



**DUNCAN PARK**

[www.duncanpark.com](http://www.duncanpark.com)

# **Management's Discussion and Analysis**

**For the Three Months Ended**

**February 28, 2017**

*Dated April 27, 2017*

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## **Introduction**

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Duncan Park Holdings Corporation ("Duncan Park" or "the Corporation") as at and for the three months ended February 28, 2017. It is provided and should be read in conjunction with the Corporation's unaudited condensed interim financial statements and notes thereto for the same period which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Readers should also refer to the Corporation's annual audited financial statements and notes thereto for the year ended November 30, 2016, which have comparative figures for 2015. Readers are further encouraged to visit the Corporation's website at [www.duncanpark.com](http://www.duncanpark.com) and to view the public information filings at [www.sedar.com](http://www.sedar.com).

This MD&A also covers the subsequent period up to April 27, 2017, the date of the directors' approval of this report.

## **Value Creation Strategy**

Duncan Park seeks to enhance shareholder value through the successful exploration for gold and other precious metals in Canada and the United States of America, two of the most politically stable regions of the world.

Funds are typically raised by way of private placement of shares. For planned exploration in Canada the Corporation issues "flow-through" shares pursuant to which the available tax benefits for Canadian Exploration Expenses are transferred from the Corporation to the investor.

## **Current Situation**

### **Property**

The Corporation has acquired a 100% interest in two abutting properties in the Red Lake mining district of Ontario, Canada. The Dome property comprises 17 unpatented mining claims relating to 40 mining units and covering approximately 504 Hectares (1245 acres), and the McManus Claims which comprise 17 patented mining claims and 11 licenses of occupation covering approximately 324 hectares (801 acres), for a combined total of approximately 828 hectares (2046 acres). The Red Lake mining camp has been a major Canadian gold producing district since 1930, with cumulative production estimated to be in excess of 25 million ounces, with annual output by Goldcorp, the major producer, scheduled to increase for the next several years.

Initial exploration of the property was conducted primarily by the use of geophysical studies and analyses to identify targets which were further explored by diamond drilling on land based claims commencing in the summer of 2011 and on the lake based claims in the winter of 2012. The Corporation is encouraged by the results because it believes that

it has discovered a previously unidentified mineralized zone running parallel to the main trend defined by three historic Goldcorp mines, and approximately four kilometers south of it.

In addition to its mineral rights, since the earn-in agreement with Camp McMan Red Lake Gold Mines Ltd. included a provision that any unsold surface rights would be included in the earn-in, the Corporation also holds the surface rights to some property, including six vacant building lots in a subdivided real estate development on the east side of Red Lake, between the towns of Red Lake and Balmertown and two nearby lots totaling 37.4 hectares (93.5 acres). In the 2012 winter drilling program the Corporation used two of the building lots in the subdivision as bases for positioning drilling rigs, and may do so in the future. At the end of the first quarter of this year, management determined that, in spite of their possible usefulness for a drilling platform, it should attempt to sell some of the Company's surface rights to help provide liquidity to pay administrative costs and, accordingly, reclassified these properties as land held for resale in the statement of financial position. However, it has since been determined that the market for real estate in Red Lake is generally depressed and the Corporation has not been able to obtain a reasonable price for any lot, so the Corporation has taken the surface rights off the market and reclassified them as a long-term asset in the financial statements.

In November 2016, the Corporation took a write-down on its E&E properties and the recoverable amount was determined based on various market indicators including the then current share price. The recoverable amount was determined to be approximately \$2,200,000.

## **Financial**

Due to the state of the financial markets the Corporation was unable to raise funds for exploration in fiscal 2016 or in fiscal 2017 to date. In the first quarter of 2015 it raised \$55,000 by the issue of flow-through shares which was sufficient to complete the geophysical exploration and analysis referred to above. The Corporation has not been able to raise any money for exploration since that time and may or may not be able to raise the additional funds needed to follow up the geophysics with diamond drilling.

