DURAN VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Form 51-102F1

For the Three Month Period Ended March 31, 2016

DURAN VENTURES INC.
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FOR THE THREE MONTHS ENDED MARCH 31, 2016

Report Dated May 27, 2016

General

This Management's Discussion and Analysis ("MD&A") is provided for the purpose of reviewing the three months ended March 31, 2016 and comparing results to the previous period. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's audited annual financial statements and corresponding notes for the fiscal years ended December 31, 2015 and December 31, 2014, and the unaudited condensed consolidated interim financial statements for the three month period ended March 31, 2016. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") and all monetary amounts are expressed in Canadian dollars unless otherwise indicated in the notes to the audited annual financial statements.

This MD&A is prepared as of May 27, 2016. Mr. Jeffrey Reeder, P. Geo., Chief Executive Officer and President of the Company has either prepared, supervised the preparation of, or approved the scientific and technical disclosure in this MD&A. Mr. Reeder is a Qualified Person within the meaning of National Instrument 43-101 ("NI 43-101"). Additional information relevant to the Company's activities can be found at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the sections "Mineral Exploration Properties", "Company Outlook" and "Liquidity and Capital Resources" of this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of metals;
- the availability of financing for any of the Company's development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of any resource estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and/or
- tax benefits and tax rates;
- political uncertainty such as regulatory laws, statutes and permitting changes.

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These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity prices, access to skilled mining development and mill production personnel, results of exploration and development activities, the Company's limited experience with production and development stage mining operations, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors incorporated by reference herein. See "Risk Factors". The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. The Company also cautions readers not to place undue reliance on these forward-looking statements. Moreover, these forward-looking statements may not be suitable for establishing strategic priorities and objectives, future strategies or actions, financial objectives and projections other than those mentioned above.

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 mineral processing and 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 listed on the TSX Venture Exchange ("TSXV"). 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 Company's common shares were listed for trading on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru (the "Lima Exchange") effective September 21, 2012. The Company's shares are traded on the TSXV and the Lima Exchange under the symbol DRV.

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 agreements with the TSXV or the Lima Exchange.

Duran Ventures Inc. ("Duran") is focused on mineral processing and the exploration and development of precious and base metal properties in Peru.

In November 2015 the Company commenced construction of the Aguila Norte mineral processing plant in Northern Peru. As at the date of this report construction was substantially completed and the Company has begun the commissioning of the crushing and milling circuits.

In addition to the development of a mineral processing operation, the Company will maintain its prospect generator model where it will seek new partners to explore and develop properties in Duran's existing portfolio of exploration properties. The Company will continue to generate and acquire new prospective mineral properties while partners are actively exploring Duran's existing properties.

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Aguila Norte Mineral Processing Plant

Duran will hold an 80% ownership interest in Minera Aguila de Oro SAC ("MADOSAC"), the joint company that is building the Aguila Norte plant, by investing a total of US$1,500,000 in capital and other expenditures, and the Company will also establish a line of credit for the purpose of general working capital to facilitate the startup of plant operations. The private Peruvian company that will hold the 20% ownership interest in MADOSAC owns the concessions on which the plant has been constructed. The Company has all the necessary permits in place to construct the plant but the concessions have not yet been transferred to MADOSAC. Therefore, as at March 31, 2016, the 20% interest has not yet been transferred to the private Peruvian company. Formal transfer of the concessions is expected to occur before the end of June 2016.

The civil works were completed in late 2015 to provide the base for the primary crushers and for the 6' X 6' ball mill. The primary and conical mineral crushers as well as the ball mill were delivered to site in mid-January and established on their respective concrete foundations. The construction of the concrete foundations for the flotation cells, reactant tanks and secondary crushing circuit was completed in February. The remaining equipment - including the flotation cells – was installed during March/April.

The Company finished construction of the plant during May, 2016. The commissioning of the crushing and milling circuits is in process with the usual break-in period adjustments and fine tuning being conducted to the Company's satisfaction in concert with the plant.

The surface rights agreement with the Peruvian government was expanded and now includes the area where a long-term tailings storage will be located. The civil works for the tailings dam started in mid-February and was completed in April. The initial capacity of the tailings area is for 3 ½ years. Due to its favourable topography, the area can sustain increases to its tailings holding capacity to +20 years.

Mineral purchases have also commenced. The Company has signed an assignment agreement to extract and process high grade precious and base metal mineral from the Chucara property ("Chucara" or "the Property") providing mill feed for the Aguila Norte Plant (see ***Company Outlook*** below). The Company is currently reviewing additional sources of mineral with the objective of stockpiling a sufficient inventory of mineral to be processed once the plant commissioning phase is complete. The Company is very careful on the type of mineral being purchased. In order to process mineral, both proper documentation and metallurgical work are required from mineral suppliers. Currently, the Company is conducting detailed metallurgical work on several prospective feed sources and working with small miners to improve metallurgical and logistical efficiencies in return for profit sharing agreements.

The location of the mineral processing plant facility is viewed as strategic by Duran. Many processing plants in Peru are located in the south, more specifically, in the Nasca and Chala areas located 990 and 1,150 kilometres south of the proposed facility. There is access to water and power at the site that is located near the city of Trujillo, and is 10 kilometres from the main Panamerican Highway which runs the length of the country.

The Peruvian government reports that informal miners have been contributing as much as 1 million ounces of gold production annually (source - http://www.minam.gob.pe/mineriailegal/una-historia-de-devastacion/). The origin of much of this mineral supply has been difficult for government authorities to track. Peru has initiated a formalization process designed to register all small scale mining operations. The registration will allow the government to tax income, and monitor and regulate health and safety, and environmental issues for informal miners and will allow these operations to legally sell their mineral supply only to permitted mineral processing facilities.

