DURAN VENTURES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Form 51-102F1

For the Year Ended December 31, 2016

DURAN VENTURES INC.
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FOR THE YEAR ENDED DECEMBER 31, 2016

Report Dated April 27, 2017

General

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

This MD&A is prepared as of April 27, 2017. Mr. Jeffrey Reeder, P. Geo., Chief Executive Officer and President of the Company has either prepared, supervised the preparation of, or approved the scientific and technical disclosure in this MD&A. Mr. Reeder is a Qualified Person within the meaning of National Instrument 43-101 ("NI 43-101"). Additional information relevant to the Company's activities can be found at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

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

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

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

Description of Business

The Company was incorporated under the laws of British Columbia on March 5, 1997 under the name 537926 B.C. Ltd. and its principal business activity is mineral processing and the acquisition and exploration of mineral properties. On June 18, 1997, the Company changed its name to Duran Gold Corp. and on August 10, 2000, the Company changed its name to Duran Ventures Inc. On July 4, 2007, the Company was listed on the TSX Venture Exchange ("TSXV"). On October 14, 2008, the Shareholders approved the continuance of the Company under the Canada Business Corporations Act, which was completed by October 31, 2008.The Company's common shares were listed for trading on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru (the "Lima Exchange") effective September 21, 2012. The Company's shares are traded on the TSXV and the Lima Exchange under the symbol DRV.

The Company is not in default under any debt or other contractual obligations. The Company is not in breach of any corporate, securities or other laws or of the terms of the listing agreements with the TSXV or the Lima Exchange.

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

The Company completed construction of the Aguila Norte mineral processing plant ("Aguila Norte" or the "Plant") in Northern Peru in Q4 2016 and has begun processing of concentrates.

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

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Aguila Norte Mineral Processing Plant

Duran holds an 80% ownership interest in Minera Aguila de Oro SAC ("MADOSAC"), the joint company that built the Aguila Norte plant. The Company invested a total of US$1,500,000 in capital and other expenditures to acquire its 80% interest. The 20% ownership interest in MADOSAC is held by the Peruvian National who owned the concessions on which the plant was constructed.

The Company completed construction of the plant during late 2016 and the commissioning of the crushing and milling circuits began shortly thereafter with the processing of third party mineral. In early 2017 Aguila Norte completed production of Zinc and Lead-Silver concentrates from purchased mineral. However, as a result of extremely heavy rainfalls and floods in northern Peru due to the El Niño effect, the Regional Government of La Libertad declared a state of emergency for the region. Plant operations and concentrate shipments were delayed for several weeks until the weather improved. The decision was made mainly for the safety of the Plant operations staff during the commissioning phase and to maintain the equipment during this time. The Plant recommenced operations and concentrate shipments in mid-April 2017 when 91.17 metric tonnes ("mt") of zinc concentrates and 23.26 mt of lead-silver concentrate was shipped from the Plant to the Impala Terminals in the port of Callao, Lima. The concentrates are 100% own by Aguila Norte and represent the first sale of concentrates produced from wholly-owned purchased mineral. The Company entered into an agreement with mineral trader Ocean Partners to purchase the concentrates. The Company expects to continue purchasing and processing this mineral. Third party mineral currently on site is expected to be processed over the course of the next few weeks once the circuit, pad and equipment have been thoroughly inspected and approved for processing. The third party mineral is not owned by the Company and the mineral supplier is charged a processing fee, or "Maquila", for each mt processed.

Numerous miners have expressed interest in processing mineral at Aguila Norte. It is expected that the commissioning phase at Aguila Norte will continue during the first half of 2017 and the Plant will process third party mineral during this phase. Aguila Norte will charge a processing fee ("maquila") to the third party mineral suppliers. Duran is now in a position to start entering into agreements with miners to jointly process mineral with profit sharing agreements and/or purchase mineral outright before processing.

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

Highlights of the mineral processing plant are:

- All-in plant construction and start-up costs of approximately $2.8 million that is inclusive of fully tested crushing, milling and flotation circuits, tailings dams, closed circuit security system, camp construction for a local workforce of 25 and onsite logistical overheads
- Metal recovery will be via flotation circuits designed to produce up to three distinct concentrates enabling processing of a wider spectrum of multi and poly-metallic sulphide mineral supply. Initial plant throughput is rated at 100 TPD
- Initial ground preparations and plant layout allows for the sequential addition of a CIP gold leaching circuit and incremental expansion to a 350 TPD throughput

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

- Permitting is in place under the Peruvian government's formalization mandate to operate up to 100 TPD. The Company is well advanced to receive full permits and licenses which will enable the expansion of the Aguila Norte Plant

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

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

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

The Peruvian government reports that informal miners have been contributing as much as 1 million ounces of gold production annually (source - http://www.minam.gob.pe/prensa/wp-content/uploads/sites/44/2013/12/dialogo-con-la-prensa-2_Minereia_ilegal.pdf). The origin of much of this mineral supply has been difficult for government authorities to track. Peru has initiated a formalization process designed to register all small scale mining operations. The registration will allow the government to tax income, and monitor and regulate health and safety, and environmental issues for informal miners and will allow these operations to legally sell their mineral supply only to permitted mineral processing facilities.

In the coming months, Duran intends to submit plans for an expansion of the plant as mineral feed warrants. The Company also plans to connect to the power grid year which will reduce operating costs. Initial proposals have been submitted to the government for approval. Further plant expansion includes a full onsite laboratory able to perform multi-element and metallurgical analysis.

