

DURAN VENTURES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED

SEPTEMBER 30, 2011 AND 2010

(Unaudited)

(Expressed in Canadian dollars)

DURAN VENTURES INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010
(Unaudited)
(Expressed in Canadian dollars)

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DURAN VENTURES INC.
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	As at September 30, 2011 \$	As at December 31, 2010 \$
(Note 17)		
ASSETS		
CURRENT		
Cash	2,853,113	6,002,801
Marketable securities (Note 6)	90,000	90,000
Prepaid expenses and advances	81,937	12,094
Amounts receivable	35,367	21,574
	<u>3,060,417</u>	6,126,469
PROPERTY, PLANT AND EQUIPMENT (Note 7)	246,274	99,760
EXPLORATION AND EVALUATION ASSETS (Notes 8 and 11)	1,746,153	1,746,153
	<u>5,052,844</u>	7,972,382
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	206,443	222,925
DEFERRED TAX LIABILITY	421,300	421,300
	<u>627,743</u>	644,225
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 9)	45,928,588	43,365,227
WARRANT RESERVE (Note 9)	1,437,911	1,465,046
SHARE-BASED PAYMENT RESERVE (Note 10)	2,124,704	771,976
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	(45,000)	39,375
DEFICIT	(45,021,102)	(38,313,467)
	<u>4,425,101</u>	7,328,157
	<u>5,052,844</u>	7,972,382
ONGOING OPERATIONS (Note 3)		
COMMITMENTS AND CONTINGENCIES (Note 16)		

APPROVED ON BEHALF OF THE BOARD:

Signed "Joseph Del Campo" , Director

Signed "Jeffrey Reeder" , Director

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Three-Months Ended September 30		Nine-Months Ended September 30	
	\$		\$	
	2011	2010	2011	2010
		(Note 17)		(Note 17)
EXPENSES				
Share-based compensation (Note 10)	-	194,590	1,649,927	300,630
Management and consulting fees (Note 15)	82,600	44,410	225,133	119,350
General and administrative	41,300	18,639	183,094	98,444
Shareholder information and investor relations	6,645	27,145	74,100	204,875
Professional fees	79,636	59,094	158,815	103,602
Rent	15,548	10,500	18,713	30,750
Foreign exchange (gain) loss	(128,713)	1,453	(50,756)	1,204
Amortization	6,867	2,858	14,852	8,578
Exploration and evaluation expenditures (Note 11)	2,724,323	263,945	4,669,552	1,253,296
Loss before the under-noted	2,828,206	622,634	6,943,430	2,120,729
Interest income	(6,649)	-	(15,740)	-
LOSS FOR THE PERIOD BEFORE INCOME TAXES	2,821,557	622,634	6,927,690	2,120,729
DEFERRED INCOME TAX EXPENSE	375	-	5,625	-
NET LOSS FOR THE PERIOD	2,821,932	622,634	6,933,315	2,120,729
Other comprehensive loss	47,625	-	84,375	-
COMPREHENSIVE LOSS	2,869,557	622,634	7,017,690	2,120,729
Loss per share – basic and diluted	<u>0.015</u>	<u>0.005</u>	<u>0.038</u>	<u>0.021</u>
Weighted average number of common shares Outstanding	<u>183,049,958</u>	<u>116,704,145</u>	<u>180,153,269</u>	<u>102,648,609</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME ("AOCI")

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Three-Months Ended September 30		Nine-Months Ended September 30	
	\$		\$	
	2011	2010	2011	2010
		(Note 17)		(Note 17)
Accumulated other comprehensive income at beginning of period	2,625	-	39,375	-
Unrealized (loss) gain on marketable securities, net of deferred income tax	<u>(47,625)</u>	<u>30,000</u>	<u>(84,375)</u>	<u>30,000</u>
Accumulated other comprehensive (loss) income at end of period	<u>(45,000)</u>	<u>30,000</u>	<u>(45,000)</u>	<u>30,000</u>

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

DURAN VENTURES INC.
(A Development Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Prepared by Management)