The Corporation has relied on loans from directors and shareholders to pay its administrative expenses for the past three years.

At February 28, 2017 the Corporation had a working capital deficiency of \$496,447(2016- working capital of \$165,619). The primary reason for the increase is the reclassification of the term loans payable of \$430,469, from long-term to current liabilities due to their becoming payable within one year, offset by the declassifying of land held for resale of \$175,000 from current assets. Further, the Corporation must raise the approximately \$14,000 per month needed for normal ongoing administrative expenses. The Corporation has embarked on a program to resolve the overall negative

situation, but there is no way of knowing whether it will be successful. For further analysis see “Working Capital” below.

## **Significant 2017 Events**

### **1. Payment of Advance Minimum Royalty**

In December, 2016, the Corporation paid the \$10,000 annual Advance Minimum Royalty due to Camp McMan Red Lake Mines Inc. with respect to the McManus patented claims.

### **2. Reclassification of Director and Shareholder Loans**

On December 16, 2016, the Corporation reclassified its long-term debt as a current liability because it was then due in less than one year.

### **3. Ongoing Expenses**

In the normal course of business, the Corporation has incurred administrative expenses but has had only minimal infusions of cash by way of loans.

## **Significant 2016 Events**

### **4. Term Loans**

On February 29, 2016 the Corporation entered into a \$35,000 term loan with Mr. Ian McAvity the then President and Chief Executive Officer. The loan bears interest at the rate of 5% per annum calculated annually, and is due and payable on or before December 15, 2017.

On May 31, 2016 the Corporation entered into a \$30,000 term loan with Mr. Eric Salsberg, the Chairman of the Board. The loan bears interest at the rate of 5% per annum calculated annually, and is due and payable on or before December 15, 2017.

On August 16, 2016 the Corporation entered into a US\$15,000 term loan with a shareholder. The loan bears interest at the rate of 5% per annum calculated annually, and is due and payable on or before December 15, 2017.

On November 29, 2016 the Corporation entered into a \$36,000 term loan with Mr. Eric Salsberg, the Chairman of the Board. The loan bears interest at the rate of 5% per annum calculated annually, and is due and payable on or before December 15, 2017.

### **5. Death of President and CEO**

On March 16, 2016, Mr. Ian McAvity, President and CEO of the Corporation, died suddenly of a heart attack.

## **6. Expiration of Options**

During the second quarter of 2016, all of the outstanding options expired unexercised.

## **General Matters**

### **Management's Responsibility for Financial Statements**

The information provided in this report and in the financial statements is the responsibility of management. In the preparation of this information estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes that such estimates have been based upon careful judgments and have been properly reflected in the accompanying financial statements.

### **Disclosure and Internal Controls**

Disclosure controls and procedures have been established to provide reasonable assurance that material information that is required to be disclosed by the Corporation is accumulated and communicated to the Corporation's management as appropriate to allow timely decisions regarding required disclosure.

Furthermore, internal controls over financial reporting have been established to ensure that the Corporation's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, readers must understand and accept that, due to the small size of the Corporation, the Corporation cannot institute many of the internal control procedures, such as the segregation of duties, available to larger organizations.

It is not expected that the disclosure controls and procedures will prevent or detect all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable assurance that the objectives of the control system are met.

## **Quarterly Numbers**

This MD&A presents financial information by fiscal quarters.

