

**DURAN VENTURES INC.**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Form 51-102F1**

**For the Year Ended  
December 31, 2010**

**DURAN VENTURES INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**1.1 – Report Dated April 21, 2011**

**1.2 – Overall Performance**

**General**

This Management's Discussion and Analysis is provided for the purpose of reviewing the fiscal year ended December 31, 2010 and comparing results to the previous period. This Management's Discussion and Analysis should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes for the fiscal year ending December 31, 2010. The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and all monetary amounts are expressed in Canadian dollars unless otherwise indicated in the notes to the consolidated financial statements.

This Management's Discussion and Analysis is prepared as of April 21, 2010. Any of the scientific and technical information has been prepared or reviewed by Cary Pothorin, P.Geo., President of the Company. Mr. Pothorin is a Qualified Person within the meaning of National Instrument 43-101. Additional information relevant to the Company's activities can be found at [www.sedar.com](http://www.sedar.com).

**Forward Looking Statements**

Certain statements contained in this Management's Discussion and Analysis constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, and performance of achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made and readers are also advised to consider such forward-looking statements while considering the risk set forth below.

**Description of Business**

The Company was incorporated under the laws of British Columbia on March 5, 1997 under the name 537926 B.C. Ltd. and its principal business activity is the acquisition and exploration of mineral properties. On June 18, 1997 the Company changed its name to Duran Gold Corp. and on August 10, 2000, the Company changed its name to Duran Ventures Inc. On July 4, 2007, the Company was promoted to the TSX Venture Exchange as a Tier II issuer trading under the symbol DRV.V. On October 14, 2008, the Shareholders approved the continuance of the Company under the Canada Business Corporations Act, which was completed by October 31, 2008.

The General and Administrative expenses relate primarily to the costs to maintain a head office in Toronto for a publicly listed company. On-going expenses, excluding non-cash items such as the write-off of exploration properties and stock-based compensation expenses, are approximately \$64,000 (2009 - \$47,000) per month.

The Company is not in default under any debt or other contractual obligations. The Company is not in breach of any corporate, securities or other laws or of the terms of the listing agreement with the TSX Venture Exchange. In April 2009, the Company received a statement of claim from the former Chief Financial Officer claiming wrongful termination. The claim was filed with the Company's insurers and was accepted by them for defence under the policy subject to a \$25,000 deductible. The claim was settled in January 2011 and a court dismissal order was subsequently received.

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**Exploration Properties**

In 2010, the Company focused primarily on assessing and acquiring new projects. Given current economic conditions, opportunities have arisen to expand Duran's property holdings in Peru.

In July 2010, the Company completed the amalgamation with Double Jack Mines Limited ("Double Jack") and acquired Double Jack's Peruvian exploration properties including the Ichuña, Panteria, Don Pancho, and Matucana Projects. The Company also acquired the Minasnioc Gold-Silver Project in May 2010 in a closed-bid Peruvian government auction.

The Company is assessing joint venture opportunities, and in March 2010 announced a property option agreement with Viper Gold Ltd. (formerly Leboldus Capital Inc.) on the Corongo Project.

All projects are described below.

**Aguila Copper-Molybdenum Project**

Recovering copper and molybdenum prices are cause for renewed focus on the Company's flagship project, the Aguila Copper Molybdenum Porphyry Project. Fieldwork and past drilling indicate that there are additional porphyry-style targets in what is recognized as a large emerging mineralized district. Where most technical work and drilling to date has focused on the immediate area of the Aguila intrusive and mine area, the Company has strong indications of significant porphyry copper related mineralization in adjacent zones.

Surface sampling and mapping have continued intermittently at the Aguila Project in 2010. The focus has been to highlight and define strong copper-molybdenum mineralized zones both in intrusive and sedimentary host rock, while expanding coverage of detailed geological mapping. Sampling confirms that the mineralized area extends for over 1500 metres in a southwest-northeast sense, from Aguila West to beyond Aguila East.

Two diamond drill holes, 10 AGD 016 and 10 AGD 017, were drilled from January 7<sup>th</sup> to 28<sup>th</sup>. These holes were part of a three-hole, 1211.7 metre drill program which began in December of 2009 with hole 09 AGD 015. All holes were very successful for the Company, as they were designed to test various aspects of the Aguila target; mineralization in one extreme of the surface expression of the Aguila area (09 AGD 015); a deep-seated geophysical target (10 AGD 016); and a new zone located roughly 500 metres to the southwest of the main Aguila target (10 AGD 017). All drillholes cut very significant copper mineralization, with those near the main Aguila zone also cutting strong molybdenum mineralization.

Hole 10 AGD 016 was drilled at an azimuth of 70 degrees and an inclination of -70 degrees, to a final depth of 620.6 metres. This hole intersected mineralized diorite porphyry intrusive and mineralized clastic sediments. Hole 10 AGD 017 was designed to test the Aguila West zone. It was drilled at an azimuth of 225 degrees and an inclination of -50 degrees to a final depth of 147 metres. This hole intersected copper mineralized diorite and host sediments, with the style of mineralization being more disseminated rather than stockwork controlled.

The following table is a summary of drill holes completed by the Company from 2007 to the end of this most recent program in 2010. Please note that Duran has reformulated the 'Copper Equivalent' calculation from the ratio previously used in 2007 to 2008.

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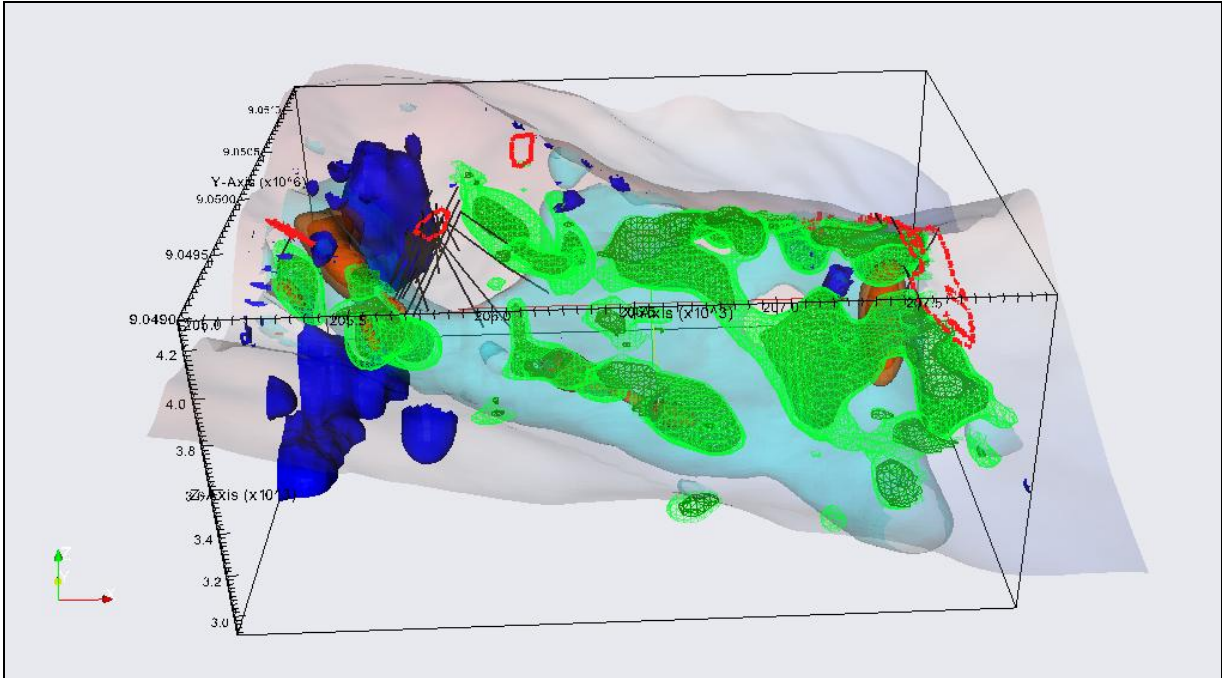
HOLE NUMBER	FROM (m)	TO (m)	LENGTH (m)	Cu (%)	Mo (%)	CuEq (%)
07 AGD001	0.00	250.00	250.00	0.650	0.023	0.805
07 AGD002	0.00	530.60	530.60	0.338	0.023	0.493
07 AGD003	0.00	510.15	510.15	0.525	0.043	0.816
07 AGD004	0.00	371.00	371.00	0.343	0.020	0.478
07 AGD004A	249.60	628.20	378.60	0.254	0.006	0.295
including	249.60	388.60	139.00	0.472	0.009	0.533
07 AGD005	0.00	401.00	401.00	0.209	0.011	0.283
08 AGD006	5.20	723.30	718.10	0.555	0.041	0.832
including	137.00	708.40	571.40	0.647	0.041	0.924
08 AGD007B	0.00	90.00	90.00	0.594	0.045	0.898
08 AGD008	0.00	522.30	522.30	0.626	0.049	0.957
including	0.00	342.40	342.40	0.853	0.046	1.164
08 AGD009	5.00	485.40	480.40	0.373	0.029	0.569
including	76.40	439.60	363.20	0.439	0.029	0.635
08 AGD010	6.90	574.00	567.10	0.147	0.011	0.221
08 AGD011B	1.00	605.30	604.30	0.425	0.029	0.621
08 AGD012	2.90	567.10	564.20	0.365	0.030	0.568
including	2.90	281.20	278.30	0.625	0.026	0.801
08 AGD013	0.50	578.90	578.40	0.427	0.046	0.738
including	0.50	146.75	146.25	0.931	0.043	1.222
including	0.50	458.60	458.10	0.497	0.053	0.855
08 AGD014	4.35	459.60	455.25	0.499	0.038	0.756
including	131.12	390.70	259.58	0.652	0.041	0.929
09 AGD015	0.40	444.10	443.70	0.368	0.021	0.510
including	0.40	224.00	223.60	0.516	0.021	0.658
10 AGD016	0.00	620.60	620.60	0.490	0.033	0.720
including	0.00	396.00	396.00	0.690	0.042	0.980
10 AGD017	0.00	147.00	147.00	0.364	0.004	0.364
including	0.00	71.00	71.00	0.620	-	0.620

\* Total Cu equivalent is the sum of the Cu% plus 6.756 times the Mo% based on an assumed 6.756:1 economic ratio of Mo to Cu selling prices (i.e. US\$1.50 Cu to US\$12.50 Mo). Metallurgical recoveries and net smelter returns are assumed to be 100%. These equivalence grades should not be interpreted as actual grades since the conversion ratio varies with the volatile prices of copper and molybdenum and the economic recovery of copper and molybdenum can vary significantly in actual extraction and processing. The Company feels this is a reasonable long term ratio to use for this purpose.