	Common Shares	Warrants				
	Amount	Reserve Amount	Share-based Payment Reserve	Accumulated Other Comp. Income ("AOCI")	Deficit	Total Shareholders' Equity
	\$	\$	\$	\$	\$	\$
Balance, January 1, 2010	35,592,626	664,101	948,546	-	(36,382,644)	822,629
Issued on business combination	1,268,102	-	-	-	-	1,268,102
Warrants exercised	1,889,735	(257,135)	-	-	-	1,632,600
Value of warrants and options expired	-	(42,273)	(396,803)	-	439,076	-
Share-based compensation expense	-	-	300,630	-	-	300,630
Unrealized gain on marketable securities	-	-	-	30,000	-	30,000
Net loss	-	-	-	-	(2,120,729)	(2,120,729)
Balance, September 30, 2010	38,750,463	364,693	852,373	30,000	(38,064,297)	1,933,232
Balance, January 1, 2011	43,365,227	1,465,046	771,976	39,375	(38,313,467)	7,328,157
Issued for cash	717,464	175,000	-	-	-	892,464
Issued as finder's fee	-	30,043	-	-	-	30,043
Warrants exercised	1,638,606	(230,906)	-	-	-	1,407,700
Options exercised	207,291	-	(72,791)	-	-	134,500
Value of warrants and options expired	-	(1,272)	(224,408)	-	225,680	-
Share-based compensation expense	-	-	1,649,927	-	-	1,649,927
Unrealized loss on marketable securities	-	-	-	(84,375)	-	(84,375)
Net loss	-	-	-	-	(6,933,315)	(6,933,315)
Balance, September 30, 2011	45,928,588	1,437,911	2,124,704	(45,000)	(45,021,102)	4,425,101

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Three-Months Ended		Nine-Months Ended	
	September 30		September 30	
	\$		\$	
	2011	2010	2011	2010
		(Note 17)		(Note 17)
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net loss for the period	(2,821,932)	(622,634)	(6,933,315)	(2,120,729)
Add items not requiring cash:				
Amortization	6,867	2,858	14,852	8,578
Share-based compensation	-	194,590	1,649,927	300,630
Option payment received in shares	-	(6,000)	(90,000)	(6,000)
Deferred income tax	375	-	5,625	-
Change in non-cash operating working capital:				
Decrease (increase) in prepaids and advances	3,803	6,934	(69,843)	24,126
Decrease (increase) in amounts receivable	11,072	(12,155)	(13,793)	(14,904)
Increase (decrease) in accounts payable and accrued liabilities	9,924	(15,095)	(16,482)	51,522
Cash flows used in operating activities	<u>(2,789,891)</u>	<u>(451,502)</u>	<u>(5,453,029)</u>	<u>(1,756,777)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES				
Property, plant and equipment	(5,573)	-	(161,366)	-
Cash acquired from business combination	-	841	-	841
(Increase) in restricted cash	-	(192,863)	-	(192,863)
Cash flows used in investing activities	<u>(5,573)</u>	<u>(192,022)</u>	<u>(161,366)</u>	<u>(192,022)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of private placement units for cash	-	-	1,001,000	-
Finder's fees	-	-	(65,065)	-
Issue costs	-	-	(13,428)	-
Exercise of options	-	-	134,500	-
Exercise of warrants	-	-	1,407,700	1,632,600
Cash flows from financing activities	<u>-</u>	<u>-</u>	<u>2,464,707</u>	<u>1,632,600</u>
(Decrease) in cash	(2,795,464)	(643,524)	(3,149,688)	(316,199)
Cash, beginning of period	5,648,577	1,100,289	6,002,801	772,964
Cash, end of period	<u>2,853,113</u>	<u>456,765</u>	<u>2,853,113</u>	<u>456,765</u>
SUPPLEMENTARY INFORMATION:				
Compensation warrants issued for services (Note 9)	-	-	30,043	-

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. GENERAL INFORMATION

Duran Ventures Inc. (“Duran” or “the Company”) is a publicly listed company originally incorporated in British Columbia and subsequently continued to Ontario under the Canada Business Corporations Act. The Company’s common shares have been listed and trading on the TSX Venture Exchange since July 4, 2007 under the trading symbol “DRV”. The Company, directly and with exploration partners, is engaged in the exploration of mineral properties primarily in South America. The Company’s registered head office is located at 40 University Avenue, Suite 710, Toronto, Ontario, Canada M5J 1T1 and substantially all of the Company’s administrative expenses are incurred in Canada.

2. BASIS OF CONSOLIDATION

These unaudited condensed interim consolidated financial statements include the accounts of the Company, which is incorporated in Canada under the Canada Business Corporations Act, its wholly owned subsidiaries, Duran Resources ULC and 1546806 Alberta Ltd., which are incorporated in Canada under the Business Corporations Act (Alberta), and its wholly owned subsidiaries, Minera Aguila de Oro SAC, Corongo Exploraciones SAC, Laramarca Exploraciones SAC and Hatum Minas SAC, all of which are incorporated in Peru. All inter-company balances and transactions have been eliminated. The condensed interim consolidated 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.

3. GOING CONCERN

These unaudited condensed interim consolidated 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. Because of limited working capital and continuing operating losses, 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. These unaudited condensed interim consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) International Financial Reporting Standards (“IFRS”)**

These are the Company’s third IFRS unaudited condensed interim consolidated financial statements for the third quarter of the first IFRS annual financial statements to be presented in accordance with IFRS for the year ending December 31, 2011. IFRS 1, First-time Adoption of IFRS (“IFRS 1”) has been applied and the impact of the transition from Canadian Generally Accepted Accounting Principles (“GAAP”) to IFRS is explained in Note 17. Previously, the Company prepared its financial statements in accordance with Canadian GAAP.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). They do not include all of the information required for full annual financial statements.

