DURAN VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited)

(Expressed in Canadian dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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(Expressed in Canadian dollars)

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
AS AT

	March 31, 2018 **$**	December 31, 2017 $
ASSETS		
CURRENT		
Cash	28,059	85,538
Marketable securities (Note 6)	70,000	70,000
Prepaid expenses and advances	8,685	11,696
Amounts receivable	68,561	67,944
Inventory	42,086	45,040
TOTAL CURRENT ASSETS	217,391	280,218
PROPERTY, PLANT AND EQUIPMENT (Note 7)	1,838,723	1,960,069
EXPLORATION AND EVALUATION ASSETS (Notes 8 and 13)	582,051	582,051
	2,638,165	2,822,338
TOTAL ASSETS		
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilites	719,568	781,777
Promissory notes and interest payable (Note 9)	133,455	203,941
Due to related parties (Note 17)	360,204	320,928
TOTAL LIABILITIES	1,213,227	1,306,646
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 10(a))	51,322,266	50,966,189
WARRANT RESERVE (Note 10(b))	544,962	629,539
SHARE-BASED PAYMENT RESERVE (Note 11)	86,000	112,028
ACCUMULATED OTHER COMPREHENSIVE INCOME	5,000	5,000
DEFICIT	(50,391,446)	(50,079,918)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO SHAREHOLDERS	1,566,782	1,632,838
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(141,844)	(117,146)
TOTAL SHAREHOLDERS' EQUITY	1,424,938	1,515,692
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,638,165	2,822,338

GOING CONCERN (Note 2)

COMMITMENTS AND CONTINGENCIES (Note 18)

SUBSEQUENT EVENTS (Note 19)

APPROVED ON BEHALF OF THE BOARD:

Signed "Steve Brunelle", Director

Signed "Jeffrey Reeder", Director

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	2018 **$**	2017 $
EXPENSES		
Plant start-up expenses (Note 15)	**166,444**	161,324
Exploration and evaluation expenditures (Note 13)	**68,976**	67,286
General and administrative (Note 16)	**111,155**	112,935
Sale of exploration and evaluation assets (Note 8)	**-**	10,500
Loss before the following:	**346,575**	352,045
Foreign exchange loss (gain)	**8,539**	(130,799)
Interest expense	**7,140**	3,573
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**362,254**	224,819
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:		
Non-controlling interest	**24,698**	49,511
Shareholders	**337,556**	175,308
	362,254	224,819
Loss per share - basic and diluted (Note 14)	**0.006**	0.004
Weighted average number of common shares Outstanding - basic and diluted	**60,047,308**	45,922,464

See accompanying notes to the unaudited condensed consolidated interim financial statements.

DURAN VENTURES INC.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Amount	Reserve Amount	Share-based Payment Reserve	Accumulated Other Comp. Income	Deficit	Total	Non-Controlling Interest	Total Shareholders' Equity
	$	$	$	$	$	$	$	$
Balance, December 31, 2016	50,402,306	504,459	318,816	-	(48,749,621)	2,475,960	30,369	2,506,329
Shares issued for cash - exercise of warrants	26,596	(5,746)	-	-	-	20,850	-	20,850
Value of options expired	-	-	(206,505)	-	206,505	-	-	-
Net loss	-	-	-	-	(175,308)	(175,308)	(49,511)	(224,819)
Balance, March 31, 2017	50,428,902	498,713	112,311	-	(48,718,424)	2,321,502	(19,142)	2,302,360
Shares issued for cash - exercise of warrants	7,080	(1,530)	-	-	-	5,550	-	5,550
Shares issued for debt settlement	96,063	-	-	-	-	96,063	-	96,063
Shares and warrants issued for cash	434,144	132,356	-	-	-	566,500	-	566,500
Share based payment	-	-	86,000	-	-	86,000	-	86,000
Value of options expired	-	-	(86,283)	-	86,283	-	-	-
Unrealized gain on marketable securities	-	-	-	6,114	-	6,114	-	6,114
Reclassification of gain on marketable securities	-	-	-	(1,114)	-	(1,114)	-	(1,114)
Net (loss)	-	-	-	-	(1,447,777)	(1,447,777)	(98,004)	(1,545,781)
Balance, December 31, 2017	50,966,189	629,539	112,028	5,000	(50,079,918)	1,632,838	(117,146)	1,515,692
Shares issued for cash - exercise of warrants	356,077	(84,577)	-	-	-	271,500	-	271,500
Value of options expired	-	-	(26,028)	-	26,028	-	-	-
Net (loss)	-	-	-	-	(337,556)	(337,556)	(24,698)	(362,254)
Balance, March 31, 2018	51,322,266	544,962	86,000	5,000	(50,391,446)	1,566,782	(141,844)	1,424,938

