DURAN VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

MARCH 31, 2013

(Unaudited)

(Expressed in Canadian dollars)

NOTICE TO READER

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

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

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

DURAN VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2013

(Unaudited)

(Expressed in Canadian dollars)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	March 31, 2013 $	December 31, 2012 $
ASSETS		
CURRENT		
Cash	**927,806**	1,809,122
Marketable securities (Note 6)	**30,000**	30,000
Prepaid expenses and advances	**31,344**	40,619
Amounts receivable	**32,938**	31,978
TOTAL CURRENT ASSETS	**1,022,088**	1,911,719
PROPERTY, PLANT AND EQUIPMENT (Note 7)	**212,091**	219,345
EXPLORATION AND EVALUATION ASSETS (Notes 8 and 11)	**1,470,906**	1,470,906
TOTAL ASSETS	**2,705,085**	3,601,970
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**253,810**	273,272
DEFERRED TAX LIABILITY	**181,300**	181,300
TOTAL LIABILITIES	**435,110**	454,572
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 9)	**49,542,440**	49,542,440
WARRANT RESERVE (Note 9)	**476,813**	681,856
SHARE-BASED PAYMENT RESERVE (Note 10)	**2,432,327**	2,387,705
ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	**(137,000)**	(137,000)
DEFICIT	**(50,044,605)**	(49,327,603)
TOTAL SHAREHOLDERS' EQUITY	**2,269,975**	3,147,398
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,705,085**	3,601,970

ONGOING OPERATIONS (Note 2)

COMMITMENTS AND CONTINGENCIES (Note 14)

APPROVED ON BEHALF OF THE BOARD:

Signed "Joseph Del Campo" , Director

Signed "Jeffrey Reeder" , Director

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013 AND MARCH 31, 2012

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	2013 **$**	2012 $
EXPENSES		
Share-based compensation (Note 10)	**44,620**	206,505
Management and consulting fees	**85,726**	85,726
General and administrative	**62,431**	38,494
Shareholder relations and filing fees	**17,888**	59,095
Professional fees	**24,089**	36,042
Rent	**18,337**	12,732
Foreign exchange (gain) loss	**6,540**	26,924
Amortization	**7,254**	7,627
Exploration and evaluation expenditures (Note 11)	**655,160**	673,669
Loss before the under-noted	**922,045**	1,146,814
Interest income	**-**	(24)
LOSS FOR THE PERIOD BEFORE INCOME TAXES	**922,045**	1,146,790
DEFERRED INCOME TAX (RECOVERY) EXPENSE	**-**	-
NET LOSS FOR THE PERIOD	**922,045**	1,146,790
Other comprehensive loss	**-**	(12,000)
COMPREHENSIVE LOSS	**922,045**	1,134,790
Loss per share – basic and diluted	**0.004**	0.01
Weighted average number of common shares outstanding	**222,361,435**	183,525,892

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

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

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013 AND MARCH 31, 2012
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	2013 **$**	2012 $
Accumulated other comprehensive (loss) income at beginning of period	**(137,000)**	(99,000)
Unrealized gain (loss) on marketable securities, net of deferred income tax of $Nil (2012 – $Nil)	**-**	12,000
Accumulated other comprehensive (loss) income at end of period	**(137,000)**	(87,000)

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013 AND 2012 AND THE YEAR ENDED DECEMBER 31, 2012
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Common Shares	Warrants				
	Amount $	Reserve Amount $	Share-based Payment Reserve $	Accumulated Other Comp. Income $	Deficit $	Total Shareholders' Equity $
Balance, December 31, 2011	45,928,588	1,437,911	2,074,545	(99,000)	(45,972,548)	3,369,496
Options exercised	143,682	-	(54,182)	-	-	89,500
Value of options expired			(201,485)		201,485	-
Share-based compensation expense	-	-	206,505	-	-	206,505
Unrealized gain on marketable securities	-	-	-	12,000	-	12,000
Net loss	-	-	-	-	(1,146,790)	(1,146,790)
Balance, March 31, 2012	46,072,270	1,437,911	2,025,383	(87,000)	(46,917,853)	2,530,711
Issued for cash	3,155,170	413,939	-	-	-	3,569,109
Value of options expired	-	-	(5,544)	-	5,544	-
Value of warrants expired	-	(1,169,994)	-	-	1,169,994	-
Share-based compensation expense	-	-	367,866	-	-	367,866
Issued for property acquisition	315,000	-	-	-	-	315,000
Unrealized loss on marketable securities	-	-	-	(50,000)	-	(50,000)
Net loss	-	-	-	-	(3,585,288)	(3,585,288)
Balance, December 31, 2012	49,542,440	681,856	2,387,705	(137,000)	(49,327,603)	3,147,398
Value of warrants expired		(205,043)	-	-	205,043	-
Share-based compensation expense	-	-	44,622	-	-	44,622
Net loss	-	-	-	-	(922,045)	(922,045)
Balance, March 31, 2013	49,542,440	476,813	2,432,327	(137,000)	(50,044,605)	2,269,975