Chucara Property

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

Currently, small-scale, artisanal miners are extracting mineral from Chucara and selling it to third parties. Under the assignment agreement, mineral from Chucara can only be shipped to and processed at the Aguila Norte Plant after having satisfied the formal documentation protocol of the local authorities. The Company intends to achieve mineral supply from Chucara of 500 tonnes per month during the month of July 2017 and 500 tonnes per month by the end of the third quarter of 2017, increasing to 1,000 tonnes per month by the second quarter of 2018. The Company is also negotiating with other mineral suppliers to achieve full production by the end of the second quarter 2017.

Part of the agreement requires the Company to invest $100,000 in equipment and infrastructure to improve the proficiency of current small scale mining at Chucara. The equipment and infrastructure investment commenced during the month of August. Profits will be shared equally with the owner of the concession after prepayment of expenses regarding a fixed processing fee, transport, and extraction costs.

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

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

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

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

The Company has recently completed a detailed compilation of the available historic data provided by the Chucara owner and by the Company's geologists. The historic data includes exploration work by Silver Standard Resources Inc. and Focus Ventures Ltd. The data shows that high grade vein style sediment-hosted mineralization occurs over a north-northeast trending corridor which measures over 1700 metres in length and 250 metres in width. Mineralization within this corridor consists of a series of complex vein systems and mineralized faults. The three main mineralized veins that were subject to historical production namely Maria, Consuzo and Wenses average 0.60 metres in width and were the main exploration targets by previous operators.

Historic drilling results by Focus Ventures Ltd. in 2011 totaled 1780 metres in five holes. Drilling in the northern area of the property cut the down dip extensions of the Conzuso, Maria and Wenses veins thereby demonstrating vein continuity to depth. Highlights from this drilling (source Focus Ventures Ltd. press releases of January 11, 2011 and March 15, 2011) include: -

Diamond drill hole DDH-1:

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

Diamond drill hole DDH-3:

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

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

Gold Properties

In April 2017 the Company announced the acquisition of three gold-silver mineral concessions in Northern Peru through direct application with the Peruvian Ministry of Mines or by direct purchase. All concessions are 100% owned with no underlying royalties, are road accessible, were subject to varying forms of small scale artisanal mine workings, and were acquired as potential mineral sources for Aguila Norte. The three properties acquired are summarized below.

Miton de Oro

The Miton de Oro property is accessed via 157 kilometres of mostly asphalt road from Aguila Norte and consists of a 700 hectare concession application that was recently won in a closed bid auction that included Barrick and Newmont as competitors. Mineralization at Miton de Oro is considered similar to the past producing Machacala Au-Ag mine located 8.5 kilometres to the northwest. Historic production records that cannot be verified by the Company from the Machacala mine noted by the previous operators that 232,645 tons of ore were mined with average grades of 6 g/T Au and 10 g/T Ag. Highlights of initial reconnaissance sampling on the Miton de Oro property of an abandoned, 22 metre long artisanal drift located in the east of the property that exploited Low Sulphidation epithermal quartz veins hosted in pyroclastic rocks returned 127.1 g/T Ag with 1.15 g/T Au, 881.7 g/T Ag with 1.32 g/T Au, and 574.21 g/T Ag and 0.34 g/T Au on sample and vein widths of up to 40 cm. Hand selected quartz vein material from this artisanal workings dump pile returned 660.4 g/T Ag and 1,706.6 g/T Ag. Several other areas on the property have returned strong Au-Ag mineralization and will require further follow up. A large Low Sulphidation target may exist on the property.

The initial focus will be on the area of the artisanal workings. Exploration will involve reopening the historic workings where high grade silver and gold mineralization is located. Initial exploration will comprise of exploration drifts along and perpendicular to the mineralized structures. Any mineralized material from the drift will be shipped to Aguila Norte for processing. The Company intends to start the permitting for underground exploration once title is officially granted within the usual six week period.

Indio Inka

The 100% owned, 470 hectare Indio Inka Property is located roughly 224 kilometres by mostly asphalted road from the Aguila Norte processing plant. Duran's subsidiary Hatum Minas SAC purchased 100% of the property with a small cash payment with no underlying royalties. The property is located approximately 5 kilometres northeast of Eloro Resources's Victoria Gold Project in Northern Ancash.

The property's principal showing consists of high grade gold hosted in a near vertical, silicified breccia structure that roughly parallels bedding in the host lutite. The mineralized structure reaches 1 to 2 metres wide, and has been subject to artisanal development on two levels. Sampling within the old working, mostly from oxide/sulphide mix material, has returned results ranging from 1.48 to 13 g/T Au on 12 samples with sample lengths ranging from 0.4 to 1 metre. Initial metallurgical samples have shown 89% Au recovery (64% passing -200 mesh) from a Au-Ag-Cu concentrate flotation test in sulphide material and 92% Au recovery (90% passing -200 mesh) in cyanidation bottle roll tests in oxide material. The Company plans to extend the current mineralization by exploration drifting along the mineralized structures.