See accompanying notes to the unaudited condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	2017 **$**	2016 $
CASH FLOWS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net (loss) for the period	**(362,254)**	(224,819)
Add items not requiring cash:		
Interest payable on promissory notes	**7,140**	3,573
Writedown of property development costs	**89,277**	-
Amortization	**235**	158
Changes in non-cash operating working capital:		
Decrease (increase) in prepaid expenses and advances	**3,011**	(38,538)
(Increase) decrease in amounts receivable	**(617)**	(70,829)
Decrease (increase) in inventory	**2,954**	(7,099)
(Decrease) increase in accounts payable and accrued liabilities	**(62,210)**	71,433
Increase in due to related parties	**39,276**	79,065
Cash flows from operating activities	**(283,188)**	(187,056)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	**(3,969)**	(11,089)
Net proceeds from plant comissioning revenue	**35,803**	-
Proceeds on sale of exploration and evaluation assets	**-**	60,500
Cash flows from investing activities	**31,834**	49,411
FINANCING ACTIVITIES		
Promissory notes and interest (repaid) received	**(77,625)**	100,000
Shares issued for cash - exercise of warrants	**271,500**	20,850
Cash flows from financing activities	**193,875**	120,850
Decrease in cash	**(57,479)**	(16,795)
Cash, beginning of the period	**85,538**	43,003
Cash, end of the period	**28,059**	26,208

See accompanying notes to the consolidated financial statements.

1. GENERAL INFORMATION

Duran Ventures Inc. (“Duran” or “the Company”) is a publicly listed company originally incorporated in British Columbia and subsequently continued in Ontario under the Canada Business Corporations Act. The Company’s common shares have been listed on the TSX Venture Exchange (“TSXVE”) since July 4, 2007, and on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru, since September 21, 2012, and trade under the symbol “DRV” on both exchanges. The Company, directly and with exploration partners, is engaged in the exploration of mineral properties in Peru. The Company’s principal office is located at 40 University Avenue, Suite 603, Toronto, Ontario, Canada M5J 1T1 and substantially all of the Company’s corporate and administrative expenses are incurred in Canada.

2. GOING CONCERN

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and property, plant and equipment and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company’s assets are subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and political uncertainty.

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 government licensing registration or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory, social and environmental requirements.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company also had a loss during the three month period ended March 31, 2018 and a cumulative deficit and working capital deficiency as at March 31, 2018. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company’s ability to continue as a going concern. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. If the going concern assumption is not appropriate, material adjustments to the consolidated financial statements may be required.

3. BASIS OF CONSOLIDATION

These unaudited condensed consolidated interim financial statements include the accounts of the Company, which is incorporated in Canada under the Canada Business Corporations Act, and its wholly owned subsidiaries, Corongo Exploraciones SAC (“Corongo”), Empresa Querco SAC (“Querco”), Mamaniña Exploraciones SAC (“Mamaniña Exploraciones”), Hatum Minas SAC (“Hatum Minas”), Magellan Gold Peru SAC, and it’s 80% owned subsidiary companies Minera Aguila de Ora SAC (“Madosac”) and Insumos Y Minerales del Notre SRL (“Insumos”), all of which were incorporated in Peru. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

3. BASIS OF CONSOLIDATION (continued)

All inter-company balances and transactions have been eliminated. The unaudited condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the unaudited condensed consolidated interim statements of financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company and its subsidiaries were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2017 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies and the application are consistent with those disclosed in Note 4 to the Company’s consolidated financial statements for the year ended December 31, 2017.