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013 AND MARCH 31, 2012
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	2013 **$**	2012 $
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	**(955,795)**	(1,146,790)
Add items not requiring cash:		
Amortization	**7,254**	7,627
Share-based compensation	**44,620**	206,505
Option payment received in shares	**-**	(32,000)
Change in non-cash operating working capital:		
Decrease (increase) in prepaids and advances	**9,275**	19,159
Decrease (increase) in amounts receivable	**(958)**	364,646
Increase (decrease) in accounts payable and accrued liabilities	**14,288**	44,086
Cash flows used in operating activities	**(881,316)**	(536,767)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Property, plant and equipment	**-**	(3,467)
CASH FLOWS FROM FINANCING ACTIVITIES		
Exercise of options	**-**	89,500
Cash flows from financing activities	**-**	89,500
(Decrease) increase in cash	**(881,316)**	(450,734)
Cash, beginning of period	**1,809,122**	1,290,618
Cash, end of period	**927,806**	839,884

1. GENERAL INFORMATION

Duran Ventures Inc. ("Duran" or "the Company") is a publicly listed company originally incorporated in British Columbia and subsequently continued to Ontario under the Canada Business Corporations Act. The Company's common shares have been listed on the TSX Venture Exchange since July 4, 2007, and on the Risk Capital Segment of the Lima Stock Exchange (Segmento de Capital de Riesgo de la Bolsa de Valores de Lima) in Peru, since September 21, 2012, and trade under the symbol "DRV" on both Exchanges. The Company, directly and with exploration partners, is engaged in the exploration of mineral properties in Peru. The Company's principal office is located at 40 University Avenue, Suite 710, Toronto, Ontario, Canada M5J 1T1 and substantially all of the Company's administrative expenses are incurred in Canada.

2. GOING CONCERN

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

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

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. These consolidated financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

3. BASIS OF CONSOLIDATION

These unaudited condensed consolidated interim financial statements include the accounts of the Company, which is incorporated in Canada under the Canada Business Corporations Act, its wholly owned subsidiaries, Duran Resources ULC and 1546806 Alberta Ltd., which are incorporated in Canada under the Business Corporations Act (Alberta), and its wholly owned subsidiaries, Minera Aguila de Oro SAC, Empresa Querco SAC (formerly Laramarca Exploraciones SAC), Hatum Minas SAC, and 50% owned Corongo Exploraciones SAC, all of which are incorporated in Peru. All inter-company balances and transactions have been eliminated. The unaudited condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) International Financial Reporting Standards ("IFRS")

These unaudited condensed consolidated interim financial statements of the Company and its subsidiaries were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2012 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Please refer to the December 31, 2012 audited consolidated financial statements and accompanying notes for a description of the significant accounting policies used by the Company. The policies set out in the Company's December 31, 2012 financial statements were consistently applied to all periods presented unless otherwise noted below. These condensed consolidated interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2012.

The policies applied in these unaudited condensed consolidated interim financial statements are based on the IFRS issued and effective as of March 31, 2013. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2013 could result in restatement of these interim consolidated financial statements. These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 14, 2013.