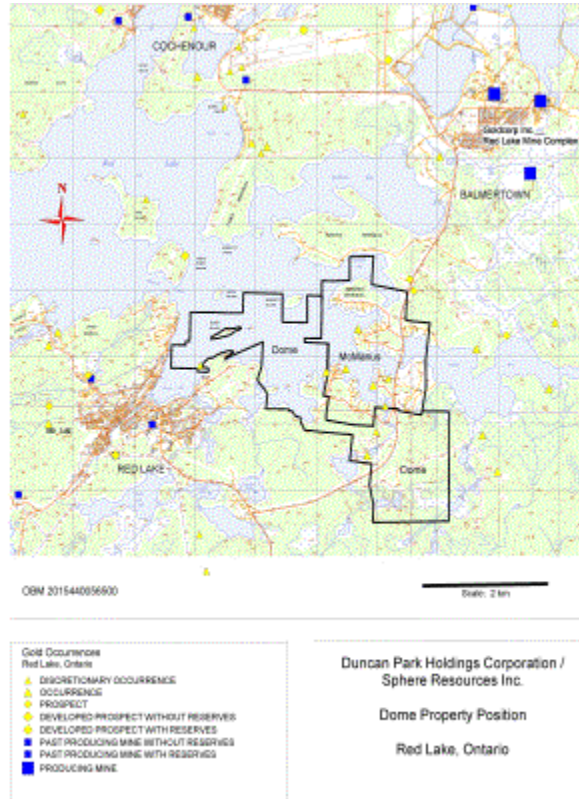
The quarterly loss from continuing operations and total loss for the prior year and the current year to date is as follows.

	2017		2016	
	Loss	Per Share	Loss	Per Share
Q1	46,545	\$0.000	30,107	\$0.000
Q2			44,904	\$0.000
Q3			41,530	\$0.000
Q4			528,045	\$0.005

## Red Lake Property

The Corporation has acquired a 100% interest in two separate but abutting properties in the Red Lake mining district of north-western Ontario, Canada, commonly referred to as the “Dome” Property and the “McManus” Claims. The map at right shows the location of the claims in relation to the municipality of Red Lake and the surrounding projects including known gold “showings”, and current and past producing mines.

The Duncan Park Dome/McManus project covers a large land holding in the heart of one of the world’s most productive gold districts. The land holding consists of 17 unpatented mining claims (504 hectares, subject to an underlying 2% NSR royalty), and 17 patented mining claims and 11 licenses of occupation (cumulatively 324 hectares, subject to a 3% underlying NSR royalty), for a total of 828 hectares.



The Red Lake Camp, as evidenced by widespread ore deposits and prospects, is host to a huge, district scale mineral system stretching at least from the Sherritt International deposit in the southwest to the Rubicon F2 Zone in the northeast and including the large Goldcorp mines a short distance from Duncan Park’s property. Given the proper structural setting, any place within this zone is highly prospective for the occurrence of high-grade gold deposits.