The policies applied in these unaudited condensed consolidated interim financial statements are based on the IFRS issued and effective as of March 31, 2018. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2018 could result in restatement of these interim consolidated financial statements. These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 28, 2018.

These consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

(b) Basis of preparation

The consolidated financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis except for marketable securities which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are not mandatory for accounting periods beginning on or after January 1, 2018 or later periods. Many are not applicable or do not have significant impact to the Company and have been excluded. They have not been early adopted in these consolidated financial statements, and management is evaluating these pronouncements to determine the impact on consolidated financial statements. In all cases the Company intends to apply these standards from application date as indicated below:

- IFRS 2 Share-based Payment

  IFRS 2 – Share-based Payment (“IFRS 2”) was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Standards, Amendments and Interpretations Not Yet Effective (continued)

- IFRS 2 Share-based Payment (continued)

condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

- IFRS 10 Consolidated Financial Statements

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

- IFRS 16 Leases

IFRS 16 – Leases ("IFRS 16") was issued by the IASB on January 13, 2016 and replaces IAS17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption permitted.

- IFRIC 23 Uncertainty Over Income Tax Treatments

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

(Expressed in Canadian dollars)

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Areas of critical accounting estimates and judgements that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are disclosed in Note 5 of the Company's consolidated financial statements as at and for the year ended December 31, 2017.

6. MARKETABLE SECURITIES

As at March 31, 2018, the Company's marketable securities consist of 500,000 common shares (December 31, 2017 – 500,000 common shares) of Tartisan Nickel Corp. (formerly Tartisan Resources Corp.) ("Tartisan") (see Note 8). The fair value of the listed available for sale investment has been determined directly by reference to published price quotations in an active market.

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Office furniture and equipment	Computer equipment	Field equipment	Plant	Total
	$	$	$	$	$
Balance at December 31, 2016	29,582	28,591	15,148	1,959,697	2,033,018
Additions	-	-	-	52,895	52,895
Plant commissioning revenue	-	-	-	(59,143)	(59,143)
Balance at December 31, 2017	29,582	28,591	15,148	1,953,449	2,026,770
Additions	-	-	-	3,969	3,969
Plant commissioning revenue	-	-	-	(35,803)	(35,803)
Writedown of property development costs	-	-	-	(89,277)	(89,277)
Balance at March 31, 2018	29,582	28,591	15,148	1,832,338	1,905,659

Amortization and impairment	Office furniture and equipment	Computer equipment	Field equipment	Plant	Total
	$	$	$	$	$
Balance at December 31, 2016	29,582	27,621	8,866	-	66,069
Additions	-	324	308	-	632
Balance at December 31, 2017	29,582	27,945	9,174	-	66,701
Additions	-	81	154	-	235
Balance at March 31, 2018	29,582	28,026	9,328	-	66,936

Carrying amounts	Office furniture and equipment	Computer equipment	Field equipment	Plant	Total
	$	$	$	$	$
At December 31, 2017	-	646	5,974	1,953,449	1,960,069
At March 31, 2018	-	565	5,820	1,832,338	1,838,723

As at March 31, 2018 and December 31, 2017, the plant is not yet available for use. Therefore no amortization has been taken on this asset.

The net book value of the Company's property, plant and equipment at March 31, 2018 by geographic location is as follows: Canada - $Nil (2017 - $Nil), and Peru $1,838,723 (2017 - $1,960,069).

See Note 12.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2016 $	Impairment reversal $	Sale of Assets $	December 31, 2017 $	March 31, 2018 $
Peru					
Hatum Minas Properties	803,051	9,000	(230,000)	582,051	582,051
Total Exploration Properties	803,051	9,000	(230,000)	582,051	582,051

Hatum Minas Properties

As at March 31, 2018 and December 31, 2017, the Hatum Minas Properties include the Panteria porphyry copper project (the "Panteria Project"). Title to the Hatum Minas Properties is held by the Company's wholly-owned Peruvian subsidiary, Hatum Minas.