Pueblo de Oro

The 500 hectare Pueblo de Oro property is located in the Ancash Department near the small town of Pueblo Libre. The property is accessed via roughly 292 kilometres of mostly asphalt roads from the Aguila Norte plant and encompasses epithermal, oxide gold-silver mineralization hosted in fractured, brecciated, and faulted quartzites of the Chimu Formation. Historical mine workings are localized in a highly brecciated fault zone parallel to the hinge of an overturned, tightly folded syncline where at least two periods of exploitation have occurred including small, artisanal style tunnels and a large mechanically exploited stope measuring roughly 3,450 square metres entering the hill for 170 metres with widths of up to 30m. The area was originally claimed in 1980 by a private Peruvian company and was allowed to lapse in 2013. The property was visited and sampled by MacMillan Gold (now Duran) in 1996 but only recently acquired by Duran by application in 2014 with other bidders. Due to errors in other competitor's applications, the Peruvian Ministry rejected the applications and no closed bid auction was necessary. Duran was notified by the Ministry that it has been awarded the property and title registration should be completed in the next few weeks.

Sampling in the old workings has returned up to 7.33 g/T Au and 1058 g/T Ag in individual samples with sample lengths of 0.6m and 0.4m respectively. In total, 36 random samples were taken underground and averaged 0.73 g/T Au and 66.9 g/T Ag. It is apparent that the Au-Ag grade depends on the brecciation intensity. The old mine dumps returned anomalous results from grab samples with individual samples assaying 4 g/T Au and 431 g/T Ag. In total, 14 samples were collected from the old mine dumps and averaged 0.81 g/T Au and 151 g/T Ag. These samples are random grab samples outside the workings and are not necessarily representative of the mineralization hosted on the property. The Company intends to conduct mapping to understand the structural controls on the gold-silver mineralization.

The Company intends to find a partner to initially explore the property. The Chimu quartzites are excellent hosts for precious metal mineralization in Northern Peru. Barrick's massive Alto Chicama Mine and Tahoe's La Arena mines are excellent examples of this type of precious metal mineralization. The exploration target at Pueblo de Oro is underground high grade operation similar to PPX Mining's Igor Project in Northern Peru. Any agreement will first assess the economics of treating mineral at Duran's Aguila Norte plant during the development stage.

Quality Assurance and Quality Control

All sample lots were delivered to their respective laboratory by Company geologists where the laboratory crushed, pulverized, and split the sample for assay. No quality control material was submitted with the samples.

Miton de Oro samples were analysed for Au and Ag using fire assay with gravimetric finish by G&S laboratories of Trujillo, Peru, a private and independent laboratory. Two check samples were submitted to Minera Platinum, a separate private and independent laboratory, for Au and Ag analysis also using fire assay with gravimetric finish and the results fell within acceptable error limits.

Indio Inka samples were analysed by Inspectorate Services SAC for gold by fire assay with atomic absorption finish and with 44 element aqua regia digestion ICP emission spectroscopy. Samples containing more than 10 g/T gold were re-assayed analyzed using fire-assay with gravimetric finish. Reanalysis of the over-limit samples using fire-assay with gravimetric finish duplicated the previous results. No quality control material was employed in the sampling. All samples were also submitted for gold analysis by fire assay with ICP emission spectroscopy and achieved similar results to gold by fire assay with atomic absorption finish. Metallurgical tests for the Indio Inka property were completed by Minares Sur and Minera Platinum, two private and independent Peruvian laboratories.

Pueblo de Oro samples were analyzed by Inspectorate Services Peru SAC for gold and silver by fire-assay with atomic absorption finish. Over-limit gold and silver were reanalysed by fire assay with gravimetric finish.

Financing

During 2016 the Company closed a private placement financing for gross proceeds of $1,109,423. The proceeds were used primarily for the Aguila Norte plant commissioning, Chucara property development, and general working capital purposes.

Subsequent to the year-end the Company received $150,000 in funding by way of advances from and unsecured promissory notes issued to directors and officers of Duran.

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

Mineral Exploration Properties

All projects are described below.

Panteria Porphyry Gold - Copper Project

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

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

Under the terms of the Agreement, FQM can conduct due diligence studies for up to 18 months before proceeding to earn up to 80% of the Project by delineation of a resource 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 royalty.

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

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

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

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

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About the Panteria Project:

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

Anomalous copper values cluster mostly in a 1.0 x 1.0 kilometre area, which is coincident with the area of strongest silicification and may be centred over the mineralizing system at depth. The highest copper values occur in weakly clay-altered diorite intrusive rock, with visible copper carbonates and local chalcocite.

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

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

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

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

Minasnioc Gold-Silver Project

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

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

Company geologists have made initial property visits and have defined a high sulfidation (acid sulphate) epithermal gold and silver bearing system developed in Tertiary volcanic rocks. Extensive zones of argillic and advanced argillic alteration are present, with areas of massive and vuggy silica with associated alunite. The gold-silver bearing part of the epithermal alteration system covers an area of 2.0 x 2.0 kilometres. The age of the volcanic host rocks and style of mineralization is similar to Barrick's Pierina and Alto Chicama Mines and Newmont/Buenaventura's Yanacocha Mine in Peru.

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

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

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

In December 2015, the Company signed an agreement with a private Peruvian mining company (the "Minasnioc Optionee") whereby the Minasnioc Optionee has the option to acquire a 100% interest in the Minasnioc Gold Project within a two (2) year period by paying Duran US$50,000 upon signing (paid) and US$700,000 no later than December 4, 2017, subject to the Minasnioc Optionee receiving approval to access the property from the local Minasnioc community. The Minasnioc Optionee received community approval in August 2016. Duran will also be entitled to a 1.0% NSR on all concessions except for the concessions previously acquired from Barrick (Aura Azul 6, 7 and 8).