Please refer to the March 31, 2011 condensed interim consolidated financial statements and accompanying notes for a description of the significant accounting policies used by the Company. The policies set out in the Company’s March 31, 2011 financial statements were consistently applied to all the periods presented unless otherwise noted below or in the March 31, 2011 financial statements. These condensed interim consolidated statements should be read in conjunction with the financial statements for the period ended March 31, 2011.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(a) International Financial Reporting Standards (“IFRS”) (continued)**

Where material, the condensed interim consolidated financial statements also include annual IFRS disclosure if the same disclosure was not previously made under Canadian GAAP. The policies applied in these condensed interim consolidated financial statements are based on the IFRS issued and effective as of November 22, 2011, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these condensed interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

(b) Accounting standards and interpretations issued but not yet adopted

IFRS 7 *Financial Instruments - Disclosures* (“IFRS 7”) was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011.

IFRS 9 *Financial Instruments: Classification and Measurement*, issued in December 2009, effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2013.

IFRS 10 *Consolidated Financial Statements* (“IFRS 10”) provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 *Consolidated and Separate Financial Statements*. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on January 1, 2013.

IFRS 11 *Joint Arrangements* (“IFRS 11”) replaces the guidance in IAS 31 *Interests in Joint Ventures*. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 *Investments in Associates* and IAS 36 *Impairment of Assets*. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on January 1, 2013.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Canadian dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(b) Accounting standards and interpretations issued but not yet adopted (continued)**

IFRS 13 *Fair Value Measurement* (“IFRS 13”) converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company intends to adopt IFRS 13 in its financial statements for the annual period beginning on January 1, 2013.

The Company has not yet determined the impact of such standards and amendments on its financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the balance sheet date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. the recoverability of exploration and evaluation assets which are included in the condensed interim consolidated balance sheet;
- ii. the inputs used in accounting for valuation of warrants and stock options which are included in the condensed interim consolidated balance sheet;
- iii. the inputs used in accounting for share-based compensation expense in the condensed interim consolidated statement of loss and comprehensive loss;
- iv. the nil provision for decommissioning and restoration provisions which is included in the condensed interim consolidated balance sheet; and
- v. the provision for income taxes which is included in the condensed interim consolidated statements of loss and comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed interim consolidated balance sheet.

6. MARKETABLE SECURITIES

As at September 30, 2011, the Company has received 600,000 common shares of Viper Gold Ltd. (“Viper”) as per the terms of the Corongo property option agreement (see Note 11).

The Company classifies its marketable securities in public companies as available for sale which are reported at the fair market value based on bid prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss until the investment is sold, derecognized or impaired. As at September 30, 2011, the fair market value of marketable securities was \$90,000 (December 31, 2010 - \$90,000).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
Balance at December 31, 2010	17,138	16,349	45,977	49,077	128,541
Additions	23,990	5,153	18,240	113,983	161,366
Balance September 30, 2011	41,128	21,502	64,217	163,060	289,907

Amortization and impairment	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
Balance at December 31, 2010	3,719	9,477	12,398	3,187	28,781
Additions	2,121	2,998	3,856	5,877	14,852
Balance September 30, 2011	5,840	12,475	16,254	9,064	43,633

Carrying amounts	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
At December 31, 2010	13,419	6,872	33,579	45,890	99,760
At September 30, 2011	35,288	9,027	47,963	153,996	246,274

8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2010 \$	Additions (Recoveries) \$	September 30, 2011 \$
Peru Acquisition	1,746,153	-	1,746,153
Total Exploration Properties	1,746,153	-	1,746,153

Double Jack Properties

In July 2009, the Company agreed to acquire certain mineral properties in Peru (the “Double Jack Properties”) from Double Jack Mines Limited (“Double Jack”). On July 8, 2010, the Company completed the acquisition of the Double Jack Properties and received regulatory approval to close the transaction. The Company issued 9,393,346 common shares (valued at \$1,268,102) to the Double Jack shareholders as consideration.

The Double Jack Properties include the Ichuña copper-silver project, the Panteria porphyry copper project, and the Santa Rita/Coricancha and Don Pancho silver-lead-zinc polymetallic projects. Title to the Double Jack properties is held by the Company’s wholly-owned Peruvian subsidiary, Hatum Minas SAC.