On March 23, 2017, the Company sold the Don Pancho property to Tartisan for cash consideration of $50,000 and 500,000 shares of Tartisan valued at $60,000 as at the date received, based on the quoted market price of the shares. Duran will also receive an additional 500,000 shares of Tartisan as certain project milestones are achieved by Tartisan, and will retain a 2% net smelter royalty ("NSR") in the Don Pancho Project of which half (1%) can be purchased by Tartisan for US$500,000.

On April 12, 2017, the Company sold the Ichuña property to Tartisan for cash consideration of $50,000 and 500,000 shares of Tartisan valued $70,000 as at the date received, based on the quoted market price of the shares. Duran will also receive an additional 500,000 shares of Tartisan as certain project milestones are achieved by Tartisan, and will retain a 2% NSR in the Ichuña project of which half (1%) can be purchased by Tartisan for US$500,000.

As at March 31, 2018 and December 31, 2017, the balance of the exploration and evaluation assets relates to the Panteria Project.

See Exploration and Evaluation Expenditures (Note 13).

9. PROMISSORY NOTES AND INTEREST PAYABLE

During the three months ended March 31, 2018, the Company issued promissory notes of $Nil (March 31, 2017 - $100,000) and repaid a total of $77,625 in principal and interest (March 31, 2017 - $Nil). The promissory notes are due on demand and bear interest at an annual rate of 18%. As at March 31, 2018, the Company had promissory notes payable outstanding of $131,701 (December 31, 2017 - $180,000) and interest payable of $1,754 (December 31, 2017 - $ 23,941), of which $46,659 of principal (December 31, 2017 - $80,000) and $705 of interest payable (December 31, 2017 - $13,979) was due to an officer and a director of the Company. (See Note 17).

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND WARRANT RESERVE

a) Authorized, Issued and Outstanding shares

Authorized - unlimited number of common shares with no par value,
- 100,000,000 preferred shares with no par value

A summary of common shares outstanding as at March 31, 2018 and December 31, 2017 and changes during the periods then ended are presented below:

	Shares #	Amount $
Balance, December 31, 2016	45,848,330	50,402,306
Exercise of warrants (i)	176,000	26,400
Allocation from warrant reserve	-	7,276
Issued for settlement of debt (ii)	1,067,367	96,063
Issued in private placement (iii)	11,330,000	434,144
Balance, December 31, 2017	58,421,697	50,966,189
Exercise of warrants (iv)	3,620,000	271,500
Allocation from warrant reserve	-	84,577
Balance, March 31, 2018	62,041,697	51,322,266

(i) During the year ended December 31, 2017, a total of 176,000 warrants were exercised at $0.15 per share for gross proceeds of $26,400.

(ii) On May 30, 2017, the Company issued 1,067,368 common shares on settlement of debt amounting to $96,063. A total of 63,888 of the foregoing common shares were issued to an officer of the Company for an aggregate settlement of $56,870.

(iii) During the year ended December 31, 2017, the Company completed a non-brokered private placement financing (the "2017 Offering"). In total the 2017 Offering consisted of 11,330,000 units for aggregate gross proceeds to the Company of $566,500. Each unit consisted of one common share and one half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.075 for a period of two years from the closing of each tranche of the 2017 Offering. In the event that the closing sale price of the common shares on the TSXVE is greater than $0.15 per share for a period of 20 consecutive trading days at any time after the date that is four months and one day after the closing of the 2017 Offering, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company. (see Note 17).

(iv) During the three months ended March 31, 2018, a total of 2,045,000 warrants were exercised at $0.075 per share for gross proceeds of $271,500.

(Expressed in Canadian dollars)

10. CAPITAL STOCK AND WARRANT RESERVE (continued)

b) Share Purchase Warrants

A summary of warrants outstanding as at March 31, 2018 and December 31, 2017 and changes during the periods then ended are presented below:

	Warrants	Amount	Weighted average exercise price
	#	$	$
Balance, December 31, 2016	12,338,921	504,459	0.15
Issued in private placements (i)	5,665,000	132,356	0.075
Exercised	(176,000)	(7,276)	0.15
Balance, December 31, 2017	17,827,921	629,539	0.11
Exercised	(3,620,000)	(84,577)	0.075
Balance, March 31, 2018	14,207,921	544,962	0.14

(i) As a result of the 2017 Offering the Company issued 5,665,000 common share purchase warrants (valued at $132,356) with an exercise price of $0.075. The fair value of the common share purchase warrants issued in the 2017 Offering was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: expected dividend yield 0%, expected volatility 149%, risk free interest rate of 0.99%, expected life of two years, and a share price of $0.075.