The Company held a drill permit (a "C Permit"), which was approved in November 2008 and was valid for a twenty-three month period. This permit allows drilling of up to 64,000 metres from up to 80 platforms covering the Aguila and Pasacancha targets. In August of 2010, the process of extending the existing diamond drill permit at Aguila was initiated. The original permit was issued under previous legislation as a "C Permit" in November 2008, but has been updated as a "Semi-Detailed Environmental Impact Assessment Study" (Category 2 Permit) to reflect current legislation. In March 2011, the Department of Environmental Affairs of the Peruvian Ministry of Energy and Mines granted a Category 2 Drill Permit for the Company's Aguila Project. The permit allows for 61,600 metres of drilling over a 23 month period. This time frame is calculated from the initiation date of the work program.

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The Company retained SJV Consulting Limited ('SJV') of Delta, B.C., to assist in the interpretation of data generated with the geophysical survey carried out by VDG del Peru S.A.C. (Val D'Or Geofisica) from September 24<sup>th</sup> to October 28<sup>th</sup> of 2009. SJV is a well-established geophysical consulting group which has carried out geophysical surveys in over 30 countries worldwide, and is well known for its use of 3-dimensional inversion methods. Geological data from surface and diamond drilling will be used in conjunction with SJV's interpretation of geophysical data to guide planning of further drilling at Aguila.



**FIGURE 1. EXAMPLE OF 3D COMPILATION IMAGE OF AGUILA GEOPHYSICAL ANOMALIES, LOOKING NORTH. I.P. CHARGEABILITY (GREEN), CONDUCTIVITY (LIGHT BLUE), MAG LOW (DARK BLUE), AND DRILL STEM TRACES. IMAGE IS SHOWN FOR DEMONSTRATION PURPOSES ONLY.**

The Company has approved a \$5.6 million budget for a minimum 18,000 metre diamond drilling program at Aguila for 2011. Energold Drilling Peru S.A.C. was contracted for the work, and two rigs are currently on site. The diamond drilling program is designed to provide the necessary information for the calculation of an initial 43-101 compliant resource estimate at or near 2011 year-end. The drilling is anticipated to require 7-8 months to complete, with the resource estimate to follow. Preliminary metallurgical studies will be conducted as part of the resource evaluation.

As the drill program proceeds, several holes will also be testing priority geological, geochemical, and geophysical targets. Surface mapping, sampling, and geophysical surveys conducted to date demonstrate that the Aguila Project has potential to become a significant copper-molybdenum resource, with anomalous copper distributed over an irregular 1.7 x 1.2 kilometre surface area and strong geophysical anomalies distributed over a 3.0 x 2.0 kilometre area. Drill intersections to date show consistent copper and molybdenum values over significant widths, with known areas of mineralization open in several directions and also at depth.

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**Corongo Property**

This 3,100 hectare block of claims is located between five to ten kilometres to the northwest of the main Aguila/Pasacancha claim block. Fieldwork carried out by the Company from mid-March to the end of June of 2009 included regional 1:25,000 mapping, stream sediment sampling, and collected 316 samples in total. The Corongo Property area is underlain by strongly folded and faulted Jurassic and Cretaceous clastic sediments intruded by dioritic and monzonitic dykes and plugs, thought to be related to and roughly contemporaneous with the Aguila intrusive.

Four target areas have been identified: the Descubridora Target, the Santa Rosa/Santa Rosa East Target, the Pucapampa Target, and the Breccia Zone Target. Surface and underground sampling from outcrops, underground workings, and mine dumps returned values up to 14.6 g Au/T (grab sample at a Descubridora mine dump) and 1642.0 g Ag/T (from a 2 x 2 metre panel sample on the western side of the claim block).

In March 2010, the Company signed a property option agreement with Viper Gold Ltd. (formerly LeBoldus Capital Inc.) ("Viper"), whereby Viper can acquire a 50% interest in the Corongo Property. Under the terms of the agreement, Viper may acquire a 50% interest by paying the Company \$25,000 USD (paid - \$25,348) on signing the agreement, incurring an aggregate amount of \$1,000,000 USD in exploration expenditures over two years, and issuing Duran an aggregate amount of 1,000,000 (600,000 issued) common shares by March 17, 2012, subject to regulatory approval. The Company will receive a 10% management fee based on exploration expenditures. The exploration objective is to define potential bulk mineable precious metal targets and prepare the property for a diamond drilling program.

In August 2010, the Corongo property option agreement was amended to modify the payment schedule and make Viper the operator of the project. Under the amended terms Viper is required to spend US\$250,000 (spent - \$258,975) on or before October 31, 2010 and a further US\$750,000 between August 17, 2011 and prior to March 17, 2012.

The field campaign was conducted from September 1<sup>st</sup> to November 8<sup>th</sup>, and included continuous channel sampling, detailed 1:1000 scale geological mapping, and a geophysical survey conducted by VDG del Peru S.A.C. (Val D'Or Geophysics). The geophysical survey included a total of 19.2 line kilometres of induced polarization (IP) and 43 line kilometres of ground magnetics (MAG), spectrometry (SPEC), and differential GPS (DGPS). This survey is split between the Descubridora and Santa Rosa East Zones.

Induced polarization is a geophysical method where electrical current is introduced into the ground, and metallic minerals become polarized, or take on a charge. The method measures the characteristics of the electrical discharge or decay. Resistivity in the rock is measured at the same time, which measures how resistive the rock is to electrical current passing through. These methods are used to determine disseminated sulfide content, as well as indicate possible strength of alteration in the rock. IP chargeability high anomalies are generally interpreted as zones of disseminated sulfide minerals, while resistivity anomalies are often interpreted to represent areas of different rock types and alteration in host rocks.

The Company has been granted a Category 1 Drill Permit for the Corongo Project from the Peruvian Ministry of Energy and Mines that allows up to 20 drill platforms. Surface rights agreements have been signed with the two communities which underlie the Santa Rosa East and Descubridora Zones, and are valid until October 9, 2011.

On March 5, 2011, the technical committee of both Viper and the Company agreed on drill hole locations and budget for the second phase of the exploration program, which includes diamond drilling. Energold Drilling Peru S.A.C. was contracted for the drill program and began operations on site on April 12, 2011.

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**Sampling**

A total of 401 samples were collected during the program, including 243 in Santa Rosa East and 158 in Descubridora. The majority were collected as continuous channel samples, with the channels ranging up to 49.5 metres in length, and individual samples within the channels typically 1.0 to 2.0 metres in length. Channels were designed to cut across mineralized structures where possible. In addition to the channel sampling, several underground, surface chip, and panel samples were collected.

25 of 243 samples collected in the Santa Rosa East Zone returned values over 1.0 gram of gold per tonne, with high values reaching up to 8.3, 7.0, and 6.9 grams of gold per tonne. 49 of 243 returned values of over 10.0 grams of silver per tonne, with high values of 976 and 897 grams of silver per tonne. Table 1 below summarizes significant gold and silver results.