See Exploration and Evaluation Expenditures (Note 11).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

9. CAPITAL STOCK AND OTHER EQUITY**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 September 30, 2011 and December 31, 2010 and changes during the period are presented below:

	Shares #	Amount \$
Balance, December 31, 2010	167,198,958	43,365,227
Issued on exercise of warrants (ii)	7,001,000	1,407,700
Value assigned to exercised warrants	-	230,906
Issued in private placements (net of share issue costs) (ii)	7,700,000	892,464
Value assigned to warrants issued in private placements, net of costs (Note 9(b))	-	(175,000)
Issued on exercise of options (ii)	1,150,000	134,500
Value assigned to options exercised	-	72,791
	<u>183,049,958</u>	<u>45,928,588</u>
Balance, September 30, 2011		

- (i) On December 23, 2010, the Company closed the first tranche of a private placement. The Company issued 49,553,000 units at \$0.13 per unit for gross proceeds of \$6,441,890 of which 1,750,000 units for gross proceeds of \$227,500 were subscribed for by five officers and/or directors and one employee of the Company. Each unit consisted of one common share and one half of one common share purchase warrant, with one full warrant entitling the holder to obtain one common share of the Company for \$0.20 for a period of two years. In relation to this private placement, 3,220,945 compensation warrants exercisable at \$0.13 for a period of two years (valued at \$194,285) were issued and commission and issue costs of \$529,123 were paid. The net proceeds were allocated \$4,592,482 to the common shares and \$1,126,000 to the share purchase warrants.

During the fiscal year ended December 31, 2010, 125,000 warrants issued in April 2009 were exercised at \$0.15 per warrant for proceeds of \$18,750. An additional 16,326,000 warrants issued in August 2009 were exercised at \$0.10 per warrant for proceeds of \$1,632,600 to the Company.

- (ii) In January 2011, the Company closed the second and final tranche of a private placement. The Company issued 7,700,000 units at \$0.13 per unit for gross proceeds of \$1,001,000. Each unit consisted of one common share and one half of one common share purchase warrant whereby one full warrant entitles the holder to obtain one common share of the Company for \$0.20 for a period of two years. In relation to this private placement, 500,500 compensation warrants exercisable at \$0.13 for a period of two years (valued at \$30,043) were issued and commission and issue costs of \$69,965 were paid.

During the nine months ended September 30, 2011, 7,001,000 warrants issued in April 2009 were exercised for proceeds of \$1,407,700.

During the nine months ended September 30, 2011, 1,150,000 stock options were exercised for proceeds of \$134,500.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

9. CAPITAL STOCK AND OTHER EQUITY (Continued)**b) Share Purchase Warrants**

A summary of warrants outstanding as at September 30, 2011 and December 31, 2010 and changes during the period are presented below:

	Warrants #	Amount \$	Weighted average exercise price \$
Balance, December 31, 2010	33,119,945	1,465,046	0.19
Issued in private placements (Note 9(b)(ii))	3,850,000	196,000	0.20
Issue costs	-	(21,000)	-
Compensation warrants (Note 9(b)(ii))	500,500	30,043	0.13
Exercised	(7,001,000)	(230,906)	0.20
Expired	(45,000)	(1,272)	0.20
Balance, September 30, 2011	<u>30,424,445</u>	<u>1,437,911</u>	0.19

- (i) As a result of the \$6,441,890 private placement in December 2010, the Company issued 24,776,500 common share purchase warrants with an exercise price of \$0.20 and 3,220,945 compensation warrants with an exercise price of \$0.13 expiring December 2012. The fair value of these warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted assumptions: expected dividend yield of 0%; expected volatility of 123%; risk-free interest rate of 1.69% and an expected life of two years. The weighted average grant date fair value of the warrants granted during year ended December 31, 2010 was \$0.07.
- (ii) As a result of the \$1,001,000 private placement in January 2011, the Company issued 3,850,000 common share purchase warrants with an exercise price of \$0.20 and 500,500 compensation warrants with an exercise price of \$0.13 expiring January 2013. The fair value of these warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted assumptions: expected dividend yield of 0%; expected volatility of 122%; risk-free interest rate of 1.71% and an expected life of two years. The weighted average grant date fair value of the warrants granted during the nine months ended September 30, 2011 was \$0.05.

The following common share purchase warrants are outstanding at September 30, 2011:

Date Issued	Warrants Outstanding #	Exercise Price \$	Expiry Date
December 23, 2010	22,853,000	0.20	December 23, 2012
December 23, 2010	3,220,945	0.13	December 23, 2012
January 7, 2011	3,850,000	0.20	January 7, 2013
January 7, 2011	500,500	0.13	January 7, 2013
	<u>30,424,445</u>		

As at September 30, 2011, the weighted average remaining contractual life of warrants outstanding was 1.24 years (2010 – 0.35 years).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

10. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company has adopted a stock 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 stock 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 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 and expire up to 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 September 30, 2011 and as at December 31, 2010, and changes during the period ended on those dates are presented below:

	Number of options #	Weighted average exercise price \$
Balance, December 31, 2010	7,060,000	0.21
Granted	8,510,000	0.27
Exercised	(1,150,000)	0.12
Expired	(525,000)	1.01
Balance, September 30, 2011	<u>13,895,000</u>	0.24

In May 2010, the Company granted 250,000 options exercisable at \$0.11 for a period of five years. The grant included 200,000 options to a director and 50,000 options to an employee of the Company.

