

## Duran Ventures Inc.

(DRV – TSX Venture)

2010 program focused on expanding the strongly mineralized Aguila Cu-Mo target beyond the already significant 300 x 300 x 400 m size. Cu grades appear on target and the deposit "quality" excellent. At a market cap of \$12 million, Duran has high near term exploration leverage.

Focused in Peru, Duran has successfully restarted its drill program at its flagship Aguila Cu-Mo porphyry project. The main target to date is located across a valley less than 1 km from where Minera Penoles de Peru S.A. claims a major Cu discovery. Drilling of 16 holes at Aguila has returned excellent results over a 300 m x 300 m x 400 m area. Virtually every hole is strongly mineralized with 11 holes returning over 0.60% CuEq grades over wide intervals. The latest hole resulted in yet another (3<sup>rd</sup>) porphyry body (Aguila West) at the western border with Penoles, confirming the exploration model. Channel sampling toward Aguila East along with results from geophysics in 2009 lay the foundation for tonnage expansion. Additional targets with strong IP signatures warrant testing in 2010. Although only one sample tested for recoveries by Rio Tinto in 1998, results were highly positive for both Cu (95.87%, 97.19%) and Mo (89.59%, 92.13%). The blue sky argument is for significant tonnage expansion at Aguila and potential for a new major district.

### Key Points – Aguila Copper-Moly Porphyry

- Nature of the Deposit.** Aguila is very strongly mineralized. It begins at surface and has been drilled over a significant areal extent (300 m x 300 m x 400 m depth) with excellent results. The 2009 sampling and geophysics programs have laid the foundation for a drill program to determine ① whether this strength continues toward Aguila East (which surface sampling indicates may be the case) and ② whether there are yet even more porphyries in this porphyry "cluster" (which IP seems to be a very useful tool in this area). To date, three separate porphyry bodies have been discovered in the immediate area (Aguila, Aguila West, Penoles discovery) and geophysics in 2009 show several additional, highly attractive signatures.
- Jurisdiction.** Peru, after Chile, is the world's second largest copper producer. The country is also among the world's largest producers of gold, zinc and silver. Peru is no stranger to very large, world class deposits and development companies are often the subject of major buyouts (i.e. Peru Copper - \$792 million, Northern Peru Copper - \$437 million for 96%, with Chariot Resources (\$230+ million) and Corriente (\$633 million) being the most recent takeover targets (Equador projects).
- Revamped Program.** Most of 2009 saw Duran occupied with finalizing deals (MacMillan merger and Double Jack acquisition), completing its IP survey / surface channel sampling programs at Aguila, completing some drilling at Pasacancha, and raising additional funding.



### Share Data (\$Cdn)

Recent Price:	\$0.13
52-week Price Range:	\$0.05 - \$0.225
Shares Outstanding (current):	93.3 million
Fully Diluted Shares (1):	129.5 million
(1) Incl. 39.2 million options / warrants @ \$0.10 - \$1.50	

### Capitalization (\$Cdn):

Market Capitalization:	\$12.1 million
Cash / ST Inv. (9/30/09) (2)	\$1.10 million
Working Capital (9/30/09) (2)	\$1.08 million
(2) Includes 9/09 amounts plus funds from 5 million unit PP @ \$0.15.	

### Corporate Information:

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With these activities under its belt, Duran has once again set its priority on Aguila, drilling 3 strategic holes beginning in 12/ 09, all of which were successful (holes 15 & 16 showing that the wallrock to the porphyry is mineralized – a very robust system), with hole AGD 017 intersecting a newly discovered porphyry (Aguila West) bordering on Penoles property.

### INVESTMENT THESIS – WE FOCUS ON THREE CRITICAL ELEMENTS

- Grade.** Does Aguila seem to have the requisite grades that generate interest? We compare results at Aguila (0.69% from a simple average) with those from companies that have been the subject of takeovers (in the range of 0.64% - 0.75%)
- Tonnage.** Prior exploration by Duran has led to a drilling program that is intended to show what this potential is.
- Quality.** With a "clean" deposit that begins right at surface, past indications of excellent recoveries for both Cu and Mo (only one sample tested however), and good infrastructure considerations – indications are positive.

We are beginning to see several important elements beginning to line up and the future drill program should demonstrate whether world class potential exists at Aguila. If drilling shows solid potential for 300+ million tonnes at good grades, Duran could be expected to trade at a \$25 - \$50 million market cap and begin to become a logical takeover target (Penoles outright / JV partner).