**SUMMARY OF SANTA ROSA EAST SAMPLE HIGHLIGHTS**

LOCATION	FROM	TO	LENGTH (m)	Au (g/t)	Ag (g/t)	Cu (%)
<b>SANTA ROSA EAST</b>						
<b>CHANNEL SAMPLES</b>						
<b>CHANNEL CSRE 1</b>	0.0	48.0	48.0	0.58	24.0	-
<b>including</b>	0.0	8.0	8.0	2.20	49.5	-
<b>and</b>	22.0	28.0	6.0	0.64	54.5	-
<b>CHANNEL CSRE 3</b>	2.0	5.0	3.0	1.85	8.0	-
<b>CHANNEL CSRE 6</b>	0.0	25.0	25.0	0.98	23.2	-
<b>including</b>	2.0	19.0	17.0	1.40	32.0	-
<b>CHANNEL CSRE 8</b>	7.0	40.5	33.5	1.07	69.1	-
<b>including</b>	7.0	14.5	7.5	2.89	160.6	-
<b>CHANNEL CSRE 10</b>	2.0	9.3	7.3	2.04	15.0	-
<b>CHANNEL CSRE 18</b>	2.0	3.0	1.0	1.37	19.1	
<b>CHANNEL CSRE 19</b>	0.0	8.0	8.0	0.24	3.3	
<b>INDIVIDUAL CONTINUOUS CHIP SAMPLES</b>						
<b>20105</b>	-	-	2.0	4.86	78.7	-
<b>20187</b>	-	-	2.0	3.28	10.2	-
<b>20217</b>	-	-	1.5	2.83	31.4	
<b>20242</b>	-	-	1.0	0.77	16.2	
<b>UNDERGROUND SAMPLES</b>						
<b>Adit 1 - 20000</b>	-	-	1.0	4.05	897.0	0.49
<b>20001</b>	-	-	0.6	7.08	976.0	0.68
<b>Adit 2 - 20002</b>	-	-	1.0	3.64	162.0	0.30
<b>20003</b>	-	-	1.2	4.14	130.0	0.27
<b>20004</b>	-	-	0.7	2.02	11.7	-

In the Descubridora Zone, 17 of 158 samples returned values over 1.0 gram of gold per tonne, with values up to 24.3, 18.8, and 13.7 grams of gold per tonne. 11 out of 158 samples returned values of greater than 10.0 grams of silver per tonne, with high values of 469 and 119 grams of silver per tonne. Highlights from the final 141 samples collected in the Descubridora Zone are shown in Table 2 below, along with previously reported results.

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**SUMMARY OF SAMPLE RESULTS FROM DESCUBRIDORA ZONE**

LOCATION	FROM	TO	LENGTH (m)	Au (g/t)	Ag (g/t)	Cu (%)
<b>DESCUBRIDORA</b>						
<b>CHANNEL SAMPLES</b>						
CHANNEL CDES 5	0.0	6.0	6.0	5.09	165.8	0.17
CHANNEL CDES 7	10.0	16.0	6.0	2.15	6.0	-
CHANNEL CDES 8	0.0	2.0	2.0	1.69	62.4	-
CHANNEL CDES 12	0.0	4.5	4.5	0.17	20.3	-
<b>INDIVIDUAL CONTINUOUS CHIP SAMPLES</b>						
20374	-	-	1.1	18.85	56.0	-
20375	-	-	1.0	5.31	17.6	-
20382	-	-	0.5	3.22	12.1	-
20384	-	-	1.0	1.77	1.1	-
20385	-	-	0.3	1.27	1.6	-
20391	-	-	2.0	1.25	5.3	-
20394	-	-	2.0	4.79	7.5	-
20399	-	-	2.0	1.82	119.0	-
20400	-	-	2.0	2.43	3.9	-
<b>UNDERGROUND SAMPLES</b>						
Adit 6 - Panel - 20244	-	-	1.0 x 0.5	2.56	16.1	1.69
Adit 6 - Panel - 20245	-	-	1.2 x 0.3	24.30	116.0	-

### Geophysics

Initially, the geophysical survey was planned for 15 line kilometres of IP and 33 line kilometres of MAG/SPEC/DGPS respectively. The program was later expanded to 19.2 and 43 line kilometres of MAG/SPEC/DGPS in order to increase and extend coverage over strong IP chargeability and MAG anomalies in the Santa Rosa East Zone.

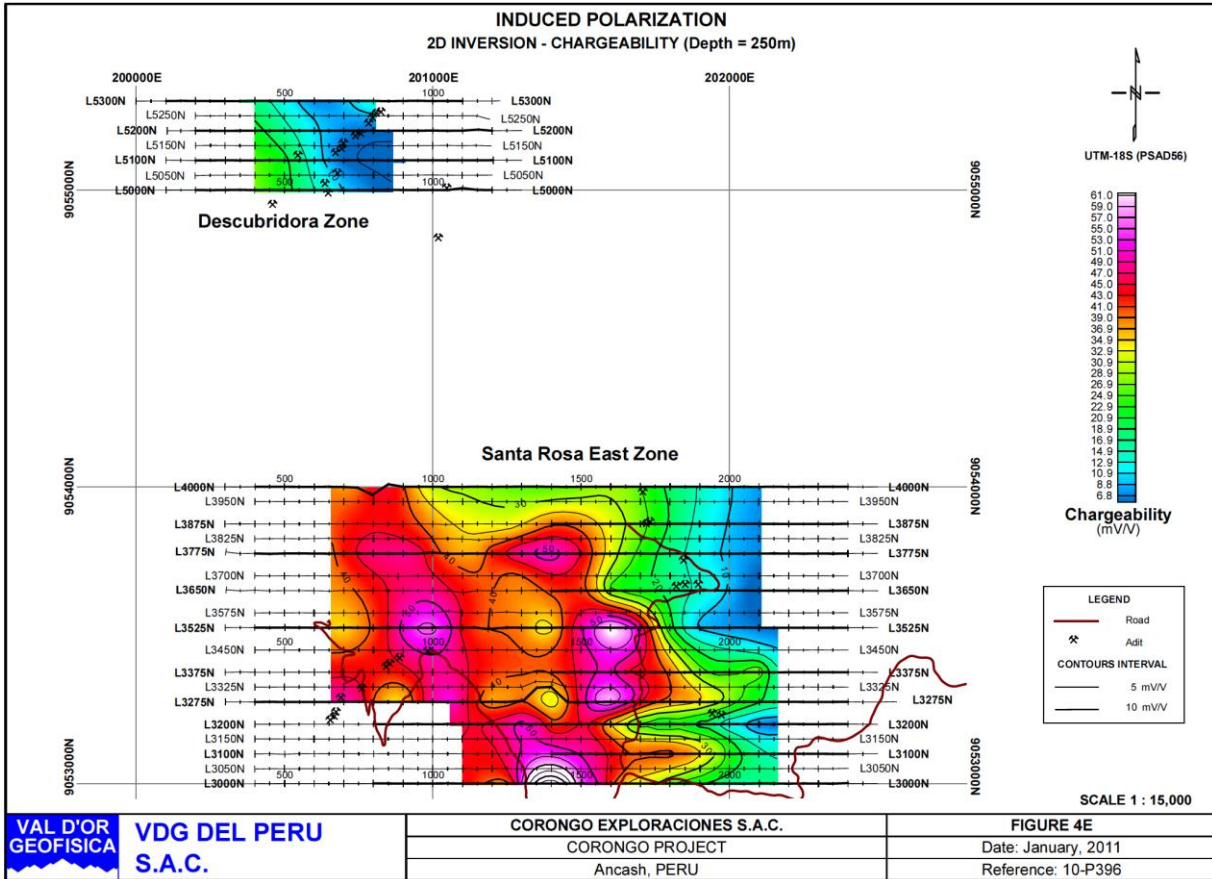
Strong IP chargeability high anomalies form a broad zone roughly 1 x 1 kilometre in size in the Santa Rosa East Zone, starting at surface and persisting to 250 metres depth, which is the effective depth limit of the survey. A magnetic high anomaly occurs in the same area. The IP chargeability high and magnetic anomalies appear to be associated with a diorite intrusive body which outcrops here. The strongest gold and silver mineralization appears near the edges of the IP and MAG anomalies in Santa Rosa.

IP chargeability high anomalies are generally interpreted as zones of disseminated sulfide minerals, while resistivity anomalies are often interpreted to represent areas of different rock types and alteration in host rocks. A sample IP anomaly map, at 250 metres depth, is shown below for illustration purposes.



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**CORONGO PROJECT – I.P. CHARGEABILITY ANOMALY MAP AT 250 METRES DEPTH**



**Geological Model**

The Company interprets the model of the gold and silver mineralization at the Corongo Project as an intermediate sulphidation epithermal system. Characteristics of this type of system include the proximity of gold and silver mineralization to porphyritic diorite intrusive bodies, drusy quartz stockworks, banded textures in the quartz and quartz-sulfide veins, and the geochemical association of gold and silver with arsenic, antimony, barium, bismuth, lead, and zinc.

Emplacement of the gold and silver mineralization at the Santa Rosa Zone appears to be controlled by intersections of fractures and faults, which trend generally northwest, northeast, and sub-horizontal. Quartz stockworks are formed at the intersections of two or more of these structural trends, forming complex three-dimensional zones. Zones with stronger mineralization are marked by widespread phyllic (quartz-sericite-pyrite) alteration in the vicinity of the stockwork quartz veining. Anomalous gold and silver mineralization occurs in an irregular area measuring roughly 200 x 500 metres in size.

Gold and silver mineralization at the Descubridora Zone is predominantly controlled by northeast-southwest trending structures. The main mineralized zone as defined at present measures approximately 350 x 50 metres in size, but anomalous gold and silver values occur over a 600 x 250 metre area.

Drill targets at the Corongo project will include both narrow, higher grade zones as well as larger zones of lower grade gold-silver mineralization. The gold and silver values from this initial sampling and the robust size of the mineralized zones indicate significant exploration potential.

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The Corongo Project hosts several other zones with significant precious metal potential, such as Santa Rosa West, the Breccia Zone, and Pucapampa, which returned results of up to 3.5 grams of gold per tonne and 121 grams of silver per tonne in Company sampling in 2009. The Company intends to continue exploration and expansion in these zones as work progresses at Santa Rosa East and Descubridora.