Volatility is based on the historical trading activity of the Company's shares.

The following warrants are outstanding as at March 31, 2018:

Expiry date	Number of warrants outstanding #	Exercise price $	Weighted average remaining contractual life (years)
July 25, 2018	12,000	0.09	0.31
July 25, 2018	6,542,421	0.15	0.31
August 12, 2018	1,180,000	0.15	0.36
September 30, 2018	2,825,000	0.15	0.50
October 7, 2018	1,603,500	0.15	0.52
August 22, 2019	1,000,000	0.075	1.39
November 22, 2019	1,045,000	0.075	1.64
	14,207,921		0.55

11. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company has adopted a share option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the options are determined by the Board of Directors.

The aggregate number of share options shall not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the Plan expires or terminates for any reason in accordance with the terms of the Plan without being exercised, that option shall again be available for the purpose of the Plan. In addition, the exercise price of options granted under the Plan shall not be lower than

(Expressed in Canadian dollars)

11. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN (Continued)

the exercise price permitted by the TSX Venture Exchange, and all options granted under the plan will have a term not to exceed five years after issuance. All options issued since May 2010 have vested 100% on the date of grant.

A summary of the status of the Plan as at March 31, 2018 and December 31, 2017, and changes during the periods ended on those dates are presented below:

	Number of options #	Weighted average exercise price $
Balance, December 31, 2016	628,570	0.87
Issued	1,600,000	0.10
Expired	(578,570)	(0.89)
Balance, December 31, 2016	1,650,000	0.10
Expired	(50,000)	(0.70)
Balance, March 31, 2018	1,600,000	0.08

As at March 31, 2018, the Company had outstanding share options issued to directors, officers and employees of the Company as follows:

Date of Grant	Options outstanding #	Options vested #	Exercise price $	Expiry date
April 27, 2017	1,000,000	1,000,000	0.10	April 22, 2022
June 28, 2017	100,000	100,000	0.10	June 28, 2022
October 30, 2017	500,000	500,000	0.05	October 30, 2019
	1,600,000	1,600,000		

The weighted average remaining contractual life of options issued and outstanding as at March 31, 2018 was 3.3 years (December 31, 2017 – 3.9 years).

The grant date fair value of the options granted was estimated using the Black-Scholes option pricing model, using the following weighted average assumptions:

	2017
Risk-free interest rate	1%
Expected life (years)	5.0
Expected volatility	199%
Expected rate of forfeiture	nil
Expected dividend yield	nil
Share price	$0.10

Volatility is based on the historical trading activity of the Company's shares.

12. INVESTMENT IN INSUMOS

On September 14, 2015, the Company and its wholly-owned subsidiary, Madosac, entered into an agreement with a private Peruvian company, Insumos, to establish a mineral processing plant in northern Peru. Under the terms of the agreement Duran was required to invest US$1.5 million and establish a line of

(Expressed in Canadian dollars)

12. INVESTMENT IN INSUMOS (continued)

credit of US$250,000 for the purpose of general working capital for the start-up. Insumos holds the concessions on which the plant is built.

On November 7, 2016, the Company and Insumos finalized the transaction and 20% of the outstanding shares of Madosac were transferred to the majority shareholder of Insumos in exchange for 80% of the outstanding shares of Insumos. As the Company received 80% of the outstanding shares of Insumos, the Company consolidated Insumos commencing November 7, 2016. The transaction has been accounted for as an asset acquisition.

The assets acquired and liabilities of Insumos as at November 7, 2016 were recorded at their estimated fair market values as follows:

Purchase Price Consideration Paid		
Estimated fair value of Madosac shares issued	$	48,049
Net Assets Acquired		
Cash	$	4,415
Amounts receivable		2,382
Inventory		17,108
Mining concessions		127,535
Accounts payable and accruals		(91,379)
Non-controlling interest		(12,012)
	$	48,049

13. EXPLORATION AND EVALUATION EXPENDITURES

During the three months ended March 31, 2018, the Company had net exploration and evaluation expenditures of $68,976 (March 31, 2017 – $67,286).