The Company's management spent several months evaluating various investment scenarios and operating parameters for its Aguila Norte Plant which included processing methodologies, working capital optimization, mineral supply reliability, metallurgical consistency, transporting logistics and security of both transported mineral supply and processed product. The conclusion was that the best risk/reward profile on existing cash reserves would be obtained by constructing a 100 tonnes per day ("TPD") processing plant with a flotation circuit, rather than a carbon-in-pulp ("CIP") gold leaching circuit as previously announced. The principal advantages of the former as determined by the Company's assessments are:

- more secure long term suppliers with larger tonnage shipments
- reduced dependence on small scale artisanal mining as a supply source resulting in lower administrative and legal costs
- reduced working capital (less onerous mineral supply payments)
- improved metallurgical consistencies

Highlights of the mineral processing plant construction are:

- The ball mill, crusher and concentrate storage cells have been installed
- An all-in construction cost of US$1.3 million that is inclusive of fully tested crushing, milling and flotation circuits, tailings dams, closed circuit security system, camp construction for a local workforce of 25 and onsite logistical overheads
- Metal recovery will be via flotation circuits designed to produce up to three distinct concentrates enabling processing of a wider spectrum of multi and poly-metallic sulphide mineral supply. Initial plant throughput is rated at 100 TPD
- Initial ground preparations and plant layout allows for the sequential addition of a CIP gold leaching circuit and incremental expansion to a 350 TPD throughput
- Permitting is in place under the Peruvian government's formalization mandate to operate up to 100 TPD. The Company is well advanced to receive full permits and licenses which will enable the expansion of the Aguila Norte Plant

The Company secured the services of JPC Estructuras y Concreto SAC, a Lima-based contractor headed by mechanical engineer Mr. Jorge Peña, as the contractor for the plant construction. In particular Mr. Peña has a long association with Fundicion Callao ("FUNCAL") which supplied most of the plant components, including the ball mill and cone crusher. FUNCAL has been operating its foundry and metal machining business in Peru since the 1930's and is renowned for its high quality milling and grinding equipment.

Included in the terms of the definitive agreement with the private Peruvian company is the assignment of several concessions (10,020 hectares) located in northern Peru. Importantly, nine of these concessions (7,800 hectares) are located in the Tayabamba - Pataz gold region located approximately 300 kilometres east of Trujillo. Three well established Peruvian gold miners are active in the Pataz and Tayabamba region along with many small legalized miners. Mining in this region has been continuously focused on high grade gold mineralization for almost 6 decades. Public information from the Peruvian Ministry of Mines shows 2015 gold production records from the three main gold miners as follows; Consorcio Minero Horizonte S.A. - 252,203 ounces, Minera Aurifera Retamas S.A. - 180,877 ounces, and Compañia Minera Poderosa S.A. - 161,247 ounces. Duran is assessing these properties for exploitation potential and will assist small scale informal miners to formalize their activities and to offer an alternative and more strategic location for mineral processing. Furthermore, Duran is currently assessing its existing portfolio of exploration properties for potential exploitation and delivery of mineralization to its new proposed facility.

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In November, 2015 Duran signed a non-binding Memorandum of Understanding ("MOU") with BacTech Environmental Corporation ("BacTech"). The basis of the MOU is to determine the financial viability of constructing a bioleach circuit to be built as an add-on to Duran's Aguila Norte Plant. BacTech and its predecessors use proprietary bacterial oxidation technology that liberates precious and base metals from difficult to treat sulphide ores and concentrates. The BacTech technology is the only process that has commercially-proven bioleaching capability for gold and base metal separation. To date 3 bioleach plants have been designed and built (2 in Australia and 1 in China). If deemed viable, the bioleach plant will be designed to address the high levels of arsenic that are present in some high-grade precious metal material, which is prevalent in northern Peru. Duran's geologists have already identified several prospective sources of this mineralized material, which is presently not treatable at most other mineral processing facilities in Peru. Duran and BacTech agree that a bioleach circuit at the Aguila Norte Plant will be an environmentally friendly alternative to process refractory and arsenic rich precious and base metal mineralized material mined by small scale miners. In many cases, gold rich refractory mineralized materials mined are treated with mercury in an attempt to extract gold from the host rocks. Recoveries of gold are very low and much of the material is discarded after mercury treatment, leading to widespread contamination of soils and waterways. If further investigation shows favorable economics on identifiable mineralized material, a Joint Venture will be formed with MADOSAC and BacTech with each party holding 50% ownership of the bio-leach circuit. BacTech will finance the cost of the construction of the bio-leach circuit. Duran will have the right to participate in BacTech's financing if it so choses.

Duran views this new initiative into mineral processing as a solid step toward establishing a sustainable business model that will complement its exploration expertise and portfolio of mineral assets.

<u>Mineral Exploration Properties</u>

All projects are described below.

Panteria Porphyry Copper Project

The Panteria Porphyry Copper prospect ("Panteria Project") is located approximately 210 kilometres southeast of the city of Lima, in the Department of Huancavelica in south-central Peru. Duran owns 100% of this property that consists of 7,204 hectares held in 15 mineral concessions.

In March 2016 the Company entered into an Option Agreement (the "Agreement") on the Panteria Project with Minera Antares Peru S.A.C. - a wholly owned subsidiary of TSX listed First Quantum Minerals Ltd. (collectively "FQM").

Under the terms of the Agreement, FQM can conduct due diligence studies for up to 18 months before proceeding to earn up to 80% of the Project by delineation of a resource >1 million tonnes of copper equivalent and making a series of staged payments over 5 years. If FQM proceeds to a decision to mine, they have the option to buy the remaining 20% equity from Duran for US $0.02 per lb of copper equivalent based on 20% of delineated reserves. Duran will retain a 0.5% NSR royalty.

The Agreement outlines an exploration and development schedule divided into 3 stages:

Stage 1: Duran will assign all exploration rights to FQM and FQM will contract Duran's community relations team in order to obtain community approval as a pre-requisite for the environmental permit. FQM will have the right to carry out due diligence studies over a period of 18 months subsequent to receiving the aforementioned community approval.

Stage 2: FQM may earn an 80% interest in the Project by defining a mineral resource, and reporting the resource in compliance with National Instrument 43-101, in excess of 1 million tonnes of copper equivalent within 5 years and making a series of escalating payments with a maximum cumulative total of US $500,000 (First Option).