**Double Jack Properties**

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In July 2009, the Company agreed to acquire certain mineral properties in Peru (the "Double Jack Properties") from Double Jack Mines Limited ("Double Jack") and its wholly owned subsidiary Hatum Minas SAC ("Hatum"). Effective June 21, 2010, the Company entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with Double Jack, whereby Double Jack was amalgamated with a wholly owned subsidiary of the Company. The Company completed the acquisition on July 8, 2010 and pursuant to the terms of the Amalgamation Agreement, issued 9,393,346 common shares to the shareholders of Double Jack as consideration. Hatum owns a 100% interest without third party royalties in several concessions consisting of four project areas totalling 5,437.88 hectares. This includes the Ichuña copper-silver, the Panteria porphyry copper, and the Santa Rita/Coricancha and Don Pancho silver-lead-zinc polymetallic projects. The Company agreed to complete exploration expenditures of US\$100,000 (completed - \$105,401) on the Panteria Property by May 31, 2010 and to reimburse Double Jack for 2009 maintenance fees of US\$15,000 (CDN\$16,425 - paid). To date, the Company has been focusing on advancing the Panteria and Ichuña projects.

**Ichuña Copper-Silver Project**

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The Ichuña Copper-Silver Project (1,000 hectares) is located 120 kilometres northeast of Arequipa in the Department of Moquegua in Southern Peru. Ichuña is located approximately 3 kilometres to the north of Canahuire, a diatreme breccia body with significant gold and copper mineralization at the margins. This project is also known by the name of the concessions, Chucapaca. Minera Gold Fields Peru S.A. ("Goldfields") has recently exercised a back in right with Compañía de Minas Buenaventura S.A.A. ("Buenaventura") to earn a 51% interest in the project. The operating company is called Canteras del Hallazgo S.A.C. ("CDH"). In a joint press release dated May 11, 2010, Gold Fields and Buenaventura announced a mineral resource estimate on the Canahuire Zone of 83.7 million tonnes grading 1.9 grams of gold per tonne and 8.2 grams of silver per tonne, for an inferred resource of 5.6 million ounces of gold (calculated as a gold equivalent) within the project area. This recent press release also quotes Nick Holland (CEO of Gold Fields) and Roque Benavides (CEO of Buenaventura) as saying, "Canahuire is a highly promising gold discovery in an emerging gold district in South America. Geological indications are that there is a significant upside at the Canahuire deposit, as well as at other targets within the project area." An intensive infill drilling program is currently underway at Canahuire.

Company geologists have so far defined seven mineralized zones on the Ichuña property with a variety of styles of mineralization related to intrusive events. These include porphyritic intrusive bodies and sub-volcanic intrusive bodies displaying evidence of supergene copper enrichment, skarn zones at the contacts between intrusive and carbonate-rich sedimentary rock, and altered stockwork zones in intrusive, volcanic, and sedimentary units. The evidence points to a widespread, well-mineralized hydrothermal system related to intrusive activity, with anomalous copper, silver, lead, zinc, arsenic, barium, antimony, and manganese. The mineralized zones cover an area larger than 1.0 x 2.5 kilometres.

Three field campaigns have been carried out in 2010, with a total of 790 samples collected. During the two initial work campaigns, a total of 173 samples were collected. Samples were collected as 0.5 to 3.0 metre rock channel samples, as well as panel samples ranging from 0.5 x 1.0 metre to 3.0 x 3.0 metre areas. Silver values ranged as high as 1,645 grams Ag/T (47.9 troy oz/ton), with 19 of 173 samples assaying greater than 100 grams Ag/T and 50 of 173 samples assaying greater than 10 grams Ag/T. 35 of 173 samples had copper values of greater than 1.0%, with values as high as high as 10.2% copper. 68 of 173 samples had copper values greater than 0.1% copper, showing very widespread anomalous copper values. Lead and zinc values were elevated as well, with 40 of 173 samples assaying over 0.1% lead, with high values of 6.1% lead. 41 of 173 samples assayed greater than 0.1%

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zinc, with 5 samples returning over 1.0%. The first table below shows a resume of sampling highlights from the first two initial field campaigns.

The third and latest field campaign at Ichuña was conducted from July 19<sup>th</sup> to September 30<sup>th</sup>. The program included detailed geological mapping at a scale of 1:2000, detailed channel sampling, and an extensive geophysical survey with VDG del Peru S.A.C. The geophysical survey commenced on August 19<sup>th</sup> and was completed on September 29<sup>th</sup>. A total of 26.3 line kilometres of induced polarization (IP) and 97.8 line kilometres of magnetic (MAG), spectrometry (SPEC) and differential GPS (DGPS) were completed.

Continuous channel samples were collected over a 2.5 kilometre long north-west trending mineralized zone. Channels range up to 94 metres in length. Individual samples within each channel range from 0.5 to 3.0 metres in length. The channels were designed to cut across rather than sample along mineralized structures where identified, and define larger zones of mineralization. A total of 617 samples were collected during this field campaign: 572 samples were collected from 47 separate channels, and 45 exploration chip samples were collected.

The results indicate that significant copper and silver values occur over at least a 2.5 kilometre-long trend, and also over significant sample lengths. Company geologists consider copper values in the range of 100's to 1000's of ppm (or 0.01% to 0.10%) to be important geochemical anomalies in this geological environment. Highlights from all channel sample results are shown in the second table below.

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**ICHUÑA SAMPLE HIGHLIGHTS FROM TWO INITIAL SAMPLING PROGRAMS**

<b>SAMPLE NUMBER</b>	<b>SAMPLE TYPE</b>	<b>LENGTH m</b>	<b>Cu (%)</b>	<b>g Ag/T</b>
503	Chip	1	10.20	30.5
506	Panel	1x2	0.17	194.0
507	Panel	1x2	0.01	48.1
509	Panel	2x3	0.18	259.0
511	Panel	2x3	0.56	29.4
524	Panel	2x1	4.76	43.4
525	Panel	2x1	6.33	109.0
561	Chip	4	3.05	6.0
580	Panel	3x1	5.37	47.4
586	Panel	2x1	1.95	32.6
596	Panel	2x1	1.12	44.7
609	Panel	2x2	1.30	562.0
618	Channel	3	0.59	6.6
626	Chip	3	1.70	22.5
628	Chip	2.5	3.19	27.2
630	Chip	3	1.23	38.3
634	Chip	3	2.49	63.9
635	Chip	3	2.58	60.5
636	Panel	3x2	0.90	21.1
641	Panel	2X2	0.49	167.0
643	Panel	1x1	0.40	237.0
644	Panel	1x1	0.85	1645.0
652	Panel	1x1	2.45	227.0
653	Panel	1x1	1.25	17.5
654	Panel	1x1	1.87	9.8
655	Panel	1x1	0.92	5.0
656	Channel	3	1.18	9.7
657	Channel	3	1.75	16.3
658	Channel	3	3.07	83.0
659	Channel	3	6.95	131.0
660	Channel	3	6.11	320.0
661	Channel	3	2.13	25.6
662	Channel	3	4.81	53.1
663	Channel	3	4.92	62.2
683	Panel	3x3	1.13	3.0
684	Panel	3x3	1.69	12.5
686	Panel	3x3	3.16	18.8
687	Panel	3x3	6.33	23.2
688	Panel	3x3	1.19	8.2
689	Panel	3x3	0.64	3.3
692	Channel	1	1.53	211.0
694	Channel	1	0.10	21.6
696	Panel	2x2	0.72	170.0
698	Channel	2	1.98	30.9
699	Channel	1	0.63	43.7
700	Panel	1X1	2.54	64.6
701	Channel	1	0.50	534.0
702	Panel	1X1	0.52	335.0
706	Channel	1	3.31	155.0
707	Channel	1	3.86	159.0
708	Panel	1X1	2.21	100.0

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**ICHUÑA CHANNEL SAMPLING HIGHLIGHTS**

LOCATION	CHANNEL or SAMPLE	FROM	TO	LENGTH (m)	Ag (g/T)	Cu (%)	Pb (%)	Zn (%)	
<b>Jatun South</b>	1	15.0	24.0	9.0	17.6	0.525	0.412	0.303	
	2	9.0	21.0	12.0	6.2	0.825	0.186	0.166	
	3	6.0	9.0	3.0	19.0	1.370	0.083	0.657	
	4	24.0	39.0	15.0	29.5	0.517	0.249	0.219	
<b>Jatun East</b>	19	15.0	27.0	12.0	0.6	0.218	0.003	0.035	
	23	13.3	22.0	8.7	12.0	3.090	0.029	0.178	
	24	6.7	7.2	0.5	31.2	3.520	0.024	0.062	
<b>Jatun West</b>	44	0.0	7.0	7.0	1.7	0.160	0.552	1.145	
<b>Sayhuani</b>	9	15.0	32.0	17.0	59.6	0.341	0.469	0.028	
	10	0.0	35.0	35.0	16.0	0.324	0.012	0.087	
	11	21.0	33.0	12.0	57.8	0.247	0.346	0.118	
	38	0.0	6.0	6.0	231.0	0.986	0.797	0.074	
	39	0.0	4.5	4.5	100.0	0.636	0.654	0.174	
	41	0.0	6.8	6.8	101.0	2.463	0.040	0.262	
<b>Sayhuani East</b>	12	16.5	18.0	1.5	17.5	3.980	0.308	0.002	
	13	0.0	9.0	9.0	8.2	0.233	0.038	0.009	
			36.0	48.0	12.0	34.1	1.501	0.469	0.033
	15	15.0	33.0	18.0	2.8	0.127	0.036	0.003	
	17	6.3	9.9	3.6	1.6	0.424	0.003	0.008	
	18	0.0	10.5	10.5	9.3	0.245	0.256	0.075	
	33	3.0	15.5	12.5	12.4	0.402	0.013	0.011	
	34	0.0	8.0	8.0	12.6	0.657	0.003	0.012	
<b>Sayhuani West</b>	35	0.0	27.0	27.0	187.5	0.321	0.133	0.061	
	36	0.0	19.5	19.5	277.3	0.343	0.665	0.063	
	37	0.0	21.0	21.0	320.5	0.202	0.170	0.064	
<b>Northeast</b>	47	6.0	21.5	15.5	3.2	0.160	0.035	0.104	

### Geophysical Survey Results

The geophysical survey carried out by VDG del Peru S.A.C. was successful in outlining several anomalies in the study area. Approximate outlines of the induced polarization (IP) chargeability and resistivity high anomalies are shown on the accompanying map.