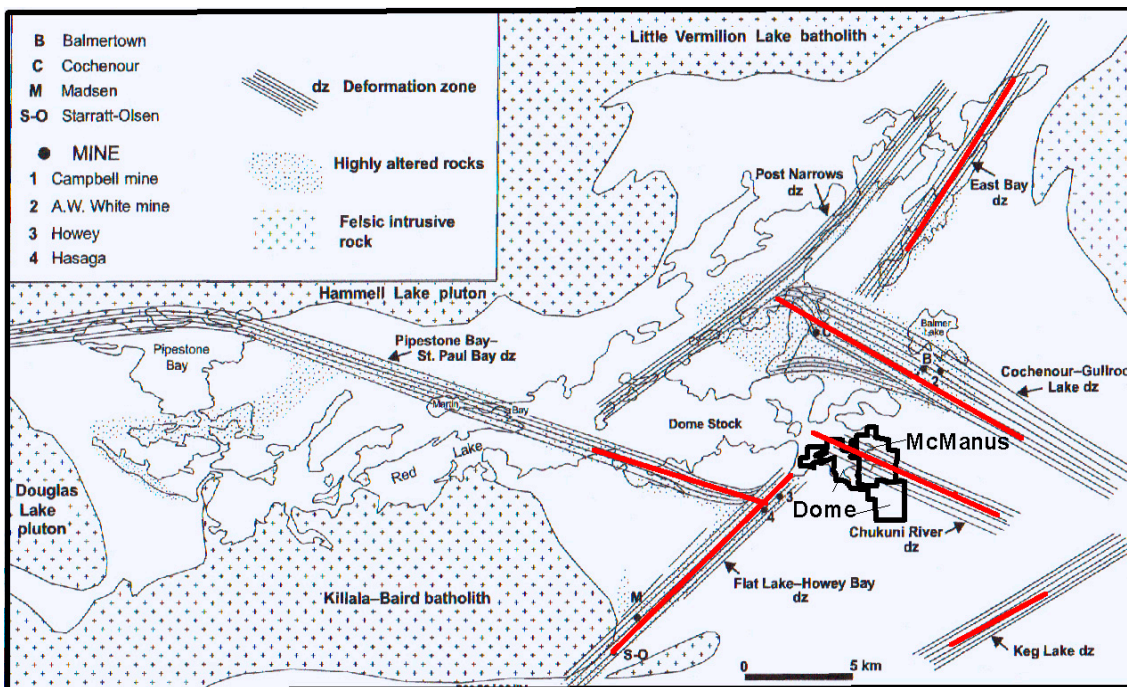
## Local Geology

The oldest assemblage of rocks in the Red Lake area is the Balmer assemblage (2860-2840 Ma), which is generally comprised of primarily massive tholeiitic basalts with minor felsic volcanoclastic rocks and metasedimentary rocks (Stott and Corfu, 1991). This assemblage is unconformably overlain by the younger Confederation assemblage (2742-2732 Ma), which generally is comprised of intermediate pyroclastics with minor rhyolitic flows and tuffs built on a sequence of mafic to intermediate pillowed flows

(Stott and Corfu, 1991). Outcrop exposure becomes diminished eastward as the blanket of glacial overburden increases and topography flattens; best exposures are found on lakeshores and riverbanks.

Although contiguous, the Dome property is divided between a northwestern, predominantly water based block of claims, and a southeastern, predominantly land based block of claims. The McManus property fills in and squares up the block to the north of the south-eastern and east of the north-western Dome claims.

The map below shows that the northwestern block of the Dome claims is at a projected intersection of the Flat Lake – Howey Bay deformation zone (now known as the Madsen Trend) and the Chukuni River deformation zone, and that both zones contain a fault, and that the McManus patents lie along the Chukuni River deformation zone.



Source: Geological Survey of Canada – Current Research 2000 C-18

## Exploration Program

The Dome/McManus project is an early stage project with significant geological, geophysical and geochemical work completed as well as 21 diamond drill holes totaling 7,016 meters drilled over two years of field work at a cost of \$2.7 million.

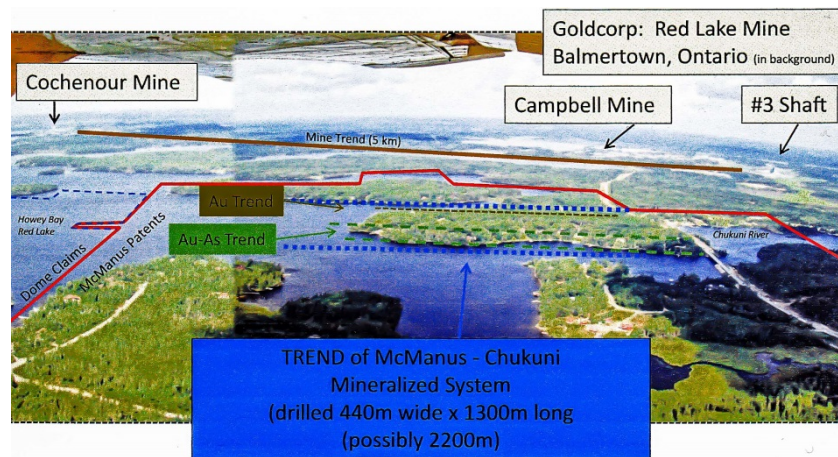
The Corporation determined that it was best to explore the property initially using shallow and intermediate depth Induced Polarization (“IP”) geophysical surveys, followed by diamond drilling of selected targets identified.