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Stage 3: FQM will be granted a Second Option to purchase Duran's remaining 20% interest by carrying out additional technical /feasibility studies and declaring a "decision to mine". The purchase amount will be calculated by applying a value of 2 cents (US$0.02) per pound of copper equivalent to 20% of reserves. Duran will also be paid an NSR of 0.5% on all metal production from any subsequent mining operation (capped annually at US$15 million) except in the case where FQM elects not to exercise the Second Option and Duran contributes its proportion of project development and construction costs. Duran's 20% interest will be free-carried through to a decision to mine.

About the Panteria Project:

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 x 1.0 kilometres, with a dominant northeast-southwest orientation. Altered diorite porphyry outcrops at lower elevations on the property. The Company interprets the geological environment to consist of a volcanic-intrusive complex with fingers of copper-bearing intrusive cutting an overlying, strongly altered volcanic package.

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.

Previous exploration in the project area was conducted by Rio Tinto PLC in 2003. This work focused on an individual concession covering 400 hectares which is now part of Duran's property. Rio Tinto's exploration work was comprised of sampling and mapping, a magnetic survey, and three diamond drill holes totaling 1,152 metres. A large hydrothermal/porphyry system was identified covering an area 2.5 x 2.0 kilometres. The third and final hole, drilled to a depth of 375 metres, intersected propyllitic altered quartz-feldspar-hornblende porphyry ending in a potassic style alteration with a weak quartz stockwork. Magnetite was also noted ranging between 5 to 10%. According to an internal report by Rio Tinto, gold values range from 10ppb to 420 ppb Au and copper ranges from 276 ppm to 4,470 ppm Cu with an average of 1,120 ppm over its entire length. Individual assays are not available but histogram Cu plots show that the mineralization is strongest starting at 200 meters to the end of the hole. Please note that the Company does not have the raw data or core to verify historic results.

A 2014 induced polarization (IP) survey, coupled with conceptual geological modeling, confirmed and amplified porphyry targets on the main Panteria Zone. Geophysics has highlighted a strong chargeability (>44 mV/V) anomaly surrounding a resistivity and magnetic high that is located more than 500 meters from the historic drilling. This geophysical anomaly is greater than 800 metres in width and shows a classic porphyry style geophysical IP signature with corresponding magnetic high. The high chargeability response reflects a pyrite shell exposed in lower elevations. The target now requires drilling to determine the depth of the porphyry.

The Kiosko Zone is located 1,200 metres south-southeast of the historic drilling and shows a broad structurally controlled geochemical anomaly with dimensions of 1,800 metres by 500 metres. Sampling and mapping suggests the presence of an east-west fractured mineralizing hydrothermal system showing elevated gold, silver, and molybdenum. In total, 123 samples were taken from this zone where 19 samples range between 0.1 and 1.075 g Au/T averaging 0.231 g Au/T.

The second zone, the Ronaldo Zone, was discovered in 2014 while prospecting creeks and is located 4.5 kilometres east of the main Panteria Zone. Follow up sampling and mapping encountered gold and silver mineralization in a high sulphidation lithocap that is hosted in shallow dipping volcanics at higher elevations. At lower elevations, creeks expose hydrothermal breccias and quartz-pyrite-pyrrhotite-magnetite stockwork with locally anomalous gold values. Similar to the Panteria Zone, outcropping, advanced argillic altered volcanic rocks at the Ronaldo Zone include tourmaline and dumortierite that stratigraphically overly the breccias.

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Minasnioc Gold-Silver Project

The Minasnioc Gold Project is interpreted to be a high sulfidation (or acid-sulfate) epithermal gold-silver bearing system located in the Department of Huancavelica, approximately 300 kilometres southeast of Lima. The project consists of 10 concessions totalling 6,900 hectares (69 sq. km). This project has seen previous intensive exploration campaigns by Barrick Gold Corporation ("Barrick") and Compañia de Minas Buenaventura S.A.C. ("Buenaventura") between 2001 and 2007, which included surface channel sampling and drilling.

The Company acquired three (3) concessions and the historical geological and drill data from Barrick on these area concessions. The three concessions acquired from Barrick will be subject to a 2% NSR to Barrick. The remaining seven (7) Minasnioc Gold Project concessions are wholly owned and not subject to any royalty.

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 2.0 x 2.0 kilometres. The age of the volcanic host rocks and style of mineralization is similar to Barrick's Pierina and Alto Chicama Mines and Newmont/Buenaventura's Yanacocha Mine in Peru.

Other notable and comparable high sulphidation oxide gold properties in Southern Peru include Pan American Silver's Pico Machay Property, Minera IRL's Corihuarmi and Aruntani's Rescatada Properties. It is important to note that the style of the oxide gold mineralization allows for low cost extraction. For example Minera IRL's Corihuami property produced 33,013 ounces of gold at an average of 0.87 g Au/T during 2010 at cash costs of $383 per ounce. The Corihuami gold mine was placed into production in 2008 for a capital cost of US$20 million. The Corihuami capital cost was recovered from pre-tax cash flow within the first 7 months of production. (source Minera IRL Limited website:http://www.minera-irl.com/english/Mine/Corihuarmi/tabid/135/Default.aspx).

Forty-one holes were drilled in 2003 and 2004 for a total of 5,863 metres. Previous work by Barrick confirms widespread gold and silver mineralization associated with high sulphidation type alteration. The previous drilling discovered two distinct mineralized zones. The north zone shows disseminated Au-Ag mineralization over a 1,200 metre east-west trend with several significant intersections starting at surface. The second mineralized zone is located some 2,000 metres south of the north zone and intersected a silver rich zone with hole P-17 returning 57.8 g Ag/T starting at 5.2 metres.

The historic drill results by Barrick Gold have not been verified by Duran and therefore must not be considered as NI 43-101 compliant and should not be relied upon by investors in assessing the value of the Minasnioc properties. The project will require considerable future exploration to verify historic results as well as assessing the full extent and nature of the mineralization on these properties.