(b) Basis of preparation

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

(c) New Standard, Amendments and Interpretations Effective for the first time from January 1, 2013

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2013

The following new or amended standards and interpretations that are mandatory for 2013 annual period have not had a material impact on the Company:

- IAS 1 Presentation at Financial Statements
- IFRS 7 Financial Instruments: Disclosures: Amendments – Offsetting Financial Assets and Financial Liabilities
- IFRS 9 Financial Statements: Classification and Measurement
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosures of Interest in Other Entities
- IFRS 13 Fair Value Measurement

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IRFS Interpretations Committee that are not mandatory for accounting periods beginning on or after January 1, 2013 or later periods. They have not been early adopted in these interim financial statements, and they are 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 9 Financial Instruments

  IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company has not yet made an assessment of the impact of the amendments.

- IAS 32 – Financial Instruments

  IAS 32 Financial Instruments ("IAS 32") was amended by the IASB in December 2011 to clarify certain aspects of the requirements on offsetting. The amendments focus on the criterion that an entity currently has a legally enforceable right to set off the recognized amounts and the criterion that an entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The amendments to IAS 32 are reflective for annual periods beginning on or after January 1, 2014 with earlier adoption permitted.

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

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

There have been no material revisions to the nature of significant accounting judgments and amount of changes in estimates of amounts reported in the Company's 2012 annual financial statements

6. MARKETABLE SECURITIES

The Company's marketable securities, classified as available-for-sale investment, consist of common shares of Viper Gold Ltd. ("Viper"), and therefore has no fixed maturity date or coupon rate. The fair value of the listed available-for-sale investment has been determined directly by reference to published price quotations in an active market.

(Expressed in Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
	$	$	$	$	$
Balance at December 31, 2012	41,128	27,297	68,854	163,060	300,339
Additions	-	-	-	-	-
Balance at March 31, 2013	41,128	27,297	68,854	163,060	300,339

Amortization and impairment	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
	$	$	$	$	$
Balance at December 31, 2012	12,142	17,639	24,822	26,391	80,994
Additions	1,051	996	1,735	3,472	7,254
Balance at March 31, 2013	23,701	26,767	40,395	57,612	148,476

Carrying amounts	Office furniture and equipment	Computer equipment	Field equipment	Camp and buildings	Total
	$	$	$	$	$
At December 31, 2012	28,986	9,658	44,032	136,669	219,345
At March 31, 2013	27,935	8,662	42,297	133,197	212,091

8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2011	Additions (Recoveries)	December 31, 2012	Additions (Recoveries)	March 31, 2013
	$	$	$	$	$
Peru					
Double Jack Properties	1,746,153	(275,247)	1,470,906	-	1,470,906
Total Exploration Properties	1,746,153	(275,247)	1,470,906	-	1,470,906

Hatum Minas Properties

In July 2010, the Company acquired certain mineral properties in Peru (the "Hatum Minas Properties") from Double Jack Mines Limited ("Double Jack"). The Company issued 9,393,346 common shares (valued at $1,268,102) to the Double Jack shareholders as consideration.

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

See Exploration and Evaluation Expenditures (Note 11).

(Expressed in Canadian dollars)

9. CAPITAL STOCK AND OTHER EQUITY

a) Authorized, Issued and Outstanding shares

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

A summary of common shares outstanding as at March 31, 2013 and December 31, 2012 and changes during the periods then ended are presented below:

	Shares #	Amount $
Balance, December 31, 2011	183,049,958	45,928,588
Issued in private placements (net of share issue costs) (i)	35,641,477	3,569,109
Value assigned to warrants issued in private placements, net of costs (Note 9(b))	-	(413,939)
Issued for property acquisition (ii)	3,000,000	315,000
Issued on exercise of options (iii)	670,000	89,500
Value assigned to options exercised	-	54,182
Balance, December 31, 2012 and March 31, 2013	222,361,435	49,542,440

(i) In June 2012, the Company closed a private placement by issuing 15,745,000 units at $0.08 per unit for gross proceeds of $1,259,600. Each unit consisted of one common share and one half of one common share purchase warrant whereby one full warrant entitles the holder to obtain one common share of the Company for $0.12 for a period of one year. In relation to this private placement, 48,750 units were issued (valued at $3,900) and $9,500 was paid as finder's fees, and $9,375 was paid as issue costs.