Mamaniña Porphyry Copper-Molybdenum-Gold Project

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

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

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

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

The proximity to the Aguila Project and Peñoles' Racaycocha Projects reinforces the Company's view that the Aguila area is a new emerging mineralized district. The Company has signed Confidentiality Agreements ("CA's") with several interested parties who are reviewing the project.

Ichuña Copper-Silver Project

In April 2017 the Company signed a letter of intent ("LOI") with Tartisan Resources Corp. ("Tartisan") to sell the Ichuña Copper-Silver Project ("Ichuña") to Tartisan for cash consideration of $50,000 and 500,000 shares of Tartisan. Duran will also receive an additional 500,000 shares of Tartisan as certain Ichuña project milestone are achieved by Tartisan, and will retain a 2% NSR in the Ichuña project of which half (1%) can be repurchased by Tartisan for US$500,000. The parties intend to replace the LOI with a definitive agreement (the "Definitive Agreement") containing industry standard terms and conditions no later than May 17, 2017, following due diligence reviews by both parties.

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

Company geologists have defined several mineralized zones on the Ichuña property with a variety of styles of mineralization related to intrusive events. These include porphyritic intrusive bodies and sub-volcanic intrusive bodies displaying evidence of supergene copper enrichment, skarn zones at the contacts between intrusive and carbonate-rich sedimentary rock, and altered stockwork zones in intrusive, volcanic, and sedimentary units. The evidence points to a widespread, well-mineralized hydrothermal system related to intrusive activity, with anomalous copper, silver, lead, zinc, arsenic, barium, antimony, and manganese. The mineralized zones cover an area larger than 1.0 x 2.5 kilometres. The extensive surface area with strongly altered rock and elevated copper, silver, lead, zinc, arsenic, barium, and antimony indicates the potential for a strong intrusive-driven hydrothermal system underlying the Ichuña Project. Mineralized structures form two distinct populations, one of which ranges in strike between 30 to 80 degrees, and the second between 110 to 160 degrees.

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

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

Don Pancho Silver-Lead-Zinc Project

In March 2017 the Company signed a Definitive Agreement with Tartisan to sell the Don Pancho Silver-Lead-Zinc Project ("Don Pancho") to Tartisan for cash consideration of $50,000 and 500,000 shares of Tartisan. Duran will also receive an additional 500,000 shares of Tartisan as certain Don Pancho project milestone are achieved by Tartisan, and will retain a 2% NSR in the Don Pancho project of which half (1%) can be repurchased by Tartisan for US$500,000.

The Don Pancho project (600 hectares) is located in the Department of Lima. Don Pancho is a carbonate-replacement style silver-lead-zinc target, similar to the nearby Santander Mine owned by Trevali Resources Corporation ("Trevali"). Previous sampling on the Don Pancho Project returned values up to 238 g Ag/T, 4% zinc, and 9% lead. The mineralization appears to be structurally controlled, and has been traced over a zone measuring 800 x 300 metres at surface.

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

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

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

Huachocolpa Properties

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

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

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

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

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

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

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

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

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

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

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

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

Company Outlook - Mineral Processing Plant and Exploration Project Plans

Aguila Norte mineral processing plant

The Company completed construction of the plant during late 2016 and the commissioning of the crushing and milling circuits began shortly thereafter with the processing of third party mineral. In early 2017 Aguila Norte completed production of zinc and lead-silver concentrates from purchased mineral. However, as a result of extremely heavy rainfalls and floods in northern Peru due to the El Niño effect, the Regional Government of La Libertad declared a state of emergency for the region. Plant operations and concentrate shipments were delayed for several weeks until the weather improved. The decision was made mainly for the safety of the Plant operations staff during the commissioning phase and to maintain the equipment during this time. The Plant recommenced operations and concentrate shipments in mid-April 2017 when 91.17 MT of zinc concentrates and 23.26 MT of lead-silver concentrate was shipped from the Plant to the Impala Terminals in the port of Callao, Lima. The concentrates are 100% own by Aguila Norte and represent the first sale of concentrates produced from wholly-owned purchased mineral. The Company entered into an agreement with mineral trader Ocean Partners to purchase the concentrates. The Company expects to continue purchasing and processing this mineral. Third party mineral currently on site is expected to be processed over the course of the next few weeks once the circuit, pad and equipment have been thoroughly inspected and approved for processing. The third party mineral is not owned by the Company and the mineral supplier is charged a processing fee, or "Maquila", for each mt processed.

Numerous miners have expressed interest in processing mineral at Aguila Norte. It is expected that the commissioning phase at Aguila Norte will continue during the first half of 2017 and the Plant will process third party mineral during this phase. Aguila Norte will charge a processing fee ("maquila") to the third party mineral suppliers. Duran is now in a position to start entering into agreements with miners to jointly process mineral with profit sharing agreements and/or purchase mineral outright before processing.

In the coming months, Duran intends to submit plans for an expansion of the Plant as mineral feed warrants and is well advanced to receive full permits and licenses necessary for the Plant expansion. The Company also plans to connect to the power grid later this year which will reduce operating costs. A full onsite laboratory capable of performing multi-element and metallurgical analysis is currently being constructed and will be owned by a third party. The Company will have preferential access to the lab facilities and will be charged a significantly discounted rate for analysis on samples taken at the Plant.