The Resistivity 1 (RES1) anomaly roughly underlies the intrusive rocks which appear to host the majority of the Cu-Ag mineralized zones of Sayhuani, Sayhuani West, Sayhuani East, Jatun West, Jatun East, and Jatun South. This resistivity anomaly is approximately 0.5 to 1.0 x 2.0 kilometres in size, oriented with a north-northwest trend. The Sayhuani West Zone, which contains the highest silver results to date, appears to occur where IP1 overlaps RES1, and remains open to the north and northwest.

The largest IP chargeability and resistivity anomalies, IP2 and RES2, occur in the southwestern side of the property, in an area with almost no outcrop. The east-west to west-northwest orientation is similar to the orientation of the nearby Canahuire deposit which was noted to be a blind discovery. At Ichuña, the anomaly is approximately 0.6 to 1.0 x 1.8 kilometres in size. The strong IP response (IP2) in this

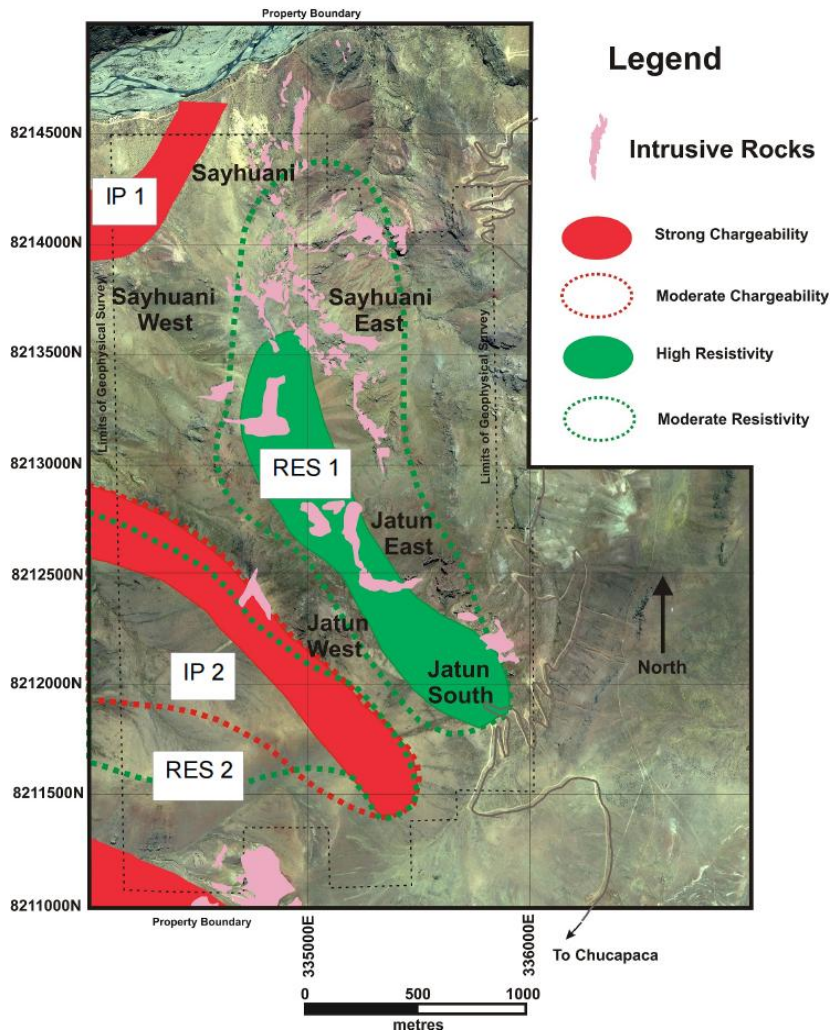
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area is coincident with high resistivity values (RES2) may indicate strong silicification and sulfide mineralization localized along this important west-northwest trend.

The K/Th spectrometry map outlines an extensive area on the northern side of the survey grid which coincides with surface outcrop of intrusive and volcanic rock. The area of strongest K/Th anomaly coincides with strong copper and silver mineralization in the Sayhuani, Sayhuani East, and Sayhuani West Zones.

**ICHUÑA GEOPHYSICAL ANOMALY MAP**

**Ichuña Geology and Geophysics Compilation**



**Geological Model**

Geological mapping carried out during this program shows sedimentary clastic and carbonate rock cut by high level intrusive and volcanic units. Strongly anomalous copper and silver mineralization occurs near sediment-intrusive contacts, as disseminations in intrusive units, and in stockwork zones in both sedimentary and intrusive or volcanic units. Company geologists are interpreting the Ichuña system as being the upper levels of a porphyry copper system, with associated vein structures developed in both host sedimentary and intrusive units. The system has seen considerable surface oxidation, with common iron oxide minerals such as limonite, goethite, and jarosite. Visible copper occurs as secondary or remobilized minerals, including malachite, azurite, chrysocolla, tenorite, and chalcocite.

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These are indications that there is a capping of leached rock with the potential for supergene enrichment of copper at some depth. Elevated silver values with relatively little evidence of silver-bearing sulfide minerals may indicate that there is supergene enrichment of silver as well. The extensive surface area with strongly altered rock and elevated copper, silver, lead, zinc, arsenic, barium, and antimony indicates the potential for a strong intrusive-driven hydrothermal system underlying the Ichuña Project. Mineralized structures form two distinct populations, one of which ranges in strike direction or trend between 30 to 80 degrees, and the second between 110 to 160 degrees.

The Company is very pleased with the results from this work campaign at Ichuña. All geological, geochemical, and geophysical data is being compiled in order to prepare the project for diamond drill testing. A 2011 work program and budget was established for Ichuña in March 2011, and the permitting process is underway.

**Panteria Porphyry Copper Project**

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The Panteria Porphyry Copper prospect is located in the Department of Huancavelica in south-central Peru. It consists of one main block totaling 1,700 hectares and another 400 hectare concession two kilometres to the east. In February 2011, an additional 3,200 hectares were added onto the previously existing concessions, bringing the total to 5,300 hectares.

The exploration program for Panteria began in 2009 through the compilation of previously existing data, conducting an initial site visit, and working with Horizons South America S.A.C. to produce digital orthophotos for this area. Field campaigns conducted from January to June of 2010 have focused on surface geological mapping and sampling.

The Company's work program includes 1:10000 scale geological mapping and the collection of 396 surface rock chip, panel, and channel samples. Both porphyry copper and related low-sulfidation epithermal gold styles of mineralization have been defined on the property.

The property is underlain by intermediate Tertiary volcanic flows and tuffs which have been pervasively clay + iron oxide +/- silica-altered over an area of 2.5 by 1.0 kilometres, with a dominant northeast-southwest orientation. Copper-mineralized diorite porphyry outcrops at the lowest elevations on the property. The Company interprets the geological environment to consist of a volcanic-intrusive complex with apophyses of copper-bearing intrusive cutting an overlying, strongly altered volcanic package.

The extent and intensity of the alteration in the volcanic rock indicates the presence of a very strong hydrothermal system driven by the underlying intrusive units. Quartz +/- tourmaline veins, veinlets, breccias, and local drusy quartz veinlets show a predominant northeast-southwest orientation and may control the distribution of the alteration. This alteration and associated geochemical anomaly appear to be focused over the areas of known intrusive bodies. Anomalous gold, silver, arsenic, antimony, lead, zinc, and mercury values extend over the entire quartz-clay altered area as mapped to date. The geochemical and alteration assemblages, combined with the textures of the drusy quartz veinlets, are indicators of a low-sulfidation epithermal gold-silver system.

Anomalous copper values cluster mostly in a 1.0 x 1.0 kilometre area, which is coincident with the area of strongest silicification and may be centred over the mineralizing system at depth. The highest copper values occur in weakly clay-altered diorite intrusive rock, with visible copper carbonates and local chalcocite. This mineral assemblage suggests that some remobilization of copper has occurred within the intrusive rock, and may indicate the presence of a supergene copper-enriched zone at some depth. Quartz stockwork veining is strongest nearer to the intrusive bodies.

Given the nature of the geological environment and mineralization, the Company is designing a ground-based induced-polarization and magnetic geophysical survey over the project area to help evaluate the potential for porphyry copper-gold and possible supergene copper mineralization at

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depth. The Company will combine geological, geochemical, and geophysical information in order to plan diamond drill testing in the future.