In December 2015, the Company signed an agreement with a private Peruvian mining company ("PeruCo") whereby PeruCo has the option to acquire a 100% interest in Minasnioc within a two (2) year period by paying Duran US$50,000 upon signing (paid) and US$700,000 no later than December 4, 2017, subject to PeruCo receiving approval to access the property from the local Minasnioc community. Duran will also be entitled to a 1.0% Net Smelter Return royalty ("NSR") on all concessions except for the concessions previously acquired from Barrick (Aura Azul 6, 7 and 8).

Mamaniña Porphyry Copper-Molybdenum-Gold Project

The Mamaniña property consists of eight concessions covering 4,069 hectares located approximately 14 kilometres south along the same geological (copper porphyry) belt as the Racaycocha-Aguila Copper-Molybdenum Porphyry Project. In December 2012, the Company acquired the extensive historical database and drill core for the property.

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The Mamaniña concessions are considered by Duran geologists to be a high quality copper porphyry 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 gold per tonne ("g Au/T"). A joint news release was 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 starting at 14 metres 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 proximity to the Aguila Project and Peñoles' Racaycocha Projects reinforces the Company's view that the Aguila area is a new emerging mineralized district. The Company has signed Confidentiality Agreements ("CA's") with several interested parties who are reviewing the project.

Ichuña Copper-Silver Project

The Ichuña Copper-Silver Project (1,000 hectares) is located 120 kilometres northeast of Arequipa in the Department of Moquegua in Southern Peru and adjacent to the San Gabriel Project a diatreme breccia body with significant gold and copper mineralization, owned by Compañia de Minas Buenaventura S.A.A. ("Buenaventura"). Buenaventura announced the acquisition of 51% of Canteras del Hallazgo S.A.C (49% already held by Buenaventura), owner of the San Gabriel Project, from Minera Gold Fields Peru S.A. (a subsidiary of Gold Fields Ltd, a globally diversified producer of gold with operations in Australia, Ghana, Peru and South Africa). The agreement includes a US$81 million cash payment and a 1.5% net smelter return royalty on gold, silver and copper sales. The published resource showed that the Canahuire Zone within the San Gabriel Project area contains 12.3 million tonnes of 6.5 g Au/T containing 2.5 million ounces of gold Buenaventura's current intention is to access the ore by underground mining methods. The Canahuire Zone is located less than 3 kilometres from the southern boundary of the Ichuña Project.

Company geologists have defined several 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. 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 between 30 to 80 degrees, and the second between 110 to 160 degrees.

The Company signed an Agreement with Rio Alto Mining Limited ("Rio Alto") in January 2013 whereby Rio Alto had the option to earn a 65% interest in Ichuña by incurring a total of US$8,000,000 in exploration costs within a four (4) year period, and make a payment to Duran of $500,000. In July 2013, Rio Alto notified the Company that it had relinquished the option on the Ichuña property. Rio Alto drilled seven diamond drill holes totaling 2,754 metres along intrusive and limestone contact(s) where access and community agreements are in place. The drilling did not return significant results along this contact. The necessary access agreements were not obtained to drill test the area of the IP geophysical anomaly trending northwest-southeast and measuring over 1,500 metres in length. This geophysical anomaly is believed to have similarities to the buried (blind) anomaly that characterized the San Gabriel – Canahuire deposit located just 3 km to the south.

The Company has completed the remediation work on the property and is maintaining discussions with the local communities to consider future exploration work.

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 Mine owned by Trevali Resources Corporation ("Trevali"). Previous sampling on the Don Pancho Project returned values up to 238 g Ag/T, 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.

This project is approximately 10 kilometres to the west of the Santander Mine, which has an NI 43-101 compliant resource estimate (Trevali Management Discussion and Analysis for the year ended December 31, 2014 dated March 30, 2015, filed on SEDAR) of 6.264 million metric tonnes ("MT") of 3.62% Zn, 1.30% Pb, and 43 g Ag/T (indicated category) and 13.845 MT of 4.62% Zn, 0.40% Pb, and 21 g Ag/T (inferred category).

In 2012, the Company signed an Agreement with a private Peruvian mining company (the "Optionee") whereby the Optionee could earn a 70% interest in the Don Pancho Project for cash consideration of US$2,030,000. The Optionee made payments of US$30,000 upon signing an LOI and US$250,000 upon signing the Agreement. In 2014, the Optionee drilled six (6) diamond drill holes totaling 2,021 metres to test two targets at the Don Pancho Project. The primary drill target was defined by surface mineralization consisting of multiple Pb-Zn-Ag-Mn replacement horizons/gossans that have been mapped along 950 metres of strike length in a corridor measuring 10 metres to 215 metres in width and hosted in prospective stratigraphy of the Cretaceous Chimu, Santa, and Carhuaz Formations. Drilling also targeted possible disseminated or skarn base metal mineralization that is interpreted to coincide with a chargeability geophysical high. In June 2014 the Optionee terminated the Agreement and provided Duran with the drill core and data.

On December 30, 2014 the Company filed a NI 43-101 compliant technical report on the Don Pancho property with further recommendations for project advancement, including detailed geological mapping, geochemical sampling, and geophysics. The report was prepared by James A. McCrea, B.Sc., P. Geo.

Huachocolpa Properties

The Huachocolpa Properties (the "Properties") consist of 82 contiguous and non-contiguous mining concessions totalling 2,980 hectares located within the historic Huachocolpa Mining District in the Department of Huancavelica, Peru, some 260 kilometres ("km") southeast of Lima. The Properties, acquired in January 2015, are 100% owned with no underlying royalties. There is paved road access from Lima (via the coastal town of Pisco) totalling 445 km up to the Chonta Pass. From there a number of gravel roads service the Properties.

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The Company is evaluating and considering the following options for the Huachocolpa Properties:

1. Contract Mining and toll treating its high grade material at one of the operating processing plants in the vicinity of the Properties.