## THE COMPANY

### Company Summary

Duran Ventures Incorporated is a Canadian exploration company focused on the exploration and development of porphyry copper, precious metal, and polymetallic deposits in Peru.

**Aguila Property.** In June 2003, the Company entered into an agreement with MacMillan Gold Corp. ("MacMillan"), amended December 2006, to earn a 50% interest in the Aguila and Pasacancha Projects located in north central Peru (the "Peru Projects"). The project includes the 100 hectare El Halcon concession and the 1,000 hectare Pasacancha 1 concession, with 17 additional claims staked during the period, totaling an additional **7,800** hectares. Effective January 1, 2008, the Company received confirmation from MacMillan that the Company had earned its 50% interest in the Peru Projects by making cash payments of \$80,000, spending US\$1,000,000 on qualified exploration activities, and issuing 1,000,000 common shares of the Company to MacMillan.

The remaining 50% interest in this Peruvian property was effected in October 2008 by way of an amalgamation pursuant to which MacMillan amalgamated with Duran Resources ULC, a newly incorporated wholly owned subsidiary of the Company.

**Corongo Property – Property Option Letter Agreement.** Duran has entered into an option agreement with LeBoldus Capital Inc. whereby LeBoldus can acquire a 50%-interest in the project by paying Duran US \$25,000, incurring US \$1-million in exploration expenditures over two years, and issuing Duran an aggregate amount of one million common shares, by March 17, 2012.

The project located in the department of Ancash, Peru, roughly five to 10 kilometers to the northwest of Duran's Aguila project. The property covers an area of 3,100 hectares and comprises 11 contiguous concessions.

**Double Jack Lock-Up Agreement.** The Company has the right to acquire a 100% interest in all of the Double Jack – Hatum properties for the issuance of C\$1,200,000 of common shares valued at the average of May 2010 closing price subject to an average price calculation of a \$0.10 minimum (maximum 12,000,000 shares) and a \$0.20 maximum (minimum 6,000,000 shares). The issuance of these common shares will be subject to shareholder approval at the next Annual and Special Meeting of Shareholders in June 2010 and regulatory approval.

The Hatum properties include the *Panteria* porphyry copper project, the *Ichunya* copper-silver project, and the *Santa Rita/Coricancha* and *Don Pancho* silver-lead-zinc polymetallic projects. The Company has agreed to complete exploration expenditures of US\$100,000 on the Panteria Property by May 31, 2010 and reimburse Double Jack for 2009 maintenance fees of US\$15,000 (paid).

## AGUILA PROPERTY

**Early History** The Aguila property has historically consisted of the 100 hectare El Halcon concession, which was reportedly produced about 5 million tons grading 5.69 opt Ag, 2.15% Pb, and 4.22 Zn through 1962.

**1970s.** In the early 1970s, positive exploration results led to advancement to production (1974 – 76), which peaked at a capacity of 6000 tpd. However, a poor financial regime is reported to have led to suspension of production.

**1990s – MacMillan - RTZ.** In 1998, following an initial evaluation period, MacMillan Gold staked liberated land and entered into an option agreement with RTZ for that company to earn a 51% JV interest by investing \$4.5 million and paying \$500,000 to MacMillan. In addition to geological and geophysics programs, RTZ drilled AGD 01 encountering **400.15 m of 0.63% Cu and 0.04% Mo.**

### Highlights

- Drilling of historic area showing attractive grades, along with some size.
- 2009 geophysics & surface program showing strong potential for additional tonnage.
- 2010 program should go a long way to verify additional tonnage potential along with what grades in these areas might be.

One sample was sent by Rio Tinto (Guizado, 1998) for preliminary flotation tests. The sample was collected from the drill core of hole AGD-01 and the testing completed by Philippe Joy (project engineer) at Universidad de Atacama-Chile al Instituto de Investigaciones Cientificas y Tecnologicas (INDITEC). Guizado (1998) documented that for 55% -200 grind, Cu/ Mo recoveries were 95.87% and 89.59% respectively, and that for 70% -200 grind Cu/ Mo recoveries were 97.19% and 92.13%

respectively. The results suggest that conventional milling and flotation will provide satisfactory recoveries and that further testing will be warranted as evaluation work proceeds.