**Don Pancho Silver-Lead-Zinc Project**

The Don Pancho Silver-Lead-Zinc Project (600 hectares) is located in the Department of Lima. Don Pancho is a carbonate-replacement style silver-lead-zinc target, similar to the nearby Santander Deposit of Trevali Resources Corporation (Trevali). Previous sampling conducted by Hatun Minas on the Don Pancho Project returned values up to 238 grams of silver per tonne, 4% zinc, and 9% lead. The mineralization appears to be structurally controlled, and has been traced over a zone measuring 800 x 300 metres at surface. The Company intends to conduct surface and underground sampling programs and is considering a geophysical survey in order to prepare the project for a diamond drilling campaign.

This project is approximately 10 kilometres to the west of Trevali Resources' Santander Mine, which has updated a resource estimate (April 2009) of 5.3 MT of 3.34% Zn, 1.27% Pb, and 38 g Ag/T (indicated category) and 2.24 MT of 2.92% Zn, 0.5% Pb, and 18 g Ag/T (inferred category).

**Minasnioc Gold-Silver Project**

The Company acquired the Minasnioc Gold Project in a Peruvian government auction, which was carried out in three separate auctions due to the participation of three competing companies with overlapping areas. The Company won all three auctions, paying an aggregate amount of Peruvian Nuevo Soles ("S/.") S/.194,085 (\$69,859) and finder's fees of \$2,614. The Minasnioc Project is interpreted to be a high sulfidation (or acid-sulfate) epithermal gold-silver bearing system. The concession is located in the Department of Huancavelica, approximately 300 kilometres southeast of Lima. This project has seen previous intensive exploration campaigns by Barrick Gold Corporation and Compañía de Minas Buenaventura S.A.C. ("Buenaventura") between 2001 and 2007, which included surface channel sampling and drilling. In February 2011, an 800 hectare concession was added to the main 1000 hectare concession, bringing the project area to a total of 1,800 hectares.

Company geologists have made initial property visits and have defined a high sulfidation (acid sulphate) epithermal gold and silver bearing system developed in Tertiary volcanic rocks. Extensive zones of argillic and advanced argillic alteration are present, with areas of massive and vuggy silica with associated alunite. The gold-silver bearing part of the epithermal alteration system covers an area of two by two kilometers. This age of the volcanic host rocks and style of mineralization is similar to Barrick's Pierina and Alto Chicama Mines and Newmont and Buenaventura's Yanacocha Mine in Peru.

Initial rock chip sampling by the Company shows widespread anomalous gold values with associated silver, arsenic, barium, lead, mercury, and antimony geochemical anomalies, which are typical of an altered precious metal bearing system. Samples were collected as one to four-metre rock chips and panel samples ranging from two by two metre to five by five metre panels. 21 of 35 samples returned assays greater than 0.1 grams of gold per tonne, with values as high as 2.96 grams of gold per tonne. 28 of 35 samples returned silver values of greater than 1.0 gram of silver per tonne, 11 samples returned values of greater than 10.0 grams of silver per tonne, and one sample returned a high value of 70.6 grams of silver per tonne. A summary table of sample highlights.



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SAMPLE NUMBER	SAMPLE TYPE	LENGTH (m)	Au (g Au/T)	Ag (g Ag/T)
526	Rock Chip	2.0	1.38	41.5
527	Rock Chip	2.0	0.59	70.6
529	Rock Chip	4.0	0.96	21.2
534	Rock Chip	1.0	0.87	6.8
535	Rock Chip	3.0	2.07	29.3
540	Panel	3x3	2.89	66.9
541	Panel	3x1	2.93	56.6

### **Mamaniña Copper-Molybdenum Porphyry Project**

On April 13<sup>th</sup>, 2011, the Company participated in a closed-bid Peruvian government auction for the Mamaniña 1 and 2 concessions located in the Province of Huaylas, Department of Ancash, Peru. Initially the area was claimed in early February 2011 by three companies: Duran, one large international mining company, and one large Peruvian mining company. The Company was the successful bidder and was awarded the concessions. The process of receiving the mineral titles is underway, and normally requires three to four months. The concessions are located approximately 14 kilometres to the south of the Company's flagship Aguila Copper-Molybdenum Porphyry Project. The Company now holds a total of 1,800 hectares in three contiguous concessions, including the Mamaniña 3 concession which was not subject to the property auction.

The Mamaniña concessions are considered by the Company to be a high quality copper-molybdenum exploration target. Previous work performed by Queenstake Resources Limited ("Queenstake") and Alamos Minerals Limited ("Alamos") in a joint venture operated from 1995-1997, and Monterrico Metals PLC ("Monterrico") during 2001-2008, defined both porphyry copper-molybdenum and copper-gold-zinc skarn mineralization on surface. Company geologists confirmed the geological characteristics of the previous work programs and recommended the acquisition of the new concessions.

Queenstake and Alamos found copper-molybdenum bearing porphyritic stocks hosted by clastic and carbonate sediments at Mamaniña. Carbonate replacement skarn-type mineralization occurs at contacts between the intrusive and sedimentary units. An airborne magnetic and radiometric geophysical survey defined an anomaly two kilometres in diameter which coincides with these mineralized zones on surface. Sampling by Queenstake and Alamos returned values of up to 2.1% copper, 0.6% zinc, and 9.48 grams of gold per tonne. The following link refers to a joint news release filed on Sedar by Queenstake and Alamos dated November 3, 1997.

Monterrico carried out a very limited diamond drill program in late 2002, targeting near surface copper anomalies in the skarn area. Results are not known with the exception that Monterrico's 2002 Annual Report noted that drilling intersected high-grade copper mineralization including 25 metres at 1.65% copper from 14 meters below surface. It was also noted that low grade gold was discovered in the same hole. Monterrico's geologists recommended further exploration for a potential gold resource in the southern sector of the property, indicated by a widespread geochemical anomaly.

The Company considers Mamaniña to be an exceptional addition to Duran's property portfolio. The wide distribution of strongly anomalous copper, molybdenum, zinc, and gold values indicates the presence of a strong mineralizing system. The proximity to Duran's Aguila and Peñoles' Racaycocha Properties reinforces the Company's view that the Aguila area is a new emerging mineralized district.

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**Miller Creek Uranium Project, Saskatchewan, Canada**

In May 2006, the Company announced the acquisition of the Miller Creek Uranium Project located in the Athabasca Basin in northern Saskatchewan. The Miller Creek Uranium Project was acquired after conducting a geological assessment of the available areas within the Athabasca Basin that have indicated uranium exploration potential. The property covers part of the northwest sector of the Athabasca Basin along trend from numerous previously developed uranium targets.

In 2009, the Company decided not to proceed with any further exploration work on this project in order to focus on its properties in Peru, and wrote off the related exploration expenditures. On July 9, 2010 the Company allowed these claims to lapse.

**Outlook**

In 2011, the Company will focus primarily on advancing the Aguila Copper-Molybdenum Porphyry project. An extensive diamond drilling program will provide the necessary information for the calculation of a preliminary 43-101 compliant resource estimate by year end of 2011. Preliminary metallurgical studies will also be carried out as part of the resource work.

As the drill program proceeds, several holes will also be testing priority geological, geochemical, and geophysical targets. Surface mapping, sampling, and geophysical surveys conducted to date demonstrate that the Aguila Project has potential to become a significant copper-molybdenum resource, with anomalous copper distributed over an irregular 1.7 x 1.2 kilometre surface area and strong geophysical anomalies distributed over a 3.0 x 2.0 kilometre area. Drill intersections to date show consistent copper and molybdenum values over significant widths, with known areas of mineralization open in several directions and also at depth.

Diamond drilling at the Corongo Gold-Silver Project will be carried out simultaneously with the Aguila drilling program. Geochemical and geophysical targets will be tested with an initial program of 1500 to 2000 metres of diamond drilling. Surface geological mapping and sampling will continue over the zones of known mineralization and in new areas in order to advance more potential drill targets. An expanded geophysical survey will be considered in order to extend and delineate geophysical anomalies from the first phase program.

The Company will be advancing the Ichuña Copper-Silver Project with a preliminary diamond drill program to begin in the fourth quarter of 2011. The geological, geochemical, and geophysical results to date indicate the presence of a copper-silver mineralized system over a 2.5 kilometre trend. This area of Moquegua is emerging as an important mineralized district in Southern Peru.

The Company intends to maintain a pipeline of new projects by actively evaluating new prospects and targets throughout Peru. The Aguila Project remains the Company's flagship project and the recent increases in copper and molybdenum commodity prices are very positive signs for the Company's future prospects.

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**1.3 – Selected Annual Information**

The following table summarizes selected financial data for the Company for each of the last three fiscal years. The information set forth below should be read in conjunction with the audited Consolidated Financial Statements, prepared in accordance with Canadian generally accepted accounting principles, and their related notes.