2. Commence permitting for installation of a processing plant to treat high grade material from Duran's properties plus several of the nearby artisanal mine workings in the district.

3. Associate with one of the existing small-scale producers in the district to build a joint district-wide mineral processing facility.

4. Seek a Joint Venture Partner who would fund exploration and development on the Properties with Duran receiving cash payments and a royalty on production.

5. Associate with a 3rd party investment syndicate or Equity Fund to make a strategic investment in the district combining a number of small mining operations

Veins have been mined in the Huachocolpa District since Spanish colonial times (16th century) and the district is host to several producing and past-producing vein hosted polymetallic, base metal (silver-zinc-lead-copper plus or minus gold) properties. Polymetallic vein mining and milling continues to be the dominant formal economic activity in the district with Compania Minera Caudalosa's Caudalosa Chica mine and Buenaventura's Recuperada being the larger operations currently in production. The Caudalosa Chica and Recuperada mineral processing plants (located 3.0 and 7.5 km respectively from the centre of the Properties) produced a combined 41,012[a][b] tonnes of concentrate during 2014. Compania Minera Caudalosa S.A. is in the process of upgrading its current 800 tonne per day ("tpd") polymetallic flotation plant to 2,000 tpd. Smaller scale mining operations also operate in the district.

The vein systems in the Huachocolpa District generally strike easterly, crosscut folded Mesozoic sediments and overlying Cenozoic volcanics, and are related to late Cenozoic faulting. Polymetallic base metal mineralization in the veins is dominated by sphalerite, silver bearing galena, and chalcopyrite. Within the district and within Duran's Properties, there is zoning towards epithermal mineralization resulting in higher precious metals contents.

The Properties have been divided into eight distinct packages or zones. Duran mapped and sampled four of these zones for a total of 196 samples. The majority of the work concentrated on three zones that have assayed high-grade base and precious metal numbers during the reconnaissance sampling programs undertaken by the Company's geologists. The 2015 sampling also confirmed mineralization in 81 samples collected by the previous owner of the Properties.

Highlights of the 2015 sampling included defining several gold bearing polymetallic veins at the Castorindo Zone, identifying a 1,400 metre long mineral bearing structure at the Alta Tunes Zone, accessing and mapping two levels of an abandoned mine working at the Tangana West Zone, and confirming the potential to expand the strike length on these structures and numerous other structures within the Properties. The surface sampling was successful in defining numerous follow up targets. A description of each zone is provided at the Company's website: www.duranventuresinc.com .

[a] from Grupo Raffo GR Holding SA 2014 Annual Report
[b] from Compania de Minas Buenaventura SAA 2014 Annual Report in the Bolsa de Valores de Lima
http://www.bvl.com.pe/eeff/B20003/20150327203602/MEB200032014AIA01.PDF

DURAN VENTURES INC.
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Company Outlook - Mineral Processing Plant and Exploration Project Plans

Aguila Norte mineral processing plant

Construction of the Company's 80% owned Aguila Norte mineral processing plant was completed in May 2016. All-in construction costs are estimated to be US$1.3 million. The commissioning of the crushing and milling circuits is in process with the usual break-in period adjustments and fine tuning being conducted to the Company's satisfaction in concert with the plant construction contractor. Mineral processing will be crushing, grinding and then flotation circuits designed to produce up to three distinct concentrates enabling processing of a wider spectrum of multi and poly-metallic sulphide mineralized material. Initial throughput is rated at 100 TPD; initial ground preparations and plant layout allows for the sequential addition of a CIP gold leaching circuit and incremental expansion to 350 TPD throughput. The Company also plans to connect to the power grid later this year which will reduce operating costs. Further plant expansion will include a full onsite laboratory able to perform multi-element and metallurgical analysis. The Company is well advanced to receive full permits and licenses necessary for the plant expansion.

On May 11, 2016 the Company entered into a mineral assignment agreement to extract and process high grade precious and base metal mineral from the Chucara property ("Chucara" or "the Property") providing mineral supply for the Aguila Norte Plant. The Property is located in north-central Peru, within the La Libertad gold mining district about 50 kilometres southeast of Barrick's Lagunas Norte mine.

Currently, small-scale, artisanal miners are extracting mineral from Chucara and selling it to third parties. Under the assignment agreement, mineral from the Property can only be shipped to and processed at the Aguila Norte Plant having satisfied the formal documentation protocol of the local authorities. The Company intends to achieve mineral supply from Chucara of 1,000 tonnes per month by the end of September 2016, increasing to 1,500 tonnes per month, or 50% of plant capacity, by the end of December 2016. The Company is also negotiating with other mineral supplies to achieve full production by the end of the September 2016.

The Company will invest $100,000 in equipment and infrastructure to improve the proficiency of current small scale mining on the Property. Profits will be shared equally with the owner of the concession after deduction of expenses regarding a fixed processing fee, transport, and extraction costs.

Chucara consists of one 675 hectare concession and hosts several small-scale artisanal mine workings, as well as three veins that were part of historical production. Twenty-three samples taken by the Company from mineral being stockpiled for shipment returned the following results:

- Gold - Average 14.96 g Au/T (0.48 oz. Au/T) (ranging from 5.15 to 29.1 g Au/T)
- Silver - Average 396 g Ag/T (12.73 oz. Ag/T) (ranging from 136 to 1002 g Ag/T)
- Zinc – Average 5.98% (ranging from 1.52% to 10.66%)
- Lead – Average 5.79% (ranging from 1.32% to 18.61%)

It should be noted that the samples are hand sorted samples from the artisanal miners and should not be considered representative of the mineralization hosted in the veins. No mineral resources have been identified on the Property.

Preliminary flotation metallurgical work on a sample with a head grade of 0.325 oz Au/T, 16.1 oz Ag/T, 7.37% lead, and 7.72% zinc has returned concentrate recoveries of 96.68% gold, 99.06% silver, 91.13% lead, and 37.57% zinc. Further detailed metallurgical work is being conducted by Certimin S.A., an accredited Peruvian laboratory.

