuant to private placement agreements. Cash outflows relate primarily to lease payments for property, exploration thereon, and to administrative costs.

### Exploration Activities

In the second quarter of fiscal 2005, and the subsequent period to date, the Company focused its exploration activities entirely on the Elephant project. Currently the Company is completing a drilling program on the property. The results, when combined with the assay data, will create the information needed to assist in determining the appropriate next steps. The results will be reported when available.

The following table sets out the exploration costs by quarter for the last two completed fiscal years, and the first half of the current fiscal year.

| | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| 2003 | | | | | |
| Elephant | | 62,993 | 69,399 | 27,807 | 160,199 |
| Rock Creek | | 54,135 | | | 54,135 |
| Santa Renia | | 54,135 | | | 54,135 |
| Woodruff/Tonka | | 54,135 | | | 54,135 |
| Total | | 225,398 | 69,399 | 27,807 | 322,604 |
| | | | | | |
| 2004 | | | | | |
| Elephant | 25,023 | 143,863 | 559,007 | 218,032 | 920,902 |
| Rock Creek | 41,749 | | 10,477 | 23,250 | 75,476 |
| Santa Renia | 41,749 | | 10,477 | | 52,226 |
| Woodruff/Tonka | 41,749 | | 10,477 | 2,500 | 54,726 |
| Total | 150,270 | 143,863 | 590,438 | 243,782 | 1,103,330 |
| | | | | | |
| 2005 | | | | | |
| Elephant | 226,842 | 540,337 | | | 767,179 |
| Rock Creek | 49,795 | 1,882 | | | 51,677 |
| Santa Renia | 37,346 | | | | 37,346 |
| Total | 313,983 | 542,219 | | | 856,202 |
| | | | | | |

These amounts reconcile to the financial statements as follows.

| | |
|---|---|
| Incurred prior to 2003 | $ 240,128 |
| Total above | 2,282,136 |
| Write off of Woodruff/Tonka | (141,021) |
| Recovered from Randsburg | (185,000) |
| Balance May 31, 2005 | $2,196,243 |

As more fully described in Note 3 to the interim consolidated financial statements. In February 2005 the Company entered into a joint venture agreement with Randsburg International Gold Corp. (Randsburg) for the continued exploration of the Elephant property. The Randsburg shares and money funding the project required to earn its first 25% interest has been provided and the drilling program is ongoing. On June 7, 2005, Randsburg informed the Company that it intends to increase its participation in the project to 50%. To earn this interest Randsburg must give the Company US$250,000 of its shares and provide US$500,000 in additional funding for the project.

Since May 31, 2005 the Company has advanced Cdn$200,000 to the project to fund ongoing expenses. The Company has granted Randsburg an extension in time to September 30 to meet its matching commitments before imposing the interest dilution provisions of the agreement.

Looking ahead with respect to the other two properties, due to its currently strong financial position, the Company is able to commence drilling operations on its wholly owned leased properties. Management intends to focus its next activities on its Rock Creek property. Surface work and geological interpretation thereof has been done. A tentative work program has been established with a budget of US$400,000. A drilling permit for up to 50 holes has been secured from the United States Bureau Of Land Management. The Company is proposing to drill an initial four core holes totaling 6,800 feet of drilling. Exploration is expected to commence in the current quarter.
There are no plans for the immediate exploration of the Santa Renia property.

**Financing Activities**

During the second quarter there were four major financing activities.

1. The joint venture agreement with Randsburg was completed and Randsburg provided 100,000 of its shares, as required.

2. Randsburg, as required by the joint venture agreement, purchased 200,000 shares of the Company from its treasury for $100,000.

3. Two directors of the Company exercised their options to purchase 446,340 shares of the Company for $89,268

4. The Company completed a private placement of 1,770,000 shares for $885,000.

The following summary table compares the financial position at May 31, 2005 to that at November 30, 2004, its previous year-end.

| Current assets | May 2005 | November 2004 | Change |
|---|---|---|---|
| Cash and equivalents | 393,878 | 41,150 | 352,728 |
| Investments | 724,540 | 240,641 | 483,899 |
| Prepaid expenses | 20,500 | - | 20,500 |
| Total | 1,138,918 | 281,791 | 857,127 |
| | | | |
| Current liabilities | | | |
| Accounts payable and accruals | 480,672 | 242,646 | 238,026 |
| Brokers | 18,254 | - | 18,254 |
| Unclaimed dividends | 6,957 | 6,957 | - |
| Total | 505,883 | 249,603 | 256,280 |
| | | | |
| Working capital | 633,035 | 32,188 | 600,847 |
| | | | |
| Investment in properties | 2,196,243 | 1,540,620 | 655,623 |
| Less minority interest | (379,750) | - | (379,750) |
| Net investment | 1,816,493 | 1,540,620 | 275,873 |
| | | | |
| Shareholders' equity | | | |
| Share capital | 4,344,934 | 3,270,666 | 1,074,268 |
| Contributed surplus | 33,972 | 33,972 | - |
| Deficit | (1,929,378) | (1,731,830) | (197,548) |
| Total | 2,449,528 | 1,572,808 | 876,720 |

- As expected, the four financing activities have had a significant favourable effect on the financial condition of the Company. Working capital is strong at $633,035 and shareholders' equity is up by $876,720. This increased liquidity and capital resource, combined with the Randsburg commitment, will enable the Company to continue the exploration of its Elephant and Rock Creek properties.

- The $483,899 increase in marketable securities is due mainly to purchases, although $18,308 is due to unrealized increases in market value.

- Marketable securities include the 100,000 shares of Randsburg received as part of the joint venture agreement. These were issued by Randsburg at $1.85 per share, and the Company used that value in its accounting for the transaction. Reported future gains/losses will be based upon this initial value. The Company treated the receipt of the shares as a partial recovery of exploration costs. No gain or loss on disposition of the 25% interest in the Elephant project was recorded. The Company will continue to carry the shares at this value until August 4, 2005, at which time they become free trading. From then on the Company will carry them at market value, as it does with its other marketable securities. Based upon their quoted market price, their value at May 31, was $100,000; At July 25,it was $240,000.

**Foreign Exchange Exposure**

The Company has foreign exchange exposure in that it raises Canadian dollars and pays its major expenses in US dollars. Also, some of its marketable securities are denominated in US dollars.

The Company attempts to manage inter-currency conversions at the most appropriate times.

**Administrative Activities**

The Company operates from a small office in downtown Toronto. Administrative expenses are minimized to the extent possible. The most significant costs in the second quarter were the legal and regulatory expenses related to the four financing activities listed above.

The following table sets out the administrative costs reported by quarter.

| Year | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| 2003 | 27,358 | 69,562 | 46,236 | 30,423 | 173,579 |
| 2004 | 28,456 | 38,022 | 56,461 | 78,025 | 200,964 |
| 2005 | 73,870 | 63,152 | | | 73,870 |