	<i>Years Ended</i>		
	<i>December 31, 2010</i>	<i>December 31, 2009</i>	<i>December 31, 2008</i>
	\$	\$	\$
<i>Revenues</i>	Nil	Nil	Nil
<i>Loss from continuing operations</i>	1,161,685	1,207,113	1,359,971
<i>Net loss</i>	1,161,685	1,207,113	6,268,738
<i>Loss per share</i>	0.01	0.02	0.11
<i>Total assets</i>	17,584,832	8,947,370	7,840,126
<i>Working capital</i>	5,903,544	711,433	466,002
<i>Total long term liabilities</i>	421,300	Nil	Nil
<i>Cash dividends</i>	Nil	Nil	Nil

**1.4 - Results of Operations**

	Three Months Ended		Year Ended	
	December 31		December 31	
	\$		\$	
	2010	2009	2010	2009
<b>EXPENSES</b>				
Stock-based compensation	<b>35,000</b>	125,000	<b>401,000</b>	480,000
Management, director and consulting fees	<b>44,620</b>	35,790	<b>163,970</b>	184,048
General and administrative	<b>72,042</b>	22,046	<b>171,690</b>	127,320
Investor relations	<b>24,796</b>	59,463	<b>229,671</b>	128,275
Professional fees	<b>56,127</b>	21,783	<b>159,729</b>	103,688
Rent	<b>10,500</b>	6,000	<b>41,250</b>	28,000
Exploration property expenditures written-off	-	157,921	-	157,921
Loss before the under-noted Interest income	<b>243,085</b>	428,003	<b>1,167,310</b>	1,209,252
	-	-	-	(2,139)
<b>LOSS FOR THE PERIOD BEFORE INCOME TAXES</b>	<b>243,085</b>	428,003	<b>1,167,310</b>	1,207,113
<b>FUTURE INCOME TAX RECOVERY</b>	<b>(5,625)</b>	-	<b>(5,625)</b>	-
<b>NET LOSS FOR THE PERIOD</b>	<b>237,460</b>	428,003	<b>1,161,685</b>	1,207,113
<b>Loss per share – basic and diluted</b>	<b><u>0.00</u></b>	<u>0.00</u>	<b><u>0.01</u></b>	<u>0.02</u>
<b>Weighted average number of common shares outstanding</b>	<b><u>122,380,762</u></b>	<u>87,508,460</u>	<b><u>107,622,193</u></b>	<u>70,951,734</u>

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During the fiscal year ended December 31, 2010, the Company had a net loss of \$1,161,685 compared to a \$1,207,113 loss in 2009. The Company incurred higher advertising and public relations costs of \$229,671 (2009 - \$128,275) due to increased marketing efforts during the year, and higher professional fees of \$159,729 (2009 - \$103,688) due to legal fees associated with the amalgamation of Double Jack. These increased costs were offset by a reduction in write-off of exploration expenditures (2010 - \$Nil; 2009 - \$157,921) and lower stock-based compensation expense (2010 - \$401,000; 2009 - \$480,000).

**1.5 - Summary of Quarterly Results**

The following table sets out selected consolidated financial information for each of the eight most recently completed quarters:

<i>Quarters Ended</i>	<i>Revenue</i>	<i>Net (loss)</i>	<i>(Loss) per share</i>
	\$	\$	\$
<i>December 31, 2010</i>	Nil	(237,460)	(0.000)
<i>September 30, 2010</i>	Nil	(379,241)	(0.003)
<i>June 30, 2010</i>	Nil	(305,390)	(0.003)
<i>March 31, 2010</i>	Nil	(239,594)	(0.003)
<i>December 31, 2009</i>	Nil	(428,003)	(0.005)
<i>September 30, 2009</i>	Nil	(243,238)	(0.003)
<i>June 30, 2009</i>	Nil	(245,870)	(0.004)
<i>March 31, 2009</i>	Nil	(290,002)	(0.005)

**1.6 - Liquidity**

The Company's liquid assets at December 31, 2010 were valued at \$6,126,469 (2009 - \$829,105), consisting of cash of \$6,002,801 (2009 - \$772,964), marketable securities of \$90,000 (2009 - Nil), amounts receivable of \$21,574 (2009 - \$6,763) and prepaid expenses and advances of \$12,094 (2009 - \$49,378). Substantially all of the Company's cash is on deposit with accredited Canadian Chartered Banks. The Company has no exposure to asset-backed commercial paper.

**1.7 - Capital Resources**

Future capital requirements will predominately be incurred for the purpose of continued exploration of the Company's Peruvian properties.

At December 31, 2010, the Company had 33,119,945 warrants outstanding exercisable for gross proceeds of \$6,406,023.

Management believes that the funds currently on hand are sufficient to continue to meet obligations through to December 31, 2011. Additional funds as required in the future, will need to be raised successfully on the capital markets, or through strategic relationships.

**1.8 - Off Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

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**1.9 - Transaction with Related Parties**

During the year ended December 31, 2010, management, director and consulting fees of \$163,970 (2009 - \$129,648) and office rent of \$Nil (2009 - \$28,000) were paid to officers and directors or companies controlled by them. Included in amounts receivable as at December 31, 2010 was \$Nil (2009 - \$594) owing from these related parties. This amount is unsecured, non-interest bearing, with no fixed terms of repayment.

During the year ended December 31, 2010, the Company incurred \$120,000 (2009 - \$122,000) for consulting fees provided by an officer of the Company that were charged to exploration property expenditures. Included in accounts payable and accrued liabilities at December 31, 2010 is \$1,438 (2009 - \$3,538) owing to these related parties. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

The above transactions were in the normal course of business and were measured at the exchange amount which is the amount agreed to by the related parties.

The Company's Chief Executive Officer, who is also a Director of Duran, was a shareholder of Double Jack, as were the Company's President and Chief Financial Officer. Each of these individuals received Duran shares in proportion to their holdings of Double Jack shares pursuant to the Amalgamation Agreement. The Company's independent members of the Board of Directors approved the terms of the Amalgamation, with the Company's Chief Executive Officer abstaining from voting.

See Notes to the Consolidated Financial Statements Notes 3(a) and 4(b)(i).

**1.10 - Fourth Quarter Results**

During the quarter-ended December 31, 2010, the Company reported a net loss of \$237,460 compared to a net loss of \$428,003 in 2009. The Company incurred higher general and administrative expenses of \$72,042 (2009 - \$22,046) due to a loss in foreign exchange rates and higher professional fees of \$56,127 (2009 - \$21,783) due to legal fees associated with the amalgamation of Double Jack. These increased costs were offset by a reduction in write-off of exploration expenditures (2010 - \$Nil; 2009 - \$157,921) and lower stock-based compensation expense (2010 - \$\$35,000; 2009 - \$125,000).

**1.11 - Business Combination**

On June 21, 2010, the Company entered into a definitive amalgamation agreement with Double Jack, whereby Double Jack amalgamated with a wholly owned subsidiary of the Company. This transaction was completed on July 8, 2010 for total consideration paid by the Company of 9,393,346 common shares of Duran (\$1,268,102). As a result of this transaction, the Company now holds a 100% interest in the Double Jack Properties (see Section 1.2). This transaction has been accounted for as a business combination in accordance with CICA Handbook Section 1582, using the acquisition method, with Duran as the acquirer.

The allocation of the purchase price has been determined using the fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition. An allocation of the purchase price is as follows:

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	Shares #	Fair market value \$
Purchase price:		
Common shares	9,393,346	1,268,102
Net assets acquired:		
Cash		841
Exploration property interests		1,746,153
Current liabilities		(57,592)
Future tax liability		(421,300)
		1,268,102

The transaction did not result in any goodwill. Total transaction costs expensed relating to the acquisition amounted to \$35,314 in legal fees.

The net loss for Double Jack for the year ended December 31, 2010 and the period between June 21, 2010, the acquisition date, and December 31, 2010 included in the consolidated financial statements was negligible. The impact to the net loss of the Company for the year ended December 31, 2010, had the acquisition of Double Jack occurred on January 1, 2010, would be negligible.

### **1.12 - Critical Accounting Estimates**

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The most significant accounting estimates are reflected in the policy of capitalizing exploration costs on mineral properties and the valuation of such properties, in the valuation of future income taxes and in the valuation of stock-based compensation.

The Company reviews its portfolio of mineral properties, both owned or under property option, on an annual basis to determine whether a write-down of the capitalized cost of any property is required. If a property option agreement is abandoned during the period, then the property is written-off in that interim period. The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent on the existence of economically recoverable resources, the ability to obtain financing to complete the development of such resources and the ability of the Company to meet its obligations under various property agreements.

The Company uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the factor used to estimate the volatility of the stock price. The Company uses historical price data and comparables in the estimate of future volatilities.

### **1.13 - Changes in Accounting Policies**

The significant accounting policies follow those of the December 31, 2010 audited financial statements unless otherwise disclosed.

### **Future Accounting Changes**

#### **(i) International Financial Reporting Standards ("IFRS")**

In February 2008, the CICA announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011 for which the current and comparative information will be prepared under IFRS. The Company is

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required to apply all of those IFRS standards which are effective for fiscal year ending December 31, 2011 and apply them to its opening January 1, 2010 balance sheet.

The Company's IFRS implementation project consists of three primary phases which will be completed by a combination of in-house resources and external consultants.

- Initial diagnostic phase ("Phase 1") – Involves preparing a preliminary impact assessment to identify key areas that may be impacted by the transition to IFRS. Each potential impact identified during this phase is ranked as having a high, moderate or low impact on our financial reporting and the overall difficulty of the conversion effort.
- Impact analysis, evaluation and solution development phase ("Phase 2") – Involves the selection of IFRS accounting policies by senior management and the review by the audit committee, the quantification of the impact of changes on our existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
- Implementation and review phase ("Phase 3") – Involves training key finance and other personnel and implementation of the required changes to our information systems and business policies and procedures. It will enable the Company to collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

The table below summarizes the expected timing of activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Completed
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Substantially completed with continuing review throughout 2011
Management and employee education and training	Completed
Quantification of the Financial Statement impact of changes in accounting policies	Substantially completed

**Financial reporting expertise and communication to stakeholders**

The Company has retained an external consultant to establish appropriate IFRS financial reporting expertise at all levels of the business. The external consultant has commenced training key finance and operational staff. The Company has also provided Audit Committee members with detailed project scoping, project structure, significant policy impact areas, detailed time table and a summary of accounting differences. This included a discussion of key accounting choices available under IFRS 1, First-time adoption of IFRSs, in particular, the treatment of mineral evaluation and exploration expenditures. Based on matters brought to their attention the Audit Committee members will review the Audit Committee Charter and make the necessary changes

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to reflect the requirements for IFRS financial expertise. The Audit Committee will continue to receive periodic presentations and project status updates from the external consultant and management. The Company will also ensure that its key stakeholders are informed about the anticipated effects of the IFRS transition.