The first geophysical study was done on the south-eastern, land based claims of the Dome property, the only accessible property at the time, in the summer of 2010. After the addition of the adjacent McManus patents later in 2010, a comprehensive geophysical study of the combined properties was performed in the winter of 2011. These resulted in the identification of a number of promising targets.

In the summer/autumn of 2011, the Corporation conducted a diamond drilling program on the land based claims of the combined properties which produced encouraging results, particularly on the McManus patents. These were followed up in 2012 by a winter drilling program on the lake based claims which focused first on the Dome property at the projected intersection of two deformation zones, and then on an area of interest on the McManus patents. The results are even more encouraging.

On January 28, 2015 a five man crew from Abitibi Geophysics Inc. of Val-d'Or, Quebec commenced a fourteen line geophysical exploration of the western, lake based claims of the Dome property using that company's latest version of its IPower 3D technology. The field work was completed in early February, 2015. The report by Abitibi indicated that the more modern technology clarified an anomaly adjacent to a previous drill hole and identified a new one south-west of it.

The most important result to date is the identification, pictured above, of a northwesterly trending structural zone with abundant sulfides and anomalous geochemistry. This zone is interpreted to be part of the Chukuni



Deformation Zone as defined by the OGS/CGS and is sub-parallel to the Goldcorp mine trend. Thus far, the new zone has been traced across the surface exposure of the Duncan Park McManus Peninsula patented claims and it appears to extend under Duncan Park's Red Lake unpatented claims.

Eight diamond drill holes drilled by Duncan Park have demonstrated the occurrence of anomalous geochemistry indicating that the zone continues at depth. Gold, both visible and up to 23.5 g/t in analyses, has been identified in quartz veins on the property.

The Corporation believes that it has discovered a previously unidentified mineralized zone running parallel to the main trend defined by three historic Goldcorp mines, and approximately four kilometers south of it.

This large land package has been dramatically underexplored and excellent drill targets remain. The next phase of work should involve targeted diamond drilling supported by additional geological mapping and soil/rock chip geochemical sampling.

### Exploration Costs

The following table sets out the exploration costs incurred on the Dome and McManus properties, all of which are reflected as assets on the Corporation's balance sheet

Fiscal Year	Dome Property			McManus Claims		
	Geology	Geophysics	Total	Geology	Geophysics	Total
2010	23,022	120,233	143,255	-	-	-
2011	277,258	251,743	529,001	693,329	55,097	748,426
2012	212,869	-	212,869	337,571	-	337,571
2013	4,364	-	4,364	6,493	-	6,493
2014	7,055	-	7,055	10,705	-	10,705
2015	-	39,361	39,361	-	-	0
2016	5,388	-	5,388	18,082	-	18,082
2017	-	-	0	10,000	-	10,000
Total	529,956	411,337	941,293	1,076,180	55,097	1,131,277

## Financial Activities and Results

### Income

The Corporation has no operating income. It earns some interest income on cash in its bank accounts.

The following compares the expenses between 2017 and 2016. The numbers are substantially comparable from year to year. Comments on each item follow.

	2017	2016
Compensation		
CEO	13,238	-
CFO	3,907	3,293
Legal		
General corporate matters	13,413	2,982
Exploration costs	-	315
Audit	3,600	7,293
Regulatory compliance	2,135	6,082
Investor communications	750	2,500
Interest on promissory notes	4,846	3,303
Property taxes	3,585	2,229
Office and general	1,071	3,610
	46,545	31,607