In June 2010, the Company granted 400,000 options exercisable at \$0.11 for a period of one year to a consultant of the Company.

In July 2010, the Company granted 2,050,000 options exercisable at \$0.15 for a period of five years. The grant included 1,625,000 options to eight individuals who are directors, senior officers, or both, and 425,000 options to an employee of the Company and five employees of its Peruvian subsidiary.

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

In June 2011, the Company granted 2,510,000 options exercisable at \$0.215 for a period of five years. The grant included 1,850,000 options to eight individuals who are directors, senior officers, or both, and 660,000 options to employees of the Company.

A share-based payment cost of \$Nil (2010 - \$194,590) was recognized in the three months ended September 30, 2011. Total share-based payment expense of \$1,649,927 (2010 - \$300,630) was incurred for the nine months ended September 30, 2011.

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

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

	<u>2011</u>	<u>2010</u>
Risk-free interest rate	1.64%	1.72%
Expected life	5 years	4.4 years
Expected volatility	100%	104%
Expected dividend yield	nil%	nil%

As at September 30, 2011, the Company had outstanding stock options issued to directors, officers and employees of the Company as follows:

Date of Grant	Options Outstanding #	Options Vested #	Exercise Price \$	Expiry Date
January 16, 2009	700,000	700,000	0.25	January 16, 2012
September 1, 2009	2,510,000	2,510,000	0.10	September 1, 2014
May 27, 2010	200,000	200,000	0.11	May 27, 2015
July 9, 2010	1,975,000	1,975,000	0.15	July 9, 2015
March 14, 2011	6,000,000	6,000,000	0.29	March 14, 2016
June 29, 2011	2,510,000	2,510,000	0.215	June 29, 2016
	<u>13,895,000</u>	<u>13,895,000</u>		

The weighted average remaining contractual life of options issued and outstanding as at September 30, 2011 was 3.92 years.

11. EXPLORATION AND EVALUATION EXPENDITURES

Total exploration and evaluation expenditures are as follows:

	Peru \$
Balance, December 31, 2010	9,583,669
Additions	5,113,727
Recoveries	(444,175)
Balance, September 30, 2011	<u>14,253,221</u>

During the nine month period ended September 30, 2011, the Company incurred net exploration and evaluation expenditures of \$4,669,552. In addition to these expenditures, the Company has also incurred capital expenditures of \$271,490 up to September 30, 2011, with a net book value of \$223,152 as at September 30, 2011.

Minera Aguila de Oro SAC Properties

The Company holds a 100% interest in the Aguila and Pasacancha Projects located in north central Peru (the "Peru Projects"). Title to the mineral properties in Peru is held by the Company's wholly owned subsidiary, Minera Aguila de Oro SAC. The Peru Projects include the El Halcon concession (the Aguila Project), the Pasacancha 1 concession (the Pasacancha Project), and 15 additional staked exploration claims.

Corongo Property - Property Option

The Corongo Property consists of the KFC exploration concession and 10 additional staked exploration claims, which are held by Corongo Exploraciones SAC., a wholly owned subsidiary of the Company.

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11. EXPLORATION AND EVALUATION EXPENDITURES**Corongo Property - Property Option (continued)**

The Company signed a property option agreement (the “Corongo Agreement”) with Viper in March 2010, and subsequently amended in August 2010, whereby Viper can acquire a 50% interest in the Corongo Property. Under the terms of the Corongo Agreement, Viper may acquire a 50% interest by paying the Company US\$25,000 (paid - \$25,348) on signing the Corongo Agreement; incurring exploration expenditures of not less than US\$1,000,000 (US\$943,597 or CAD\$932,096 incurred as of September 30, 2011) prior to March 10, 2012; and issuing the Company an aggregate amount of 1,000,000 common shares of Viper as to: (a) 300,000 common shares on August 17, 2010 (received; valued at \$45,000); (b) 300,000 common shares on March 10, 2011 (received; valued at \$90,000); and (c) 400,000 common shares on or prior to March 10, 2012, subject to regulatory approval. Viper is the operator of the project. Duran receives a 10% management fee based on exploration expenditures.

Double Jack Properties

The Double Jack Properties consist of 11 staked concessions which total 5,437.88 hectares, and include the Ichuña copper-silver project, the Panteria porphyry copper project, and the Santa Rita/Coricancha and Don Pancho silver-lead-zinc polymetallic projects. Title to the Double Jack properties is held by the Company's wholly-owned Peruvian subsidiary, Hatum Minas SAC.

See Exploration and Evaluation Assets (Note 8).