The Company has recently completed a detailed compilation of the available historic data provided by the Property owner and by the Company's geologists. The historic data includes exploration work by Silver Standard Resources Inc. and Focus Ventures Ltd. The data shows that high grade vein style sediment-hosted mineralization occurs over a north-northeast trending corridor which measures over

1,700 metres in length and 250 metres in width. Mineralization within this corridor consists of a series of complex vein systems and mineralized faults. The three main mineralized veins that were subject to historical production namely Maria, Consuzo and Wenses average 0.60 metres in width and were the main exploration targets by previous operators.

Historic drilling results by Focus Ventures Ltd. in 2011 totaled 1,780 metres in five holes. Drilling in the northern area of the property cut the down dip extensions of the Conzuso, Maria and Wenses veins thereby demonstrating vein continuity to depth. Highlights from this drilling (source Focus Ventures Ltd. press releases of January 11, 2011 and March 15, 2011) include: -

Diamond drill hole DDH-1:

- From 127.2m to 127.8m, 4.95 g Au/T, 345 g Ag/T (11.9 oz Ag/T), 5.78% Pb and 11.0% Zn (true width of 0.55m) and
- from 216.1m to 217m, 5.6 g Au/T, 512 g Ag/T (16.5 oz Ag/T), 2.3% Pb, and 4.7% Zn and
- from 218.95m to 219.55, 10.0 g Au/T, 323 g Ag/T (10.4 oz Ag/T), 7.6% Pb, and 4.3% Zn

Diamond drill hole DDH-3:

- From 269.0 to 269.45m, 6.1 g Au/T, 652 g Ag/T (20.9 oz Ag/T), 5.8% Pb and 7.4% Zn.

The Company plans to assist with infrastructure and controls for the mineral currently being mined to ensure that only high grade material will be shipped to Duran's Aguila Norte Plant. The mineral assignment agreement ensures that miners will not be able to sell to third parties. Assistance from the local community will further enable the Company to restrict access protecting the miners and environment.

<u>Mineral Exploration Properties</u>

As highlighted above in the detailed information for each mineral exploration property, the Company is continuing its strategy of engaging third parties at its projects for their timely advancement.

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Exploration Expenditures

A summary of exploration expenditures for the three months ended March 31, 2016 and 2015 is as follows:

	Three Months ended March 31,	
	2016	2015
Corporate rent & utilities	**3,217**	11,813
Project management & admin	**78,970**	80,221
Travel	**-**	16,164
Consultants	**5,632**	2,479
Concession payments & acquisitions	**4,691**	153,227
Legal and regulatory	**50,718**	1,407
Expense for the period	**143,228**	265,311

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 December 31, 2015 audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and their related notes.

	Years Ended		
	December 31, 2015 $	***December 31, 2014 $***	***December 31, 2013 $***
Revenues	Nil	Nil	Nil
Income (Loss)	(2,643,671)	5,135,889	(2,392,302)
Income (Loss) per share	(0.01)	0.02	(0.01)
Total assets	3,908,015	6,623,079	1,804,913
Working capital/(deficiency)	2,432,686	4,952,773	(351,918)
Total long term liabilities	Nil	111,000	111,000
Cash dividends	Nil	Nil	Nil

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Results of Operations

Consolidated Statements of Loss and Comprehensive Loss

	Three Months Ended March 31 $	
	2016	2015
EXPENSES		
Exploration and evaluation expenditures	**143,228**	265,311
Plant start-up expenses	**264,937**	-
Management and consulting fees	**75,625**	75,625
Directors fees	**7,000**	7,000
Professional fees	**31,693**	11,156
Accounting and administration	**16,411**	18,263
Shareholder relations and filing fees	**36,192**	14,557
Office and general	**7,787**	6,039
Insurance	**9,129**	8,529
Telephone and communications	**1,021**	2,941
Travel and promotion	**8,506**	9,193
Rent	**12,821**	6,292
Foreign exchange loss	**141,911**	94,793
Amortization	**158**	1,524
NET LOSS FOR THE PERIOD	**756,419**	521,223
Realized gain on derivative instruments	**-**	(57,050)
Change in unrealized gain on derivative instruments	**-**	(245,400)
Unrealized loss on marketable securities	**15,000**	-
Interest income	**-**	(11,952)
COMPREHENSIVE LOSS FOR THE PERIOD	**771,419**	206,821
Loss (Income) per share – basic and diluted	**0.003**	0.001
Weighted average number of common shares outstanding	**234,649,870**	234,149,870

During the three months ended March 31, 2016, the Company had a comprehensive loss of $771,419 compared to a comprehensive loss of $206,821 for the same period in 2015. Exploration and evaluation expenditures for the period were $143,228 (2015 – $265,311) which is lower than the prior-year period as staff were being deployed to assist in the Aguila Norte plant start-up Plant start-up expenses of $264,937 (2015 - $Nil) relate primarily to costs associated with securing and analysing potential mineral feed supply for the Aguila Norte, as well as general administrative expenses of Madosac (see table below). Management and consulting fees of $75,625 (2014 - $75,625) and Directors fees of $7,000 (2015 - $7,000) are comparable to the prior year period. Professional fees of $31,693 (2015 – $11,156) were higher in the current period due predominately to costs associated with financial and strategic corporate advisory services in Peru. Shareholder relations and filing fees of $36,192 (2015 – $14,557) are higher in the current period, mainly as a result of costs associated with the Company's annual shareholders' meeting, which was held earlier in 2016, compared to the prior year's meeting date. Rent expense of $12,821 (2015 - $6,292) is higher due to the non-payment of sublease rental income. Foreign exchange loss of $141,911 (2015 – $94,793) is a result of the Canadian dollar exchange rate fluctuating against the US dollar and the Peruvian sol during the quarter and the impact on the Company's US dollar denominated accounts, and intercompany loan balances. Other operating expenses were generally in line with the prior period.

Unrealized loss on marketable securities of $15,000 (201 – $Nil) relates primarily to the Company's revaluation of its investment in Quikflo Health Inc. (formerly Viper Gold).