### Executive Compensation

Mr. Ian McAvity was appointed Acting President & Chief Executive Officer of the Corporation as of August 21, 2007. In March, 2011 he was appointed President and Chief Executive Officer. The Corporation entered into a management agreement with him dated effective as of August 21, 2007 for the provision of certain management services on an ongoing basis. The agreement provides for Mr. McAvity to receive a fee of \$2,500 per month plus HST and to be reimbursed for reasonable business expenses. The agreement was for an initial term of one year and may be terminated by Mr. McAvity at any time on not less than one month's written notice and by the Corporation at any time, without cause, on not less than one month's written notice or, at the option of the Corporation, on payment to Mr. McAvity of \$2,500 in lieu of such notice plus any remuneration to which Mr. McAvity is entitled as of the date of the notice of termination. The Corporation may also terminate the McAvity Agreement without notice for cause. Mr. McAvity is not entitled to receive any compensation in the event of a change in control of the Corporation or any of its subsidiaries or of a change in their respective responsibilities following a change in control. In order to conserve Corporation working capital, Mr. McAvity agreed to waive his compensation for the thirty-eight month period from October 1, 2012 to November 30, 2015. He continued this until his death in March, 2016.

After Mr. McAvity's untimely death in March, 2016, the Corporation has had to replace Mr. McAvity. Mr. David Shaddrick P. Geo., a director of the Corporation, agreed to assume the position of Acting President and CEO of the Corporation until a suitable replacement is found, on terms and conditions identical to those of Mr. McAvity, except that his US\$2,500 monthly fee is payable in US dollars. Effective June 1, 2016, the Corporation began accruing this cost.

Mr. Shaddrick's monthly fees are fixed and, therefore, will be comparable from period to period, but do not reflect the substantial amount and variability of the time he devotes to the Corporation's matters, particularly in the areas of financing and planning and

monitoring the ongoing exploration. He was appointed to the positions of Acting President and CEO shortly after Mr. McAvity's untimely death in March, 2016. Although fees have been accruing to Mr. Shaddrick since June 1, 2016, Mr. Shaddrick has never been paid.

Mr. Harold J. Doran was appointed Chief Financial Officer of the Corporation as of May 13, 2005, and Secretary as of May 31, 2010. The Corporation entered into a management agreement with him for the provision of certain management services on an ongoing basis. The agreement provides for Mr. Doran to receive a fee of \$75 per hour plus HST and to be reimbursed for reasonable business expenses and certain professional fees related to his position as an officer of the Corporation. The agreement may be terminated by Mr. Doran at any time on not less than one month's written notice and by the Corporation at any time, without cause, on not less than one month's written notice or, at the option of the Corporation, on payment to Mr. Doran of \$2,000 in lieu of such notice plus any remuneration to which Mr. Doran is entitled as of the date of the notice of termination. The Corporation may also terminate the agreement without notice for cause. Mr. Doran is not entitled to receive any compensation in the event of a change in control of the Corporation or any of its subsidiaries or of a change in their respective responsibilities following a change in control.

Mr. Doran is required to devote a base amount of time to the regular accounting and preparation of quarterly and annual financial statements and tax returns, which varies with the amount of exploration underway at any time. In addition, at various times, he has devoted substantial time to writing exploration agreements, reviewing exploration budgets, monitoring exploration costs against those budgets, preparing for meetings of the Technical Committees required by both exploration agreements, updating the Corporation's website, and drafting press releases,. The effort and timing of these activities is not comparable from period to period, and this is reflected in the variability of his charges. The larger amounts charged for corporate matters for the first quarter of each year relate to the annual audit.

## **Legal**

The regular legal expenses are higher than one might expect because the Corporation contracts out routine maintenance of the corporate records and regulatory filings.

In addition to the legal expenses reflected in the income statement, the Corporation incurs charges for share issue matters which are capitalized into the statement of financial position as deductions from share capital. There have been no such fees in 2016 or 2017. In the first quarter of 2015 there was \$5,495.

## **Audit**

Due to the financial difficulties in the industry in general and for the Corporation in particular, the auditors agreed to a substantial reduction in the 2016 audit fees, which was reflected in the fourth quarter of that year.