Mamaniña Project
The Company holds a 100% interest in the Mamaniña copper/gold project located in north central Peru. Title to the concessions comprising this project is held by Mamaniña Exploraciones.

Panteria Project
The Company holds a 100% interest in the Panteria Project located in south central Peru. Title to the concessions comprising this project is held by Hatum Minas. On March 11, 2016, the Company entered into an option agreement (the “Agreement”) on its Panteria Project with Minera Antares Peru SAC – a wholly owned subsidiary of First Quantum Minerals Ltd. (collectively “FQM”).

Under the terms of the Agreement, commencing from the date that FQM has obtained all necessary permits to initiate exploration mining activities (received July 24, 2017) 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 greater than 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. 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 (DIA). FQM will have the rights to carry out due diligence studies over a period of 18 months subsequent to receiving the aforementioned necessary permits to initiate exploration mining activities.

(Expressed in Canadian dollars)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Panteria Project (continued)

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).

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 US$0.02 per pound of copper equivalent to 20% of reserves. Duran will also be paid a 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.

Minasnioc Project

The Minasnioc Gold Project concession ("Minasnioc") is located in the Department of Huancavelica, approximately 300 kilometres southeast of Lima. Title to Minasnioc is held by Querco.

In December 2015 the Company entered into an agreement with a private Peruvian mining company (the "Optionee") whereby the Optionee can earn a 100% interest in Minasnioc by paying Duran US$50,000 (received $69,200) and US$700,000 ($904,190) by December 2017, subject to the Optionee receiving approval from the local Minasnioc community. The Optionee terminated the option agreement in September 2017 and the property was returned to Duran in good standing.

Effective December 31, 2017 the Company entered into an option agreement (the "Minasnioc Agreement") on Minasnioc with IAMGOLD Peru S.A., a wholly owned subsidiary of IAMGOLD Corporation (collectively "IAMGOLD").

The Minasnioc Agreement between the companies is comprised of three options. On signing the Minasnioc Agreement IAMGOLD paid Duran US $50,000 (CAD $64,930) and will have until December 31, 2018 to secure the access rights agreement with the local community and enter into the First Option period. Should IAMGOLD be unable to secure community access rights it can extend the period until December 31, 2019 by giving notice to Duran and by paying the Company an additional US $50,000 prior to January 4, 2019.

Upon securing the community agreement, IAMGOLD has the right to enter into the First Option to earn a 60% interest in Minasnioc over a 4 year period. As a condition of the First Option IAMGOLD must carry out sufficient drilling to determine a resource estimate and issue a Preliminary Economic Assessment prepared in accordance with National Instrument 43-101 standards (the "PEA") demonstrating a minimum gold resource of 300,000 ounces. During the term of the First Option IAMGOLD will be also required to make payments to Duran totaling US $500,000 as follows:

On entering First Option:	US $ 75,000
First Anniversary of entering the First Option	US $100,000
Second Anniversary of entering the First Option	US $100,000
Third Anniversary of entering the First Option	US $100,000
Fourth Anniversary of entering the First Option	US $125,000

The Second Option will allow IAMGOLD to earn an additional 10% (total of 70%) in Minasnioc over 4 years by completing a prefeasibility study in accordance with NI 43-101 standards (the "PFS"). The PFS must have a Measured and Indicated Resource of at least 1 million ounces of gold. Should IAMGOLD fail to produce the PFS as specified above it will still maintain its 60% interest in the Property.

(Expressed in Canadian dollars)

13. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Minasnioc Project (continued)

Within 10 days of IAMGOLD vesting in the Second Option, if Duran requests and IAMGOLD agrees, IAMGOLD will enter a Third Option in which it can increase its ownership in Minasnioc to 75% (the "Third Option") by arranging financing for Duran's 25% share of exploration, feasibility and mine development and construction costs. The financing will be done at Libor plus 8%.