In September 2012, the Company closed a private placement with Rio Alto Mining Limited ("Rio Alto") by issuing 5,000,000 units at $0.15 per unit for gross proceeds of $750,000. Each unit consisted of one common share and two half warrants; the "Series A" Warrants and the "Series B" Warrants. Each whole Series A Warrant is exercisable to acquire one common share at an exercise price of $0.25 per share. Each whole Series B Warrant is exercisable to acquire one common share at an exercise price of $0.35. Issue costs of $3,750 were paid.

In December 2012, the Company completed a fully marketed private placement with purchasers residing outside North America by issuing 14,847,727 units at US$0.12 per unit for gross proceeds of US $1,781,727 ($1,765,870). Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 per share for a period of twelve months from the date of closing. In connection with this private placement, the Company paid a cash commission equal to 7% of gross proceeds (valued at US$124,721 – $123,611) from Units sold and issued 1,039,341 broker warrants (valued at US$26,217 - $25,984). Each broker warrant entitles the holder to purchase one common share at an exercise price of $0.20 per common share for a period of twelve months. Issue costs of $47,500 were also incurred with this private placement.

(ii) In April 2012, the Company issued 1,000,000 shares to acquire the historical geological and drill data on its wholly owned Minasnioc Gold Property and three additional concessions adjacent to the Minasonic Gold Property concessions (see Note 11).

In December 2012, the Company issued 2,000,000 shares for the acquisition of the three adjacent exploration concessions immediately to the north, east and southeast of the Company's Aguila project (see Note 11).

(Expressed in Canadian dollars)

9. CAPITAL STOCK AND OTHER EQUITY (Continued)

(iii) During the twelve months ended December 31, 2012, 670,000 stock options were exercised for proceeds of $89,500.

b) Share Purchase Warrants

A summary of warrants outstanding as at March 31, 2013 and December 31, 2012 and changes during the periods then ended are presented below:

	Warrants #	Amount $	Weighted average exercise price $
Balance, December 31, 2011	30,424,445	1,437,911	0.19
Issued in private placements (Note 9(b)(i)(ii))	21,360,079	439,427	0.12
Issue costs	-	(25,488)	-
Expired	(26,073,945)	(1,169,994)	0.20
Balance, December 31, 2012	25,710,579	681,856	0.19
Expired	(4,350,500)	(205,043)	0.19
Balance, March 31, 2013	21,360,079	476,813	0.19

(i) As a result of the $1,259,600 private placement in June 2012, the Company issued 7,896,875 common share purchase warrants (valued at $139,108) with an exercise price of $0.12 expiring June 2013. The fair value of these warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 104%; risk-free interest rate of 0.99% and an expected life of one year.

(ii) As a result of the $750,000 private placement in September 2012, the Company issued 2,500,000 "Series A Warrants" (valued at $79,605) and 2,500,000 "Series B Warrants" (valued at $94,507) to Rio Alto. Each Series A Warrant is exercisable to acquire one common share at an exercise price of $0.25 per share until the date that is the earlier of (i) the date that is eighteen (18) months following the issuance thereof, and (ii) the date that is thirty (30) days following the date notice is given to Rio Alto that the common shares have closed at or above $0.25 per share for a period of 20 consecutive trading days on the TSX Venture Exchange (the "TSXVE") so long as such period occurs after twelve (12) months from the date of issuance of the Series A Warrants. Each Series B Warrant is exercisable to acquire one common share at an exercise price of $0.35 per share until the date that is the earlier of (i) the date that is thirty (30) months following the issuance thereof, and (ii) the date that is thirty (30) days following the date notice is given to Rio Alto that the common shares of Duran have closed at or above the price of $0.35 per share for a period of 20 consecutive trading days on the TSXVE so long as such period occurs after twenty four (24) months from the date of issuance of the Series B Warrant.

In the event that Rio Alto is precluded from exercising the warrants due to trading restrictions imposed pursuant to applicable securities laws or by the Company under any applicable policy respecting restrictions on trading in its securities, the expiry dates of the Series A Warrants and Series B Warrants may be extended for a period of ten (10) business days from the end of any such restricted period (subject to regulatory approvals). The fair value of these warrants ($174,112) issued in this private placement was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 101%; risk-free interest rate of 1.21% and an expected life of eighteen (18) months for the Series A Warrants and thirty (30) months for the Series B Warrants.