## **Regulatory Compliance**

Regulatory compliance costs are expected to be consistent from year to year but vary with the number and size of share issues. They include exchange fees, regulatory filing fees, transfer agent fees and timely disclosure costs. The substantial reduction in the first quarter is due to not yet having received an invoice from the TSXV for its annual sustaining fee.

## **Investor Communications**

The investor communications costs include a fixed monthly fee for the maintenance of the Corporation's website. During 2016, the Company negotiated a reduction in the fixed monthly fee from \$750 per month to \$250 plus a variable cost for revisions, which resulted in a substantial reduction. This expense category also includes the cost of press releases which varies with that activity.

## **Property Taxes**

The property taxes relate to the Red Lake land acquired as a part of the McManus agreement.

## **Office and General**

The reduction in office and general expense reflects the Corporation's cost reduction program implemented in 2016, including the closing of its office in downtown Toronto, which resulted in a saving of approximately \$1,100 per month.

## **Term Loans**

From time to time the board of directors authorizes the Corporation to borrow from available sources, pursuant to which it entered into the following unsecured term loan agreements with Mr. Ian McAvity, the then President and Chief Executive Officer of the Corporation, Mr. Eric Salsberg, Chairman of the Board and with shareholders.

The loans bear interest rate of 5% per annum, calculated annually and are due and payable on or before December 15, 2017. The small increase in interest on these loans reflects the increase in them from year to year.

Date	Salsberg	McAvity	Shareholder	Total
February-28-14		35,000		35,000
May-14-14	20,000	20,000		40,000
August-29-14	20,000	25,000		45,000
November-27-14	10,000	15,000		25,000
February-27-15		30,000		30,000
April-30-15		30,000		30,000
July-20-15		30,000		30,000
November-30-15		30,000		30,000
February-29-16		35,000		35,000
May-31-15	30,000			30,000
August-18-16			19,650	19,650
November-29-16	36,000			36,000
January-10-17			11,500	11,500
Total	116,000	250,000	19,650	397,150

## Working Capital

The following table sets out the progression of the Corporation's working capital (\$000s) for the last year and the current year to date.

	Current Assets	Current Liabilities	Working Capital	Working Capital Ratio
2015				
Q1	60	49	11	1.2
Q2	36	36	0	1.0
Q3	30	29	1	1.0
Q4	38	31	7	1.2
2016				
Q1	216	51	165	4.2
Q2	216	62	154	3.5
Q3	5	44	-39	
Q4	9	35	-26	
2017				
Q1	8	504	-496	

When the Corporation is actively exploring the expected pattern, which is the normal cycle for junior exploration companies, is that there will be intermittent increases in working capital as a result of financings and the exercise of stock options and warrants, followed by decreases for exploration and administrative expenses.

However, during 2015, 2016, and 2017 to date the cash flow and working capital reflect mainly the loans referred to above to pay administrative expenses, and, in particular, the

reclassification of the term loans as a current liability because they are now due within one year. If one were to unbundle the working capital by segregating the term loans, the Corporation would show a working capital deficiency of \$65,978. Mr. Salsberg's November 29, 2016 loan of \$36,000 was sufficient to pay all of the trade accounts payable as of that date. Accordingly, the February 28, 2017 working capital deficiency is essentially the result of the administrative costs for the first quarter plus the unpaid fees owing to Mr. Shaddrick as of November 30, 2016.

Management is working diligently to resolve the situation, but there can be no assurance that they will be successful. In the meantime, the Corporation implemented a cost reduction program, including closing its downtown office, to reduce its administrative costs to a minimum.

## Liquidity

In addition to the working capital situation described above, the Corporation must raise approximately \$14,000 per month unrestricted cash for ongoing administrative expenses, and \$10,000 to meet a minimum advance royalty payment in December 2017.

## Capital Structure

### Share Capital

The Corporation's primary source of funds is the issuance of additional shares. These issuances, all effected by private placements, have taken the form of units consisting of a share and a share purchase warrant, and the issue of flow-through and non-flow-through common shares for cash. The following table provides the details of the share issuances for the past two years and current year to date.