Minasnioc Property

The Company acquired the Minasnioc Gold Project in a closed-bid government auction on May 20, 2010. The concession is located in the Department of Huancavelica, approximately 300 kilometres southeast of Lima. Title to the Minasnioc Gold Project property is held by the Company's wholly-owned Peruvian subsidiary, Exploraciones Laramarca SAC.

Mamaniña Property

The Company was awarded the Mamaniña 1 and 2 concessions in the Province of Huaylas in the Department of Ancash, Peru by way of a closed-bid government auction held on April 13, 2011. The concessions are located approximately 14 kilometres to the south of the Company's flagship Aguila Copper-Molybdenum Porphyry Project. The Company now holds a total of 1,800 hectares in three contiguous concessions, including the Mamaniña 3 concession, which was not subject to the property auction.

12. 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 period.

	Three-Months Ended September 30,		Nine-Months Ended September 30,	
	2011	2010	2011	2010
Net loss for the period	2,821,932	622,634	6,933,315	2,120,729
Weighted average number of common shares outstanding	183,049,958	116,704,145	180,153,269	102,648,609
Loss per share	<u>0.015</u>	<u>0.005</u>	<u>0.038</u>	<u>0.021</u>

b) Diluted

Diluted loss per common share is equal to the basic loss per common share as the stock options and warrants outstanding for the three and nine month periods are anti-dilutive.

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13. FINANCIAL RISK FACTORS**a) Credit risk management**

Credit risk relating to amounts 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 and cash equivalents include cash on hand and balances with banks and short-term deposits with original maturities of three months or less. The deposits are held in a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank.

As of September 30, 2011, the Company had a cash balance of \$2,853,113 (December 31, 2010 - \$6,002,801) to settle current accounts payable and accrued liabilities of \$206,443 (December 31, 2010 - \$222,925). The Company's other current assets consist of marketable securities of \$90,000 (December 31, 2010 - \$90,000), amounts receivable of \$35,367 (December 31, 2010 - \$21,574) and prepaid expenses and advances of \$81,937 (December 31, 2010 - \$12,094).

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. Revenue, cash flow, and profits from any future mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control. The fair value of the Company's marketable securities is also influenced by these factors and is therefore subject to market risk.

The Company's investments in public companies are sensitive to a plus or minus 5% change in Canadian equity prices which would affect comprehensive income (loss) by approximately \$4,500.

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 September 30, 2011, the Company had cash balances of \$2,049,346 (US\$1,955,110) (December 31, 2010 - \$1,107,273 (US\$1,113,284)) in U.S. dollars and accounts payable of \$129,856 (S/.347,163) (December 31, 2010 - \$56,151 (S/.160,171)) in Peruvian Nuevo Soles.

Sensitivity to a plus or minus 5% change in the foreign exchange rate would have affected the net loss by approximately \$91,263 in the nine month period ended September 30, 2011.

The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

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13. FINANCIAL RISK FACTORS (Continued)**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 nine month period ended September 30, 2011.

f) Fair value of financial assets and liabilities

The book values of the cash and cash equivalents, amounts 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 September 30, 2011		As at December 31, 2010	
	\$	\$	\$	\$
Cash	2,853,113	2,853,113	6,002,801	6,002,801
Marketable securities	90,000	90,000	90,000	90,000
Amounts receivable	35,367	35,367	21,574	21,574
Accounts payable and accrued liabilities	(206,443)	(206,443)	(222,925)	(222,925)

14. CAPITAL RISK MANAGEMENT

The Company defines capital as shareholders' equity which at September 30, 2011 was \$4,425,101 (December 31, 2010 - \$7,328,157). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration, development and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at September 30, 2011, the Company had no bank debt.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the nine month period ended September 30, 2011. The Company and its subsidiaries are not subject to externally imposed capital requirements.

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15. 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.

The remuneration of related parties of the Company for the nine months ended September 30, 2011 and 2010 was as follows.

	2011	2010
Aggregate cash compensation	\$ 363,833	\$209,350
Share-based compensation	\$1,397,440	\$208,095

The related parties were awarded the following stock options under the employee stock option plan during the nine months ended September 30, 2011:

Date of grant	Number of options	Exercise price	Expiry
March 14, 2011	5,200,000	\$0.29	March 14, 2016
June 29, 2011	1,950,000	\$0.215	June 29, 2016

The directors and key management were awarded the following stock options under the employee stock option plan during the nine months ended September 30, 2010:

Date of grant	Number of options	Exercise price	Expiry
May 27, 2010	200,000	\$0.11	May 27, 2015
July 9, 2010	1,625,000	\$0.15	July 9, 2015

16. COMMITMENTS AND CONTINGENCIES

In February 2011, the Company signed a lease agreement for a new office space commencing June 1, 2011. The term of the lease is for a period of five years, expiring on May 31, 2016. The annual lease payments are approximately \$135,000.

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.