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

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

In April 2017 the Company announced the acquisition of three gold-silver mineral concessions in Northern Peru. All concessions are 100% owned with no underlying royalties, are road accessible, were subject to varying forms of small scale artisanal mine workings, and were acquired as potential mineral sources for Aguila Norte.

Mineral Exploration Properties

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

Exploration and Evaluation Expenditures

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

	Twelve Months ended December 31, 2016	2015
Corporate rent & utilities	**7,803**	48,158
Project management & admin	**465,293**	989,190
Travel	**15,802**	173,310
Consultants	**8,794**	371,792
Concession payments & acquisitions	**119,032**	221,809
Community surface rights and projects	**-**	21,060
Legal and regulatory	**-**	23,586
Option payments/recoveries	**9,270**	(69,200)
Expense for the year	**625,994**	1,779,705

Selected Annual Information

The following table summarizes selected financial data for the Company for each of the last three fiscal years. The information set forth below should be read in conjunction with the December 31, 2016 audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and their related notes.

	Years Ended		
	December 31, 2016 $	***December 31, 2015 $***	***December 31, 2014 $***
Revenues	Nil	Nil	Nil
Income (Loss)	(2,465,603)	(2,643,671)	5,135,889
Income (Loss) per share	(0.06)	(0.08)	0.15
Total assets	3,100,287	3,908,015	6,623,079
Working capital(deficit)	(263,671)	2,432,686	4,952,773
Total long term liabilities	Nil	Nil	111,000
Cash dividends	Nil	Nil	Nil

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Results of Operations

Consolidated Statements of Loss and Comprehensive Loss

	Three Months Ended December 31 $		Twelve Months Ended December 31 $	
	2016	2015	2016	2015
EXPENSES				
Plant start-up expenses	221,673	-	877,290	-
Exploration and evaluation expenditures	281,003	739,862	625,994	1,779,705
Revaluation of exploration and evaluation assets	(221,000)	888,855	(221,000)	888,855
Management and consulting fees	60,625	75,626	342,500	299,168
Direcotrs fees	-	7,750	-	35,500
Professional fees	29,067	22,882	128,307	64,349
Accounting and administration	12,824	11,142	63,248	64,540
Shareholder relations and filing fees	44,299	50,367	131,722	95,492
Office and general	2,667	8,101	19,631	20,176
Insuarnce	6,139	9,199	31,688	33,921
Telephone and communications	3,950	5,304	7,340	11,341
Travel	30,991	15,351	64,550	55,386
Rent	7,099	13,527	29,814	28,482
Amortization	158	558	632	4,434
LOSS FOR THE PERIOD BEFORE THE FOLLOWING	479,495	1,848,524	2,101,716	3,381,349
Foreign exchange loss (gain)	(344,207)	(382,952)	202,275	(313,238)
Loss/(gain) on marketable securities	165,634	(37,045)	161,612	(25,000)
Realized gain on derivative instruments	-	-	-	(308,600)
Change in unrealized gain on derivative	-	-	-	62,200
Interest income	-	-	-	(23,440)
Deferred income tax recovery	-	(129,600)	-	(129,600)
COMPREHENSIVE LOSS	300,922	1,298,927	2,465,603	2,643,671
Loss per share - basic and diluted	0.008	0.005	0.06	0.08
Weighted average number of common shares outstanding	37,995,598	33,456,048	37,995,598	33,456,048

Three Months ended December 31, 2016

During the three months ended December 31, 2016, the Company had a comprehensive loss before non-controlling interest of $300,922 compared to a comprehensive loss of $1,298,927 for the same period in 2015. The Company incurred plant start-up expenses during the period of $221,673 (2015 - $Nil) relating to the construction of the Aguile Norte mineral processing plant in northern Peru and pertain primarily to costs associated with securing and analysing potential mineral feed supply for Aguila Norte, as well as general administrative expenses of MADOSAC (see table below). Exploration and evaluation expenditures for the period were $281,003 (2015 – $739,862) which is lower than the prior-year period as staff are being deployed to assist in the Aguila Norte plant start-up. Revaluation of exploration and evaluation assets of $221,000 (2015 – write-down of $888,855) represents the revaluation of the Don Pancho and Ichuña properties as a result of the post year-end agreements to sell these properties to Tartisan. Management and consulting fees of $60,625 (2015 - $75,626) are lower in the current period due to the termination of a management contract in the prior quarter. Directors fees of $Nil (2015 – expense of $7,750) are lower as a result of a decision to cancel 2016 Directors fees. Professional fees of $29,067 (2015 – $22,882) were higher in the current period due primarily to costs associated with financial and strategic corporate advisory services in Peru. Travel expense of $30,991 (2015 - $15,351) was higher in the current period due to additional travel to Peru and attendance at corporate trade shows. Rent expense of $7,099 (2015 – $13,527) was lower as the Company moved into less expensive offices premises in August 2016. Other operating expenses were generally in line with the prior period.

Foreign exchange gain of $344,204 (2015 – gain of $382,952) is a result of the Canadian dollar exchange rate fluctuating against the US dollar and the Peruvian sol during the quarter and the impact on the Company's US dollar denominated accounts, and intercompany loan balances. Loss on marketable securities of $165,634 (2015 – unrealized gain of $37,045) is the result of the sale of the Company's marketable securities during the period. Deferred income tax recovery of $Nil (2015 - $129,600) is primarily a result of the tax effect of the write-down of exploration properties during 2015.