Plant start-up expenses

	Three months ended March 31,	
	2016	2015
	$	$
Salaries and management fees	**173,905**	-
Geological and laboratory	**29,681**	-
Consultants	**29,950**	-
Rent and utilities	**9,116**	-
Office and general	**20,408**	-
Professional fees	**1,877**	-
	264,937	-

Summary of Quarterly Results

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

Quarters Ended	***Revenue $***	***Net income (loss) $***	***Income (Loss) per share $***
March 31, 2016	Nil	(771,419)	(0.003)
December 31, 2015	Nil	(1,310,971)	(0.005)
September 30, 2015	Nil	(392,120)	(0.002)
June 30, 2015	Nil	(733,758)	(0.003)
March 31, 2015	Nil	(206,821)	(0.001)
December 31, 2014	Nil	(394,832)	(0.002)
September 30, 2014	Nil	(400,347)	(0.002)
June 30, 2014	Nil	6,292,095	0.027

Liquidity and Capital Resources

The Company's liquid assets at March 31, 2016 were valued at $1,497,879 (December 31, 2015 - $2,595,588), consisting of cash of $1,234,125 (December 31, 2015 - $2,497,888), marketable securities of $19,311 (December 31, 2015 - $34,311), amounts receivable of $187,726 (December 31, 2015 - $63,389) and inventory of $56,717 (December 31, 2015 - $Nil). Substantially all of the Company's cash is on deposit with Canadian chartered banks or a financial institution controlled by a Canadian chartered bank.

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During the year ended December 31, 2015 the Company's average monthly cash burn rate, excluding plant start-up expenses, exploration expenditures, amortization, foreign exchange and gain on derivative instruments, was approximately $59,000. For the three months ended March 31, 2016 the average monthly cash burn rate was approximately $80,729 with the increase mainly due to higher shareholder relations and professional fees. The Company expects the monthly burn rate to remain constant throughout 2016. Duran has invested US$1.5 million in capital and other expenditures to design and construct a mineral processing operation in northern Peru, and establish a line of credit for the purpose of general working capital for the start-up. Plant start-up costs for the three months ended March 31, 2016 were $264,937.

As a junior exploration stage company, Duran has traditionally relied on equity financings and warrant exercises to fund exploration programs and cover the general working capital requirements of a publicly traded junior resource company. As at March 31, 2016, the Company had working capital of approximately $1.2 million (December 31, 2015 - approximately $2.4 million). The Company has sufficient funds to complete construction of its mineral processing plant. However, to accelerate ramp up to commercial production, the Company will need additional funding in 2016 to cover plant working capital requirements and general working capital requirements. The Company does not intend to fund significant exploration programs in 2016 and is actively looking for partners to develop its exploration projects.

In December 2015 the Company signed an agreement with Alpha Resource Advisors S.A.C. ("Alpha") to provide financial and strategic corporate advisory services regarding all material aspects of the Company's growth as it progresses with the construction and operation of its mineral processing plant in northern Peru. Alpha is a mining industry specific financial and corporate advisory firm that services Latin American counterparties.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the junior resource sector. Financial markets are currently volatile, and are likely to remain so during 2016, reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects and many other factors that might impact the Company's ability to raise additional funds, should it need to.

Off Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of key management personnel and directors of the Company for the three months ended March 31, 2016 and 2015 were as follows:

Aggregate compensation		**2016**	2015
Jeffrey Reeder	CEO, President & Director	**$ 56,250**	$ 56,250
Oscar Pezo	Director and VP	**19,561**	28,200
Dan Hamilton	CFO	**32,500**	32,500
Steve Brunelle	Director & consultant	**15,000**	15,000
Rick Brown	Director & consultant	**18,750**	-
		$ 142,061	$ 131,950

The Company paid the following directors fees for the three months ended March 31, 2016 and 2015:

		2015	2014
Joseph Del Campo	Director	**$ 1,750**	$ 1,750
Steve Brunelle	Director	**1,750**	1,750
John Thompson	Director	**1,750**	1,750
Rick Brown	Director	**1,750**	-
David Prins	Director	**-**	1,750
		$ 7,000	$ 7,000

As at March 31, 2016 a total of $114,036 (December 31, 2015 - $76,018) was due to officers and directors for accrued but unpaid compensation and directors fees.

Share based compensation

The Company did not grant any stock options for the three months ended March 31, 2016 and 2015.

Critical Accounting Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Capitalization of exploration and evaluation costs
  Management has determined that exploration and evaluation costs incurred during the period have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits.

- Mineral reserve and resource estimates
  The figures for mineral reserves and mineral resources are determined in accordance with NI 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's

assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

- Impairment of exploration and evaluation assets
  While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Estimation of decommissioning and restoration costs and the timing of expenditure
  Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income taxes and recoverability of potential deferred tax assets
  In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

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Changes in Accounting Policies

The significant accounting policies are outlined in the consolidated financial statements for the years ended December 31, 2015 and 2014, unless otherwise disclosed. Certain pronouncements were issued by the IAS or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have significant impact to the Company and have been excluded.

Accounting standards and interpretations issued but not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. The following have not yet been adopted and are being evaluated to determine their impact on the Company. IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

Financial Risk Factors

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. There have been no changes in the risks, objectives, policies and procedures from the previous period.

a) Credit risk management

Credit risk relating to cash and accounts receivable arises from the possibility that any counterparty to an instrument fails to perform. The Company does not feel there is significant counterparty risk that could have an impact on the fair value of cash and cash equivalents and receivables.

b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Cash includes cash on hand and balances with banks. The deposits are primarily held in a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank.

As of March 31, 2016, the Company had a cash balance of $1,234,125 (December 31, 2015 - $2,497,888) to settle current accounts payable and accrued liabilities of $369,703 (December 31, 2015 - $221,583). The Company's other current assets consist of marketable securities of $19,311 (December 31, 2015 - $34,311), amounts receivable of $187,726 (December 31, 2015 - $63,389), prepaid expenses and advances of $60,044 (December 31, 2015 - $58,681) and inventory of $56,717 (December 31, 2015 - $Nil).

c) 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 and mineral processing plants. Revenue, cash flow, and profits from any future mining operations and mineral processing plants 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.