Huachocolpa Properties

The Company holds a 100% interest in the Huachocolpa Properties, which consist of contiguous and non-contiguous mining concessions in the Department of Huancavelica, approximately 260 kilometres southeast of Lima. Title to the Huachocolpa Properties is held by Corongo.

Don Pancho Project

During the year ended December 31, 2017, the Company sold its 100% interest in the Don Pancho silver lead zinc project. (See Note 8).

Ichuña Project

During the year ended December 31, 2017, the Company sold its 100% interest in the Ichuña copper/silver project. (See Note 8).

14. LOSS PER SHARE

a) Basic

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares in issue during the year.

	Three Months ended March 31, 2018	2017
Net loss for the year	$ 337,556	$ 175,308
Weighted average number of common shares outstanding	60,047,308	45,922,464
Loss per share	$ 0.006	$ 0.004

b) Diluted

Diluted loss per common share is equal to the basic loss per common share for the three months ended March 31, 2018 and 2017 as all of the stock options and warrants outstanding are anti-dilutive.

15. PLANT START-UP EXPENSES

	Three Months Ended March 31 2018 $	2017 $
Salaries and management fees	49,930	182,959
Office and general	15,619	22,710
Geological and laboratory	341	5,567
Professional fees	572	1,283
Rent and utilities	6,689	9,649
Vehicles and equipment rentals	4,016	-
Writedown of property development costs	89,227	-
Commissioning phase revenue	-	(60,844)
	166,394	161,324

(Expressed in Canadian dollars)

16. GENERAL AND ADMINISTRATIVE

	Three Months Ended March 31	
	2018	2017
	$	$
Management and consulting fees	41,250	33,000
Accounting and administration	13,140	13,867
Shareholder relations and filing fees	25,772	39,516
Professional fees	9,622	12,819
Travel	10,972	5,226
Insurance	4,670	2,835
Rent	5,100	5,100
Telephone and communication	394	414
Amortization	235	158
	111,155	112,935

17. RELATED PARTY TRANSACTIONS

Related parties include officers of the Company, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including the directors of the Company. The remuneration of key management personnel of the Company for the three months ended March 31, 2018 and 2017 were as follows.

	2018	2017
	$	$
Aggregate compensation	71,382	66,121

As at March 31, 2018, a balance of $407,568 (December 31, 2017 - $414,907) was due to certain officers and directors of the Company. Of this amount $47,364 (December 31, 2017 - $93,979) relates to outstanding promissory notes and interest; $304,743 (December 31, 2017 - $247,522) relates to unpaid compensation; $42,000 (December 31, 2017 - $60,000) relates to non-interest bearing advances, and $13,461 (December 31, 2017 - $13,406) relates to reimbursable expenses incurred in the normal course of business.

Certain directors and officers of the Company subscribed for 7,490,000 units in connection with the 2017 Offering as disclosed in Note 10 (a)(iii). See also Note 10(a)(ii).

During the three months ended March 31, 2018 the Company repaid a total of $49,500 (2017 - $Nil) of promissory note principal and interest to related parties of the Company, and issued promissory notes of $Nil (2017 - $100,000) to related parties. (See Note 9)

No stock options were granted to related parties under the Company's stock option plan during the three months ended March 31, 2018 and 2017.

18. COMMITMENTS AND CONTINGENCIES

Lease agreements
Effective December 15, 2017, the Company amended its agreement to sublease office space, extending the expiration date to April 30, 2019. The annual lease payment, before sublease income, is $32,400.

The Company's subsidiary, Madosac, has annual office rental obligations of US$20,400 ($26,300).

Management contracts
Effective July 1, 2017, the Company amended the existing management consulting contracts to eliminate certain contingent events such as a change of control payments. In addition, management agreed to reduce their total minimum annual payments to $240,000. (See Note 19).

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 proceeding
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, 2018 and December 31, 2017, no amounts have been accrued related to such matters.

19. SUBSEQUENT EVENTS

Subsequent to March 31, 2018, a total of 427,000 common share purchase warrants were exercised for gross proceeds to the Company of $35,250.

Effective April 1, 2018, the Company increased the total minimum annual payments under existing management consulting contracts by $60,000 to $300,000.