Twelve Months ended December 31, 2016

During the twelve months ended December 31, 2016, the Company had a comprehensive loss of $2,465,603 compared to a comprehensive loss of $2,643,671 for the same period in 2015. The Company incurred plant start-up expenses during the period of $877,290 (2015 - $Nil) relating to the construction of the Aguile Norte plant and pertain primarily to costs associated with securing and analysing potential mineral feed supply for Aguila Norte, as well as general administrative expenses of MADOSAC (see table below). Exploration and evaluation expenditures for the period were $625,994 (2015 – $1,779,705) which is lower than the prior-year period as staff were being deployed to assist in the Aguila Norte plant start-up. Revaluation of exploration and evaluation assets of $221,000 (2015 – write-down of $888,855) represents the revaluation of the Don Pancho and Ichuña properties as a result of the post year-end agreements to sell these properties to Tartisan. Management and consulting fees of $342,500 (2015 - $299,168) are higher in the current period with the increase mainly due to a termination accrual in the second quarter. Directors fees of $Nil (2015 - $35,500) reflects the decision to cancel 2016 directors' fees. Professional fees of $128,307 (2015 – $64,349) were higher in the current period due predominately to costs associated with financial and strategic corporate advisory services in Peru. Shareholder relations and filing fees of $131,722 (2015 – $95,492) are higher in the current period, mainly as a result of costs associated with capital market advisory services and higher corporate communications costs. Travel expense of $ 64,550 (2015 - $55,386) was higher in the current period due to additional travel to Peru and attendance at corporate trade shows. Other operating expenses were generally in line with the prior period.

Foreign exchange loss of $202,278 (2015 – gain of $313,238) is a result of the Canadian dollar exchange rate fluctuating against the US dollar and the Peruvian sol during the quarter and the impact on the Company's US dollar denominated accounts, and intercompany loan balances. Loss on marketable securities of $161,612 (2015 – $25,000) is the result of the sale of the Company's marketable securities during the period. The Company had $Nil gains on derivative instruments (2015 – net gain of $246,400). Interest income of $Nil (2015 - $ 23,440) was due to lower cash balances during the current period. Deferred income tax recovery of $Nil (2015 - $129,600) is primarily a result of the tax effect of the write-down of exploration properties during 2015.

<u>Plant start-up expenses</u>

	Twelve months ended December 31,	
	2016	2015
	$	$
Salaries and management fees	**616,604**	-
Office and general	**101,981**	
Geological and laboratory	**61,948**	-
Professional fees	**40,707**	-
Rent and utilities	**28,744**	-
Vehicles and equipment	**27,306**	-
	877,290	-

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Summary of Quarterly Results

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

Quarters Ended	*Revenue $*	*Comprehensive income (loss) $*	*Income (Loss) per share $*
December 31, 2016	Nil	(300,922)	(0.008)
September 30, 2016	Nil	(551,775)	(0.011)
June 30, 2016	Nil	(841,487)	(0.021)
March 31, 2016	Nil	(771,419)	(0.020)
December 31, 2015	Nil	(1,310,971)	(0.035)
September 30, 2015	Nil	(392,120)	(0.014)
June 30, 2015	Nil	(733,758)	(0.021)
March 31, 2015	Nil	(206,821)	(0.007)

Liquidity and Capital Resources

The Company's liquid assets at December 31, 2016 were valued at $272,784 (December 31, 2015 - $2,595,588), consisting of cash of $43,003 (December 31, 2015 - $2,497,888), marketable securities of $Nil (December 31, 2015 - $34,311), amounts receivable of $84,100 (December 31, 2015 - $63,389) and inventory of $145,681 (December 31, 2015 - $Nil). Substantially all of the Company's cash is on deposit with Canadian chartered banks or a financial institution controlled by a Canadian chartered bank.

During the year ended December 31, 2016 the Company's average monthly cash burn rate, excluding plant start-up expenses, exploration expenditures, amortization, foreign exchange and gain on derivative instruments, was approximately $68,300, compared to $59,000 for the year ended December 31, 2015, with the increase mainly due to higher management fees, which include a termination payment, shareholder relations and professional fees. The Company expects the monthly burn rate to remain constant throughout 2017. Duran has invested approximately $2.8 million in capital and other expenditures to design and construct a mineral processing operation in northern Peru, and will establish a line of credit for the purpose of general working capital for the start-up.

As a junior exploration stage company, Duran has traditionally relied on equity financings and warrant exercises to fund exploration programs and cover the general working capital requirements of a publicly traded junior resource company. As at December 31, 2016, the Company had a working capital deficit of $263,671 (December 31, 2015 – working capital $2,432,686). During the twelve months ended December 2016 the Company closed a private placement financing for gross proceeds of $1,109,423. The proceeds were used for the Aguila Norte plant commissioning; Chucara property development; and general working capital purposes. To accelerate ramp up to commercial production, the Company anticipates it will need additional funding to cover plant working capital requirements. The Company does not intend to fund significant exploration programs in 2017 and is actively looking for partners to develop its exploration projects.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the junior resource sector. Financial markets are currently volatile, and are likely to remain so during 2017, reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects and many other factors that might impact the Company's ability to raise additional funds, should it need to.