The fair value of the Company's marketable securities is also influenced by these factors and is therefore subject to market risk.

A change of plus or minus 5% in Canadian equity prices would affect comprehensive income (loss) by approximately $966 based on the fair value of marketable securities held at March 31, 2016.

d) Foreign exchange risk

The Company's financings are in Canadian dollars. Certain of the Company's transactions with its subsidiaries are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates.

As at March 31, 2016, the Company had cash balances of $869,358 (US$621,547) (December 31, 2015 - $1,865,369 (US$1,347,810)) in U.S. dollars and $12,359 (S/.31,626) (December 31, 2015 - $18,202 (S/.44,876)) in Peruvian Nuevo Soles ("PNS"), and accounts payable of $195,296 (S/.499,733) (December 31, 2015 – $111,611 (S/.275,176)) in PNS.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposure associated with the Company's foreign currency denominated cash balances. The Company utilizes foreign exchange forward contracts to manage foreign exchange risks from time to time, at the determination of management.

e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's cash and cash equivalents balances earn interest at fixed rates over the next three to twelve months. It is management's opinion that the Company is not exposed to significant interest rate risk. The Company has no interest bearing debt.

A sensitivity analysis has determined that an interest rate fluctuation of 1% would not have resulted in significant fluctuation in the interest income during the three months ended March 31, 2016.

f) Fair value of financial assets and liabilities

The book values of the cash, marketable securities, accounts receivable and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments. The fair values together with the carrying amounts shown in the balance sheet are as follows:

	Carrying amount	Fair Value	Carrying amount	Fair Value
	As at March 31, 2016		As at December 31, 2015	
	$	$	$	$
Cash	1,234,125	1,234,125	2,497,888	2,497,888
Marketable securities	19,311	19,311	34,311	34,311
Amounts receivable	171,559	171,559	47,738	47,738
Accounts payable and accrued liabilities	(369,703)	(369,703)	(221,583)	(221,583)

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Other MD&A Requirements

Capital Stock	
Balance, December 31, 2013	33,475,919
Share cancellation	(25,937)
Balance, December 31, 2014	33,449,982
Shares issued for debt settlement	71,428
Balance, December 31, 2015, March 31, 2016 and May 27, 2016	33,521,410
Stock Options	
Balance, December 31, 2013	2,570,714
Expired/terminated	(570,714)
Balance, December 31, 2014	2,000,000
Expired/terminated	(592,858)
Balance, December 31, 2015	1,407,142
Expired/terminated	(598,571)
Balance, March 31, 2016 and May 27, 2016	808,571
Warrants	
Balance, December 31, 2013	1,578,809
Expired	(357,142)
Balance, December 30, 2014	1,221,667
Expired	(1,221,667)
Balance, December 31, 2015, March 31, 2016 and May 27, 2016	-

Fully Diluted as at May 27, 2016

Capital Stock	33,521,410
Stock Options	808,571
Warrants	-
Total	34,349,981

Note – the above figures have been restated to reflect the 7 – 1 share consolidation which came into effect on May 9, 2016 (See Subsequent Events)

Disclosure Of Internal Controls

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Shareholders Rights Plan

A Shareholders Rights Plan Agreement ("SRP") between Duran Ventures Inc. and Equity Financial Trust Company was re-approved by shareholders at the Company's Annual and Special Meeting on June 25, 2014.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

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, and/or its ability to successfully construct and operate its proposed mineral processing plant. Revenues, profitability and cash flow from any future mining operations and/or mineral processing activities 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 exploration projects, and/or further development of its mineral processing plant, 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 and/or further development and expansion of its mineral processing plant, with the possible dilution or loss of such interests.

Resource exploration and development, and mineral processing is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

In addition to the risks noted above and under the "Financial Risks" section, special consideration should be given when evaluating trends, risks and uncertainties relating to the Company's business. Information concerning risks specific to the Company and its industry, which are required to be included in this MD&A are incorporated by reference to the Company's MD&A for the year ended December 31, 2015.

Commitments

Lease agreements
The Company has a lease agreement for office space expiring on May 31, 2016. The remaining lease payments, before sublease revenue, are approximately $23,000. Effective December 1, 2013, the Company entered into an agreement to sublease this office space for annual lease payments receivable of approximately $125,200, expiring on May 31, 2016.

Effective December 1, 2013 the Company entered into an agreement to sub-lease additional office space expiring on July 30, 2016. The annual lease payments, before sub-lease income, are approximately $48,000. There are lease payments of $28,000 remaining on this sub-lease.

The Company's subsidiary, Madosac, has annual office rental obligations of US$20,400 (Cdn $26,493).

Advisory services contract
The Company has engaged Alpha Resource Advisors S.A.C., a Peruvian based corporate advisory firm, to provide financial and strategic corporate advisory services for a period of twelve months. As at December 31, 2015 there were remaining monthly payment obligations of US$33,000 (Cdn $45,672).

Management contracts
Effective January 1, 2015, the Company entered into certain management and consulting contracts. Minimum annual commitments under the agreements are approximately $415,000. These contracts also require that additional payments of up to $1,206,200 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Environmental matters
The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Legal Proceedings
The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2016, the Company was not aware of any claims or legal proceedings against it and as a result no amounts have been accrued related to such matters.

Subsequent Events

At the annual and special meeting of Duran shareholders held on April 8, 2016 the Duran shareholders approved a share consolidation of the Company's issued and outstanding common shares at a ratio of up to seven (7) pre-consolidation shares to one (1) post-consolidation share. The TSXV approved the share consolidation at a ratio of seven (7) pre-consolidation shares to one (1) post-consolidation share on April 29, 2016 and the Company's shares began trading on a post-consolidated basis on May 9, 2016.

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