17. TRANSITION TO IFRS

As stated in Significant Accounting Policies Note 4(a), these are the Company's third unaudited condensed interim consolidated financial statements prepared in accordance with IAS 34, using accounting policies consistent with IFRS.

The policies set out in the Significant Accounting Policies section have been applied in preparing the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2011 and the comparative information presented in these unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2010. These statements should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2011.

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17. TRANSITION TO IFRS (Continued)**Reconciliation of consolidated balance sheet:**

		Canadian GAAP	Effect of transition to IFRS	IFRS	Canadian GAAP	Effect of transition to IFRS	IFRS
	Notes	September 30, 2010			December 31, 2010		
Assets							
Currents assets							
Cash and cash equivalents		456,765	-	456,765	6,002,801	-	6,002,801
Marketable securities		36,000	-	36,000	90,000	-	90,000
Prepaid expenses and advances		25,252	-	25,252	12,094	-	12,094
Amounts receivable		21,667	-	21,667	21,574	-	21,574
		539,684	-	539,684	6,126,469	-	6,126,469
Restricted cash		192,863	-	192,863			
Property, plant and equipment		-	102,618	102,618	-	99,760	99,760
Exploration and evaluation assets	a)	10,696,414	(8,950,261)	1,746,153	11,458,363	(9,712,210)	1,746,153
Total assets		11,428,961	(8,847,643)	2,581,318	17,584,832	(9,612,450)	7,972,382
Liabilities and Shareholders' Equity							
Current liabilities							
Accounts payable and accrued liabilities		226,786	-	226,786	222,925	-	222,925
Deferred tax liability		-	421,300	421,300	421,300	-	421,300
		226,786	421,300	648,086	644,225	-	644,225
Shareholders' Equity							
Capital stock		38,750,463	-	38,750,463	43,365,227	-	43,365,227
Warrant reserves		364,693	-	364,693	1,465,046	-	1,465,046
Share-based payment reserves	b) & c)	4,160,912	(3,308,539)	852,373	4,412,312	(3,640,336)	771,976
Accumulated other comprehensive income		30,000	-	30,000	39,375	-	39,375
Deficit	d)	(32,103,893)	(5,960,404)	(38,064,297)	(32,341,353)	(5,972,114)	(38,313,467)
Total equity		11,202,175	(9,268,943)	1,933,232	16,940,607	(9,612,450)	7,328,157
Total liabilities and equity		11,428,961	(8,847,643)	2,581,318	17,584,832	(9,612,450)	7,972,382

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17. TRANSITION TO IFRS (Continued)**Reconciliation of loss and comprehensive loss for the three and nine month periods ended September 30, 2010:**

	Notes	Three months period ended September 30, 2010			Nine months period ended September 30, 2010		
		Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses							
Share based payments	b)	218,000	(23,410)	194,590	366,000	(65,370)	300,630
Management, director and consulting fees		44,410	-	44,410	119,350	-	119,350
General and administrative		20,092	-	20,092	99,648	-	99,648
Advertising and investor relations		27,145	-	27,145	204,875	-	204,875
Professional fees		59,094	-	59,094	103,602	-	103,602
Rent		10,500	-	10,500	30,750	-	30,750
Amortization		-	2,858	2,858	-	8,578	8,578
Exploration and evaluation expenditures	a)	-	263,945	263,945	-	1,253,296	1,253,296
		<u>379,241</u>	<u>243,393</u>	<u>622,634</u>	<u>924,225</u>	<u>1,196,504</u>	<u>2,120,729</u>
Loss before taxes		<u>(379,241)</u>	<u>(243,393)</u>	<u>(622,634)</u>	<u>(924,225)</u>	<u>(1,196,504)</u>	<u>(2,120,729)</u>
Recovery of deferred income tax		-	-	-	-	-	-
Net loss for the period		<u>(379,241)</u>	<u>(243,393)</u>	<u>(622,634)</u>	<u>(924,225)</u>	<u>(1,196,504)</u>	<u>(2,120,729)</u>
Other comprehensive income		-	-	-	-	-	-
Comprehensive loss for the period		<u>(379,241)</u>	<u>(243,393)</u>	<u>(622,634)</u>	<u>(924,225)</u>	<u>(1,196,504)</u>	<u>(2,120,729)</u>
Loss per share:							
Basic and diluted loss per share		<u>(0.00)</u>		<u>(0.01)</u>	<u>(0.01)</u>		<u>(0.02)</u>
Weighted average number of common shares outstanding		<u>116,704,145</u>		<u>116,704,145</u>	<u>102,648,609</u>		<u>102,648,609</u>

Notes to the reconciliation of balance sheet and net loss and comprehensive loss**a) Deferred mineral exploration costs**

Pursuant to IFRS 6 *Exploration for, and Evaluation of, Mineral Resources*, the Company has elected to change its accounting policy to retrospectively expense all pre-feasibility exploration and evaluation expenditures. Property, plant and equipment previously grouped with deferred exploration expenditures under Canadian GAAP have been reclassified as property, plant and equipment under IFRS.