The weighted average grant date fair value of the warrants granted during the year ended December 31, 2012 was $0.19.

(Expressed in Canadian dollars)

9. CAPITAL STOCK AND OTHER EQUITY (Continued)

The following common share purchase warrants are outstanding at March 31, 2013:

Date Issued	Warrants Outstanding #	Exercise Price $	Expiry Date
June 4, 2012	3,750,000	0.12	June 4, 2013
June 25, 2012	4,146,875	0.12	June 25, 2013
September 28, 2012	2,500,000	0.25	March 16, 2014
September 28, 2012	2,500,000	0.35	March 16, 02015
December 6, 2012	7,423,864	0.20	December 5, 2013
December 6, 2012	1,039,340	0.20	December 5, 2013
	21,360,079		

As at March 31, 2013, the weighted average remaining contractual life of warrants outstanding was 0.31 years (December 31, 2012 – 0.50 years).

See Subsequent Events (Note 15)

10. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

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

The aggregate number of share options shall not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the plan expires or terminates for any reason in accordance with the terms of the plan without being exercised, that option shall again be available for the purpose of the plan. In addition, the exercise price of options granted under the plan shall not be lower than the exercise price permitted by the TSX Venture Exchange, and all options granted under the plan will have a term not to exceed five years after issuance. All options issued since May 2010 have vested 100% on the date of grant.

A summary of the status of the Plan as at March 31, 2013 and December 31, 2012, and changes during the periods ended on those dates are presented below:

	Number of options #	Weighted average exercise price $
Balance, December 31, 2011	13,825,000	0.22
Granted	7,150,000	0.13
Exercised	(670,000)	0.13
Expired	(1,415,000)	0.25
Balance, December 31, 2012	18,890,000	0.20
Granted	600,000	0.10
Balance, March 31, 2012	19,490,000	0.18

In January 2012, the Company granted 1,200,000 options exercisable at $0.24 for a period of five years. The grant included 300,000 options to one director and 900,000 options to five consultants of the Company.

In April 2012, the Company granted 500,000 options exercisable at $0.15 for a period of five years. The grant was to a newly appointed senior officer of the Company.

(Expressed in Canadian dollars)

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

In June 2012, the Company granted 3,550,000 options exercisable at $0.10 for a period of five years. The grant included 2,900,000 options to eight individuals who are directors, senior officers, or both, and 650,000 options to six employees of the Company.

In August 2012, the Company granted 950,000 options exercisable at $0.10 for a period of five years. The grant included 750,000 options to a consultant and 200,000 options to an employee of the Company.

In October 2012, the Company granted 950,000 options exercisable at $0.15 for a period of five years. The grant was for two new members of the Board.

In February 2013, the Company granted 600,000 options exercisable at $0.10 for a period of five years. The grant included 350,000 options to employees of the Company, 200,000 options to consultants and 50,000 to a related party.

Total share-based payment expense of $44,620 (2012 - $206,505) was incurred for the three months ended March 31, 2013.

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

	2013	2012
Risk-free interest rate	1.580%	1.10%
Expected life	5 years	5 years
Expected volatility	100%	100%
Expected dividend yield	nil%	nil%

As at March 31, 2013, the Company had outstanding share options issued to directors, officers and employees of the Company as follows:

Date of Grant	Options Outstanding #	Options Vested #	Exercise Price $	Expiry Date
September 1, 2009	2,290,000	2,290,000	0.10	September 1, 2014
May 27, 2010	200,000	200,000	0.11	May 27, 2015
July 9, 2010	1,475,000	1,475,000	0.15	July 9, 2015
March 14, 2011	5,600,000	5,600,000	0.29	March 14, 2016
June 29, 2011	2,175,000	2,175,000	0.215	June 29, 2016
January 11, 2012	1,200,000	1,200,000	0.24	January 10, 2017
April 18, 2012	500,000	500,000	0.15	April 18, 2017
June 28, 2012	3,550,000	3,550,000	0.10	June 28, 2017
August 20, 2012	950,000	950,000	0.10	August 20, 2017
October 1, 2012	950,000	950,000	0.15	October 1, 2017
February 19, 2013	600,000	600,000	0.10	February 18, 2018
	19,490,000	19,490,000		

The weighted average remaining contractual life of options issued and outstanding as at March 31, 2013 was 3.34 years.

(Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION EXPENDITURES

Total exploration and evaluation expenditures are as follows:

	Peru $
Balance, December 31, 2011	15,061,560
Additions	3,326,524
Option payments received	(32,000)
Balance, December 31, 2012	18,356,084
Additions	655,160
Balance, March 31, 2013	19,011,244

During the three months ended March 31, 2013, the Company incurred net exploration and evaluation expenditures of $655,160 (March 31, 2012 - $673,669). In addition to these expenditures, the Company has also incurred capital expenditures of $300,339 up to March 31, 2013 (2012 $300,339), with a net book value of $212,091 as at March 31, 2013 (December 31, 2012 - $219,345). See Property, Plant and Equipment (Note 7).

Minera Aguila de Oro SAC Properties
The Company holds a 100% interest in the Aguila, Pasacancha and Mamanina Projects located in north central Peru (the “Peru Projects”). Title to the concessions comprising these projects is held by the Company’s wholly owned subsidiary, Minera Aguila de Oro SAC.

In December 2012, the Company entered into an option agreement to acquire the Cashapampa concessions, which became part of the Aguila Project. The Cashapampa concessions are three adjacent exploration concessions immediately to the north, east and southeast of the Aguila Project. The terms of the Cashapampa option agreement allow for staged payments to the local Peruvian vendor consisting of cash (US$2,650,000; US$100,000 paid in December 2012) and Duran common shares (2,000,000 shares valued at $200,000 based on the quoted market price of the shares on the date of grant; issued in December 2012).

In order to earn a 100% interest in these concessions, the remaining obligations are:

Date	**Amount $USD**
December 2013	125,000
June 2014	125,000
December 2014	250,000
June 2015	250,000
December 2015	600,000
June 2016	600,000
December 2016	600,000
	2,550,000

The Cashapampa concessions are subject to a 1% NSR.

11. EXPLORATION AND EVALUATION EXPENDITURES (Continued)

Corongo Property - Property Option
The Corongo Property consists of the KFC exploration concession and 10 additional staked exploration claims, which are held by Corongo Exploraciones SAC., a Peruvian company owned 50% by Duran.

The Company signed a property option agreement (the "Corongo Agreement") with Viper in 2010, whereby Viper could acquire a 50% interest in the Corongo Property. Under the terms of the Corongo Agreement, Viper could acquire a 50% interest by paying the Company US$25,000 (paid - $25,348) on signing the Corongo Agreement; incurring exploration expenditures of not less than US$1,000,000 (incurred) prior to March 10, 2012; and issuing the Company an aggregate amount of 1,000,000 common shares of Viper. Viper has completed all of its obligations under the Corongo Agreement and now holds a 50% ownership interest in Corongo Exploraciones SAC.

Hatum Minas Properties
The Hatum Minas Properties include the Ichuña copper-silver project, the Panteria porphyry copper project, and the Don Pancho silver-lead-zinc polymetallic project. Title to the Hatum Minas Properties is held by the Company's wholly-owned Peruvian subsidiary, Hatum Minas SAC. The Company acquired the Hatum Minas Properties in July 2010. See Exploration and Evaluation Assets (Note 8).

Ichuña Project
In January 2013, the Company signed a Definitive Agreement with Rio Alto whereby Rio Alto has the option to earn a 65% interest in the Ichuña project within a four (4) year period by:
- Incurring a total of US$8,000,000 in exploration costs within a four (4) year period, which shall include a drill program of 8,000 metres, of which a minimum of 4,000 metres must be drilled in the first year;
- Making a cash payment to Duran of $500,000; and
- Exercising all of the Series A and Series B Warrants it received in the financings discussed in Note 9(iii).

Upon Rio Alto earning a 65% interest, they will be deemed to have entered into a joint venture with the Company.

Don Pancho Project
In December 2012, the Company entered into a Definitive Agreement with a private Peruvian mining company (the "Optionee") whereby the Optionee can earn a 70% interest in the Company's Don Pancho

Project for total cash consideration of US$2,030,000, payable as follows:
- USD$30,000 upon signing the letter of intent (received - $29,700);
- USD$250,000 upon signing the definitive agreement (received - $248,200 on December 4, 2012);
- USD$750,000 on the 18 month anniversary date of the definitive agreement; and
- USD$1,000,000 on the 42 month anniversary date of the definitive agreement.