The Company has substantially completed Phase I and Phase II and will continue to finalize the differences in connection with the March 31, 2011 interim financial statements.

The differences that have been identified in Phase I and II are summarized below.

**a) Transitional impact on financial statement presentation and classification**

The Company's financial statements will have a different format upon transition to IFRS.

The components of a complete set of IFRS financial statements are: statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes including accounting policies. The income statement will be presented as a component of the statement of comprehensive income.

***Impact on Company:** The Company will reformat the financial statements in compliance with IAS 1.*

**b) IFRS-1 Transitional policy choices and exceptions for retrospective application**

IFRS-1 contains the following policy choices with respect to first-time adoption that are applicable to the Company.

**Business combinations**

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3, *Business Combinations* retrospectively to business combinations completed prior to January 1, 2010. The Company plans to take advantage of this election and will apply IFRS 3 to business combinations that occurred on or after January 1, 2010.

**c) Mandatorily applicable standards with retrospective application (i.e., not specifically exempt under IFRS - 1)**

**Mineral resource properties and deferred exploration costs**

Upon adoption of IFRS the Company will have a choice between retaining its existing policy of capitalizing all pre-feasibility evaluation and exploration ("E&E") expenditures and electing to change its policy retrospectively to expense all pre-feasibility E&E costs.

***Impact on Company:** The Company is evaluating the policy options and will make a final determination of its policy in the current period.*

**Provision for environmental rehabilitation**

The Company had no asset retirement obligations at January 1, 2010.

**IFRS** – IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. **Canadian GAAP** – CICA Section 3110 applies to legal obligations associated with the retirement of a tangible long-lived asset. Such an



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obligation is to be initially measured at fair value in the period in which the obligation is incurred, unless it cannot be reliably measured at that date.

**Impact on the Company:** *The Company has determined that there is no material transitional impact.*

Functional currency

The Company uses the Canadian dollar as both its functional and reporting currency. IAS 21 contains a more comprehensive framework for the determination of functional currency.

**Impact on Company:** *The Company has followed the guidance in IAS 21 and determined that there is no impact on its transitional balance sheet at January 1, 2010.*

Share based compensation

**IFRS:** Under IFRS 2, graded vesting awards must be accounted for as though each instalment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. **Canadian GAAP:** Straight line basis is permissible under Canadian GAAP.

**Impact on Company:** *The Company has previously recognized option expense on a straight line basis and estimates that the transition to IFRS 2 methodology will result in an adjustment within shareholders' equity as at January 1, 2010.*

Impact on information systems and processes and controls

Based on work completed so far the Company has determined that adoption of IFRS does not have a pervasive impact on its present systems and processes. The Company expects to implement certain minor changes to the general ledger account descriptions as well as the calculation methodologies currently in use for certain specific financial statement areas such as asset impairment, share based compensation etc. The certifying officers are currently evaluating the effectiveness of, any significant changes to controls if any, to prepare for certification under IFRS in 2011.

**1.14 - Financial Risk Factors**

The carrying values of cash, amounts receivable, marketable securities and accounts payable and accrued liabilities, as reflected in the balance sheet approximate their fair values.

**Fair Value**

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

At December 31, 2010 and 2009, the Company's financial instruments that are carried at fair value, consisting of marketable securities, have been classified as Level 1 within the fair value hierarchy.

The carrying amounts for cash, amounts receivable, and accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

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**Risk Management**

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

**Capital Risk**

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain title to and explore its mineral properties.

**Liquidity Risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's current assets at December 31, 2010 were \$6,126,469 (2009 - \$829,105), consisting of cash of \$6,002,801 (2009 - \$772,964), marketable securities of \$90,000 (2009 - \$Nil), amounts receivable of \$21,574 (2009 - \$6,763) and prepaids and advances of \$12,094 (2009 - \$49,378). Management believes that it has sufficient funds to meet its current liabilities as they become due.

**Market Risk**

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

**Foreign Exchange Risk**

The Company's financings are in Canadian dollars. Certain of the Company's expenses are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. As at December 31, 2010, the Company had cash balances of US\$1,113,284 (2009 - US\$129,402) (CDN\$1,107,273 (2009 - CDN\$136,001)) and accounts payable of S./160,171 (2009 - S./157,945) (CDN\$56,151 (2009 - CDN\$56,827)).

**Sensitivity Analysis**

The majority of the Company's cash balances earn interest at fixed rates over the next three to twelve months. Sensitivity to a plus or minus 1% change in rates would not have a significant effect on the Company's net loss.

The Company is exposed to foreign exchange fluctuations as a result of transactions with its subsidiaries, Minera Aguila de Oro SAC, Corongo Exploraciones SAC, Exploraciones Laramarca SAC and Hatum Minas SAC. The Company does not use derivatives to mitigate its foreign currency risk. If the US dollar cash balances had remained consistent throughout the year, a 10% strengthening (weakening) of the Canadian dollar against the US dollar would have increased (decreased) losses for the year by \$110,727. If the Peruvian Nuevo Sol denominated financial instrument balances had remained consistent throughout the year, a 10% strengthening (weakening) of the Canadian dollar against the Nuevo Sol would have increased (decreased) losses for the year by \$5,615.

**Property Title Risk**

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

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**1.15 - Other MD&A Requirements**

**Capital Stock**

a) Authorized share capital as at December 31, 2010:	
Unlimited common shares without par value	
100,000,000 preferred shares without par value	
b) Securities issued and options granted:	
Securities issued during the year ended December 31, 2010:	75,397,346
Options granted during the year ended December 31, 2010:	2,700,000
c) Common shares issued and outstanding at April 21, 2011:	
	Shares
	<u>#</u>
Balance, December 31, 2010	167,198,958
Issued subsequent to December 31, 2010	<u>13,077,500</u>
	180,276,458
Potential issuance of common shares:	
Stock options	12,760,000
Warrants	<u>32,367,945</u>
Fully diluted	<u><u>225,404,403</u></u>

**Escrow Shares**

As at December 31, 2010, there were 348,133 common shares issued to a former officer and director of the Company, which are held in escrow subject to the direction or determination of certain regulatory authorities.

**Shareholders Rights Plan**

A Shareholders Rights Plan Agreement between Duran Ventures Inc. and Equity Transfer & Trust Company was approved by shareholders at the Special Meeting on October 14, 2008, and was subsequently approved by the TSX Venture Exchange, and is effective October 31, 2008.

**Risks and Uncertainties**

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.

The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company, with the possible dilution or loss of such interests.

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**Appointments**

On May 27, 2010, Mr. Todd Bruce was appointed to the Board of Directors. Mr. Bruce has held senior management and Board positions with various mining companies and brings extensive knowledge and experience to the Company.

On July 9, 2010, Mr. Steve Brunelle was appointed to the Board of Directors. Mr. Brunelle is a Canadian geologist with extensive experience in mineral exploration throughout the Americas. Mr. Brunelle has been an officer and director of several resource companies. During the 1990's, Mr. Brunelle was the President of MacMillan Gold Corp. at the time of the assembly of the Aguila area properties in Peru.

**Subsequent Events**

**a) Warrants**

Subsequent to December 31, 2010, 5,077,500 warrants were exercised for proceeds of \$1,023,000.

On April 17, 2011, 25,000 warrants expired unexercised.

**b) Options**

Subsequent to December 31, 2010, 300,000 options were exercised for proceeds of \$31,500.

In March 2011, the Company granted 6,000,000 options exercisable at \$0.29 for a period of five years. The grant included 5,000,000 options to eight individuals who are directors, senior officers, or both, and 1,000,000 options to two employees and four consultants of the Company. The options vested 100% on the date of grant.

**c) Private Placement**

In January 2011, the Company closed the second tranche of a private placement. The Company issued 7,700,000 units at \$0.13 per unit for gross proceeds of \$1,001,000. Each unit consists of one common share and one half of one common share purchase warrant whereby one full warrant entitles the holder to obtain one common share of the Company for \$0.20 for a period of two years. These shares are subject to a four-month hold period from the date of issue. In relation to this private placement, 500,500 compensation warrants exercisable at \$0.13 for a period of two years were issued and commission and issue costs of \$69,965 were paid.

**d) Settlement**

In January 2011, the claim against the Company by a former officer was settled; and a court dismissal order was subsequently received. At December 31, 2010, the Company had incurred an expense of \$32,644, which includes an accrual of \$7,200, relating to this claim.

**e) Option Payments**

In April 2011, the Company received 300,000 common shares of Viper as per the terms of the property option agreement.

**Additional disclosure of the Company's technical reports, material changes reports, news releases and other information can be obtained on SEDAR.**