The effects of this transitional change are as follows: (i) a decrease in deferred exploration assets of \$8,950,261, an increase to property, plant and equipment of \$111,196 and an increase in deficit of \$9,268,943 as at September 30, 2010 and (ii) a decrease in deferred exploration assets of \$263,945 and \$1,253,296 and an increase in net loss by the same amounts as at and for the three and nine-month periods ended September 30, 2010 respectively. An increase in amortization expense related to the property, plant and equipment of \$2,858 and \$8,578 was recorded for the three and nine month periods ended September 30, 2010, respectively.

The Company's September 30, 2010 interim financial statements as previously issued under Canadian GAAP, did not reflect a future tax liability of \$421,300 as a result of the acquisition of exploration and evaluation assets from Double Jack as described in Note 8. The Company has made an adjustment to its September 30, 2010 comparative balance sheet to reflect this deferred tax liability of \$421,300 with a corresponding increase to exploration and evaluation assets.

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17. TRANSITION TO IFRS (Continued)**a) Deferred mineral exploration costs (continued)**

The Company has also determined that the fair value of the exploration and evaluation assets acquired from Double Jack during the three month period ended September 30, 2010 is \$1,746,153 and not \$1,268,102 as previously reported in the December 31, 2010 comparative balances included in the March 31, 2011 and June 30, 2011 interim consolidated financial statements. As a result, exploration and evaluation expenditures expensed in the statement of loss and comprehensive loss for the year ended December 31, 2010 decreased by \$478,051 to \$1,593,945. Loss before taxes, net loss and comprehensive loss for the year ended December 31, 2010 decreased by \$478,051 to \$2,677,601, \$2,671,976, and \$2,632,601, respectively. Basic and diluted loss per share for the year ended December 31, 2010 decreased by \$0.01 to \$0.02.

b) Share based payments

Under IFRS graded vesting awards are accounted for as though each installment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. Straight line basis is permissible under Canadian GAAP. Under IFRS, the estimates of the number of equity-settled awards that vest are adjusted to the actual number that vests, unless forfeitures are due to market-based conditions. There is no choice to accrue compensation cost as if all instruments granted were expected to vest and recognize the effect of the forfeitures as they occur as elected by the Company under Canadian GAAP.

The impact of transition to IFRS with respect to options granted after November 7, 2002 that vest after the date of transition, is (i) an increase in deficit and decrease in share-based payment reserve at September 30, 2010 of \$51,470, and a decrease in share-based payment expense of \$23,410 and \$65,370 in the unaudited interim consolidated statement of loss and comprehensive loss for the three and nine months ended September 30, 2010 respectively.

c) Expired warrants and options

On transition to IFRS the Company elected to change its accounting policy for the treatment of expired options and warrants whereby amounts recorded for expired unexercised stock options are transferred to deficit. Previously these amounts were kept in the contributed surplus.

The impact of the above difference is as follows: (i) value assigned to expired share purchase warrants and options as of January 1, 2010, in the amount of \$2,920,933 has been reclassified from contributed surplus to deficit as at September 30 and December 31, 2010, and (ii) value assigned to expired share purchase warrants and options for the nine months ended September 30, 2010 in the amount of \$439,076 has been reclassified from contributed surplus to deficit as of September 30, 2010.

d) Impact on deficit

The effect of the above adjustments on deficit is as follows:

	<i>Notes</i>	<u>September 30, 2010</u>
Canadian GAAP		(32,103,893)
Exploration and evaluation expenditures	<i>a)</i>	(9,371,561)
Property, plant and equipment	<i>a)</i>	102,618
Share based payments	<i>b)</i>	(51,470)
Expired warrants and options	<i>c)</i>	<u>3,360,009</u>
IFRS		<u>(38,064,297)</u>

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17. TRANSITION TO IFRS (Continued)**e) Impact on cash flows**

The change in policy under IFRS to expense exploration and evaluation expenditures had the following impact on the Company's cash flows from operating and investing activities:

	<i>Notes</i>	Three months ended September 30, 2010	Nine months ended September 30, 2010
Cash flows from operating activities			
Canadian GAAP		(186,583)	(542,733)
Exploration and evaluation expenditures	a)	(264,078)	(1,213,203)
IFRS		<u>(450,661)</u>	<u>(1,755,936)</u>
Cash flows from investing activities			
Canadian GAAP		(456,941)	(1,406,066)
Exploration and evaluation expenditures	a)	264,078	1,213,203
IFRS		<u>(192,863)</u>	<u>(192,863)</u>

18. SUBSEQUENT EVENTS**Corongo Property Option**

Subsequent to September 30, 2011, Viper completed its US\$1,000,000 exploration expenditure requirement as part of its obligations under the Corongo Agreement.