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Off Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

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

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

Aggregate compensation		**2016**	2015
Jeffrey Reeder	CEO, President & Director	**$ 225,000**	$ 222,500
Oscar Pezo	Director and VP	**100,131**	186,120
Dan Hamilton	CFO	**130,000**	128,750
Steve Brunelle	Director & consultant	**100,000**	59,167
Rick Brown	Director & consultant	**75,000**	8,000
		$ 630,131	$ 604,537

Included in the 2016 compensation for Mr. Brunelle is $70,000 relating to the termination of his consulting contract. As at December 31, 2016 a total of $43,000 relating to the termination costs remains unpaid. Mr. Brunelle remains with the Company as a Board member. As part of a corporate restructuring in Peru during 2015, Mr. Pezo was required to resign from MADOSAC. As a result Mr. Pezo was entitled to severance payments of approximately $58,000. As at December 31, 2016 a total of approximately $36,127 (2015 - $50,000) remains unpaid and due to Mr. Pezo.

As at December 31, 2016 a total of $139,394 (December 31, 2015 - $76,018) was due to officers and consultants for accrued but unpaid compensation, which includes the amounts due to Mr. Brunelle and Mr. Pezo.

The Company paid the following directors fees for the years ended December 31, 2016 and 2015:

		2016	2015
Joseph Del Campo	Director	**$ -**	$ 10,500
Steve Brunelle	Director	**-**	10,500
John Thompson	Director	**-**	9,500
David Prins	Director	**-**	5,000
		$ -	$ 35,500

Share based compensation

The Company did not grant any stock options during the years ended December 31, 2016 and 2015.

Other

Certain officers and directors of the Company, or companies controlled by them, participated in the private placement financing which closed during the year ended December 31, 2016, acquiring a total of 3,866,667 Units for gross proceeds to the Company of $348,000. In addition, certain officers and directors advanced to the Company a total of $30,000 which remained unpaid as at December 31, 2016 and as at the date of this report.

Critical Accounting Estimates

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

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

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

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

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

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

- Estimation of decommissioning and restoration costs and the timing of expenditure

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

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

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

Changes in Accounting Policies

The significant accounting policies are outlined in the consolidated financial statements for the years ended December 31, 2016 and 2015, unless otherwise disclosed.

Accounting standards and interpretations issued but not yet adopted

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, 2017 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 they are not expected to affect the Company in the period of initial application. 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 condition, the classification of share-based payment transaction with net settlement features and the accounting for modifications of share-based payment transactions from cash-settle to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2019, with earlier application permitted

- IFRS 9 Financial Instruments

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS9, except that an entity choosing to measure a financial liability at fair value will present the portion of
any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

- IFRS 16 Leases

IFRS 16 – Leases ("IFRS 16") was issued in January 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 16requires 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, 2049. Earlier adoption is permitted it IFRS 15 has also been applied.

- IAS 7 Statement of Cash Flows

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 – foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognized in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018. 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.

Financial Risk Factors

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

a) Credit risk management

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

b) Liquidity risk

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

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

As of December 31, 2016, the Company had a cash balance of $43,003 (December 31, 2015 - $2,497,888) to settle current accounts payable and accrued liabilities of $593,958 (December 31, 2015 - $221,583). The Company's other current assets consist of marketable securities of $Nil (December 31, 2015 - $34,311), amounts receivable of $84,100 (December 31, 2015 - $63,389), prepaid expenses and advances of $57,503 (December 31, 2015 - $58,681) and inventory of $145,681 (December 31, 2015 - $Nil).

c) Market risk

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

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

As at December 31, 2016 the Company had $Nil (2015 - $34,311) in marketable securities.

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 December 31, 2016, the Company had cash balances of $969 (US$788) (December 31, 2015 - $1,865,369 (US$1,347,810)) in U.S. dollars and $13,430 (S/.33,567) (December 31, 2015 - $18,202 (S/.44,876)) in Peruvian Nuevo Soles ("PNS"), and accounts payable of $100,454 (S/.251,072) (December 31, 2015 – $111,611 (S/.275,176)) in PNS.

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

e) Interest rate risk

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

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

f) Fair value of financial assets and liabilities

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

	Carrying amount	Fair Value	Carrying amount	Fair Value
	As at December 31, 2016		As at December 31, 2015	
	$	$	$	$
Cash	43,003	43,003	2,497,888	2,497,888
Marketable securities	-	-	34,311	34,311
Amounts receivable	84,100	84,100	47,738	47,738
Accounts payable and accrued liabilities	(593,958)	(583,958)	(221,583)	(221,583)

DURAN VENTURES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

Other MD&A Requirements

Capital Stock – Shares Outstanding

Balance, December 31, 2013	33,475,919
Share cancellation	(25,938)
Balance, December 31, 2014	33,449,981
Shares issued for debt settlement	71,428
Balance, December 31, 2015	33,521,409
Shares issued in 2016	12,326,921
Balance, December 31, 2016	45,848,330
Shares issued on warrant exercise, February 2017	139,000
Balance, April 27, 2017	45,987,330

Stock Options Outstanding

Balance, December 31, 2013	2,570,714
Expired/terminated	(570,714)
Balance, December 31, 2014	2,000,000
Expired/terminated	(592,857)
Balance, December 31, 2015	1,407,143
Expired/terminated	(778,573)
Balance, December 31, 2016	628,570
Expired/terminated	(157,142)
Balance, April 27, 2017	471,428

Warrants - Outstanding

Balance, December 31, 2013	1,578,809
Expired	(357,142)
Balance, December 30, 2014	1,221,667
Expired	(1,221,667)
Balance, December 31, 2015	-
Warrants issued, 2016	12,338,921
Balance, December 31, 2016	12,338,921
Warrants exercised, February 2017	(139,000)
Balance, April 27, 2017	12,199,921

Fully Diluted as at April 27, 2017

Capital Stock	45,987,330
Stock Options	471,428
Warrants	12,199,921
Total	58,658,679

Note – the above figures have been restated to reflect the 7 – 1 share consolidation which came into effect on May 9, 2016.