The Optionee is also required to
- Perform at least 3,000 metres of diamond drilling within 18 months of signing the definitive agreement;
- Incur USD$3,500,000 in exploration expenditures during the first 24 months after signing the definitive agreement; and
- Prepare an economic study within 6 months following the completion of the exploration program.

Upon earning 70% interest, the Company and the Optionee will enter into a joint venture agreement for the Don Pancho project.

(Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION EXPENDITURES (Continued)

Minasnioc Property

The Minasnioc Gold Project concession is located in the Department of Huancavelica, approximately 300 kilometres southeast of Lima. Title to the Minasnioc Gold Project property is held by the Company's wholly-owned Peruvian subsidiary, Empresa Querco SAC (formerly Laramarca Exploraciones SAC).

In April 2012, the Company acquired from Barrick Gold Corp. ("Barrick") the historical geological and drill data for Minasnioc. Furthermore, the Company acquired three additional concessions (Aura Azul 6, 7 and 8) from Barrick totaling an additional 2,000 hectares. The Company issued 1,000,000 common shares (valued at $115,000 based on the quoted market price of the shares on the date of issuance) to Barrick as consideration paid for the data acquired and transfer of concessions. These concessions are subject to a 2% Net Smelter Return. The existing concession held by the Company is not subject to any royalty.

In January 2013, the Company signed a Definitive Agreement with Rio Alto, whereby Rio Alto has the option to acquire a 51% interest in the Minasnioc property within a three (3) year period by:

- Performing all necessary exploration work in order to define a mineral resources and commission a technical report;
- Making a cash payment to Duran of $500,000; and
- Exercising all of the Series A and Series B Warrants it received in the financing discussed in Note 9(iii).

Rio Alto may earn an additional 19% interest in the Minasnioc property within the subsequent two (2) year period by undertaking all necessary actions required to prepare the Minasnioc property for a production decisions, and making a payment to Duran of $500,000.

Upon Rio Alto earning the 70% interest, they will be deemed to have entered into a joint venture with the Company.

12. LOSS PER SHARE

a) Basic

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

	Three-Months Ended March 31,	
	2013	2012
Comprehensive loss for the period	955,795	1,134,790
Weighted average number of common shares outstanding	222,361,435	183,525,892
Loss per share	0.004	0.01

b) Diluted

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

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

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

The remuneration of key management personnel and a related party of the Company for the three months ended March 31, 2013 and 2012 were as follows.

	2013 $	2012 $
Aggregate cash compensation	147,853	122,851
Share-based compensation	3,718	51,626
	151,571	174,477

The related parties were awarded the following stock options under the employee stock option plan during the three months ended March 31, 2013:

Date of grant	Number of options	Exercise price	Expiry date
February 19, 2013	50,000	$0.10	February 20, 2018

The related parties were awarded the following stock options under the employee stock option plan during the three months ended March 31, 2012:

Date of grant	Number of options	Exercise price	Expiry date
January 11, 2012	300,000	$0.24	January 10, 2017

As at March 31, 2013 there was a balance of $90,000 due to certain officers of the Company (December 31, 2012 - $120,000). The amount is unsecured, non-interest bearing with no fixed terms of repayment.

14. COMMITMENTS AND CONTINGENCIES

Lease agreement
The Company signed a lease agreement for office space expiring on May 31, 2016. The annual lease payments are approximately $135,000.

Management contracts
Effective January 1, 2012, the Company entered into certain management and consulting contracts. Minimum annual commitments under the agreements are approximately $405,000. These contracts also require that additional payments of up to $720,000 be made upon the occurrence of certain events such as a change of control.

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.

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations. As at March 31, 2013 and December 31, 2012, no amounts have been accrued related to such matters.

15. SUBSEQUENT EVENTS

In April 2013 the Company extended the expiry dates of a total of 7,872,500 outstanding share purchase warrants issued pursuant to the June 2012 private placement. These warrants were set to expire on June 4, 2013 and June 25, 2013; however the expiry date has been extended to December 20, 2013.