Share Capital			
	Shares	Price	\$
Balance November 30, 2014	124,976,108		11,288,132
Issue of flow through common shares	1,100,000	0.05	55,000
Flow-through premium			(5,500)
Share issue expenses			(5,494)
Balance November 30, 2015 and 2016, and February 28, 2017	126,076,108		11,332,138

### Details of Private Placements

On December 12, 2014 the Corporation issued 1,100,000 "flow-through" common shares at a price of \$0.05 per share. Proceeds from the \$55,000 private placement were used for the Corporation's exploration program on its Red Lake properties. Mr. Ian McAvity, the Chief Executive Officer of the Corporation, subscribed for 100% of the shares issued

pursuant to the private placement, which are subject to a four month hold period. The financing was approved by the non-interested directors of the Corporation.

### **Stock Options**

The board of directors of the Corporation considers it very important to provide a meaningful incentive to persons to join and remain with the Corporation and remain committed to the growth and development of the Corporation.

4,000,000 options to acquire one common share at a price of \$0.10 expiring March 31, 2016 were issued during the second quarter of 2011, including the grant of an aggregate of 3,500,000 options to the officers and/or directors of the Corporation. The balance of the options were granted to certain consultants of the Corporation. The options were exercisable for a period of five years at a price of \$0.10 per share and vested over an 18-month period, with one-third of the options vesting every six months.

All of the outstanding options expired in the second quarter of fiscal 2016, unexercised.

### **Foreign Exchange Exposure**

Currently, all operations are in Canada. However, the Corporation's accruing liability of US\$2,500 per month to David Shaddrick for fees for acting as President and CEO is in US dollars, as is the US\$15,000 liability for the term loan from a shareholder. Therefore, at February 28, 2017, the Corporation had \$40,000 in liabilities denominated in US dollars.

### **Off Balance Sheet Arrangements**

The Corporation does not employ any such arrangements.

### **Risk Factors**

Note 1 to the Corporation's financial statements makes reference to the going concern risk faced by the Corporation. This is primarily due to its relatively low available working capital and the ongoing need to raise additional money to fund administrative costs.

The Corporation's principal activity has been and may continue to be mineral exploration. Presently it has a project comprising two abutting properties. Companies in this industry are subject to many and varied kinds of risks, including but not limited to environmental, fluctuating metal prices, and political and economic risks. Additionally, and probably significantly, few exploration projects successfully achieve commercial development. While management cannot eliminate the impact of all potential risks, the Corporation strives to manage such risks to the extent possible.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may apply.

The Corporation has no revenue from operations or other source of operating cash flow. The Corporation has limited financial resources. Substantial expenditures are required to be made to find and establish ore reserves.

The Corporation relies on the sale of equity and, more recently, short term loans to fund its operations. There is no guarantee that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Corporation. Additional funds raised by the Corporation through the issuance of equity or convertible debt securities may cause the Corporation's current shareholders to experience dilution. Such securities may grant rights or privileges senior to those of the Corporation's common stockholders.

Equity market conditions for junior exploration companies raising new capital can be very volatile and challenging in turbulent economic and financial market climates. The current financial market is significantly depressed resulting in a very low market price for the Corporation's shares, making it very difficult for the Corporation to raise new capital.

### **Cautionary Note Regarding Forward-Looking Information**

This Management Discussion and Analysis contains "forward-looking information", within the meaning of applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of Duncan Park. Forward-looking information includes, but is not limited to, statements with respect to exploration plans and capital expenditures. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Duncan Park, to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks related to arbitration, international operations; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future commodity prices; possible variations in possible mineralization, government regulation, environmental risks, failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mineral exploration. Although Duncan Park has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ

materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Duncan Park does not undertake to update any forward-looking information that is referenced herein, except in accordance with applicable securities laws.