Disclosure Of Internal Controls

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

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

> i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
>
> ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

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

Shareholders Rights Plan

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

Risks and Uncertainties

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

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits, and/or its ability to successfully construct and operate its proposed mineral processing plant. Revenues, profitability and cash flow from any future mining operations and/or mineral processing activities involving the Company will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Company's control.
The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its exploration projects, and/or further development of its mineral processing plant, or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company and/or further development and expansion of its mineral processing plant, with the possible dilution or loss of such interests.

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

Operating in a Foreign Country Usually Involves Uncertainties Relating to Political and Economic Matters
Peru, where the Company's principle foreign mineral properties are located is considered by the Company to be a mining friendly country. However, any change of government may result in changes to government legislation and policy, which may include changes that impact the Company's ownership of and its ability to continue exploration and, possibly, the development of its properties. Further, changes in the government may result in political and economic uncertainty, which may cause the Company to delay its exploration and, possibly, its development activities or they may decrease the willingness of investors to provide financing to the Company. Accordingly, changes in legislation and policy could result in increased costs to explore and develop the Company's projects and could require the Company to delay or suspend these activities.

Exploration and Development Efforts May Not Be Successful
There is no certainty that the expenditures to be made by the Company in the exploration of its properties as described herein will result in the discovery of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Lack of Cash Flow
None of the Company's properties have advanced to the commercial production stage and the Company has no history of earnings or cash flow from operations. The Company does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years. The Company has paid no dividends on its shares since inception and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company is through the sale of its securities or exploration properties. Future additional equity financing would cause dilution to current shareholders.

No Proven Reserves
The properties in which the Company has an interest or the right to earn an interest are in the exploratory stage only and are without a known body of ore in commercial production.

No Guarantee of Clear Title to Mineral Properties
While the Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties and properties in which it has the right to acquire or earn an interest are in good standing, this should not be construed as a guarantee of title. The properties may

be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Uncertainty of Obtaining Additional Funding Requirements
Programs planned by the Company may necessitate additional funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds in order to realize these programs. The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

Mineral Prices May Not Support Corporate Profit
The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

Supply and Quality of Mineral Feed
The Company's mineral processing operations will involve the purchase of mineral feed from local producers which is then converted in the mineral processing plant. The revenues of the Company will depend on the availability of mineral supply from the local producers. As the Company does not produce its own mineral supply, it does not have entire control over the grade of mineral supplied by local producers. Therefore this can have an impact over the volume of production from the mineral processing plant and metal sales.

Competition
The mining industry is intensively competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations
The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, require permits from various Provincial, Federal and State governmental authorities. Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Uncertainty of Reserves and Mineralization Estimates
There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metal prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Operating Hazards and Risks Associated with the Mining Industry
Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

The Ability to Manage Growth
Should the Company be successful in its efforts to develop its mineral properties and/or mineral processing operations or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipated that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Lack of Dividend Policy
The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders
The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or

securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel
The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

Conflict of Interest
Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Lack of Trading
The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price
Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

Commitments

Lease agreements
Effective August 1, 2016 the Company entered into an agreement to sublease office space, expiring on January 30, 2018. The annual lease payments, before sub-lease income, are $32,400.

The Company's subsidiary, MADOSAC, has annual office rental obligations of US$20,400 (Cdn $26,759).

Management contracts
Effective January 1, 2015, the Company entered into certain management and consulting contracts. Minimum annual commitments under the agreements are approximately $455,000. These contracts also require that additional payments of up to $1,086,200 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

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

Legal Proceedings
The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount

which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations. As at December 31, 2016, the Company was not aware of any claims or legal proceedings against it and as a result no amounts have been accrued related to such matters.

Subsequent Events

Subsequent to December 31, 2016 157,142 stock options expired unexercised and 139,000 common share purchase warrants were exercised for proceeds of $20,850.

Subsequent December 31, 2016 a total of $100,000 in promissory notes payable were issued to certain officers and directors of the Company. The promissory notes are payable on demand and bear interest at the rate of 18% per annum.

In March 2017 the Company sold the Don Pancho property to Tartisan for cash consideration of $50,000 and 500,000 shares of Tartisan. 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 Don Pancho Project of which half (1%) can be purchased by Tartisan for US$500,000.

In March 2017 the Company entered into a letter of intent ("LOI") with Tartisan for the sale of the Ichuña property for cash consideration of $50,000 and 500,000 shares of Tartisan. 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. The companies intend to replace the LOI with a definitive agreement no later than May 17, 2017, following due diligence reviews by both parties.

In April 2017 the Company announced the acquisition of three gold-silver mineral concessions (Miton de Oro, Indio Inka and Pueblo de Oro) in Northern Peru through direct application with the Peruvian Ministry of Mines or by direct purchase. All concessions are 100% owned with no underlying royalties.

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