The following year, Rio Tinto followed up by drilling four widely spaced holes to test conceptual and geophysical targets beyond the limits of the mineralized porphyry in an effort to evaluate the potential for a very large porphyry system (i.e. 1 billion + tonnes) and / or a precious metal halo. The results were considered disappointing and Rio Tinto returned the property to MacMillan in 1999. However, it is interesting to note:

- Hole 2 was drilled in the central part of the concession where the porphyry intrusive is exposed at surface and intersected 124 m @ 0.65% copper and 0.022% Mo. This section of porphyry intrusive was followed by 146.2 m of silicified and altered sediments that averaged 0.27% Cu and 0.019% Mo. This shows that the wallrock (sediments) were also mineralized (@ approx. 0.4% CuEq) – and might not be "waste" in a mining scenario.
- Hole 3 was drilled approximately 175 m N hole # 2 (outside the porphyry) at -65 degrees west (further away from the porphyry) and intersected strongly silicified sediments averaging 0.20% Cu over its 325.1-m length. Of note, from 12 - 70 m, assays returned 0.37%Cu and 0.017% Mo.
- Hole 5 was located approximately 500 m west of hole # 2 and drilled at -60 degrees east (back toward the pit / porphyry), intersecting silicified sediments averaging 0.16% Cu over 327.7 m. Of note, This holes was drilled towards the pit and the last 101.7 meters returned 0.30% Copper. The hole was collared some 400 meters west of the pit. The initial 200 meters was low grade but the copper values increased drilling towards the porphyry, which shows size potential.
- This program was undertaken without the benefit of any geophysics results.
- It should also be borne in mind that this program was undertaken in an era of very low Cu prices (i.e. well under \$1.00 / lb).

Later in 1999, MacMillan consolidated the El Halcon and Pasacancha concessions and conducted a program of mapping and sampling which outlined the Aguila East Cu-Mo target.

**Current Period – Duran Option.** Duran conducted a field review in October 2005 and commenced systematic work on the property in November 2005 with activity through to March 2006. The program was initially activated to carry out the recommendations of McCrea (2004) for two to drill four shallow vertical drill holes in the Aguila porphyry body to confirm the grade of the target and one to three deep (400 – 500 meters) drill holes to test the Aguila East target.

From 2007 through 2008, Duran drilled 14 holes over a over an area of 250 X 250 meters. In November, 2008, Duran began a regional scale review of geology and showings over the entire claim block in order to identify specific target areas for priority follow up and to evaluate the potential of the holdings. A new series of large intrusive bodies were found and staked at the northwest extreme of the claim blocks. In October, 2009, a geophysical survey was undertaken which covered most of the Halcon and Pasachancha concessions (2 km x 3 km). The company also conducted surface sampling over the same area as the geophysical work. Values ranged from 0.024% (247 ppm) - 1.75% (17,500 ppm) Cu. Channel sampling at Aguila East covered an area of approximately 150 m x 200 m, with results averaging 0.20% Cu.

HOLE NUMBER	FROM (m)	TO (m)	WIDTH (m)	Cu (%)	Mo (%)	CuEq (%)	Use for Simple Av
07 AGD001	0	250	250	0.65	0.023	0.805	0.805
07 AGD002	0	530.6	530.6	0.338	0.023	0.493	0.493
07 AGD003	0	510.15	510.15	0.525	0.043	0.816	0.816
07 AGD004	0	371	371	0.343	0.02	0.478	0.478
07 AGD004A	249.6	628.2	378.6	0.254	0.006	0.295	
including	249.6	388.6	139	0.472	0.009	0.533	
07 AGD005	0	401	401	0.209	0.011	0.283	0.283
08 AGD006	5.2	723.3	718.1	0.555	0.041	0.832	0.832
including	137	708.4	571.4	0.647	0.041	0.924	
08 AGD007B	0	90	90	0.594	0.045	0.898	0.898
08 AGD008	0	522.3	522.3	0.626	0.049	0.957	
including	0	342.4	342.4	0.853	0.046	1.164	1.164
08 AGD009	5	485.4	480.4	0.373	0.029	0.569	0.569
including	76.4	439.6	363.2	0.439	0.029	0.635	
08 AGD010	6.9	574	567.1	0.147	0.011	0.221	0.221
08 AGD011B	1	605.3	604.3	0.425	0.029	0.621	0.621
08 AGD012	2.9	567.1	564.2	0.365	0.03	0.568	
including	2.9	281.2	278.3	0.625	0.026	0.801	0.801
08 AGD013	0.5	578.9	578.4	0.427	0.046	0.738	
including	0.5	146.75	146.25	0.931	0.043	1.222	
including	0.5	458.6	458.1	0.497	0.053	0.855	0.855
08 AGD014	4.35	459.6	455.25	0.499	0.038	0.756	0.756
including	131.12	390.7	259.58	0.652	0.041	0.929	
09 AGD015	0.4	444.1	443.7	0.368	0.021	0.51	0.51
including	0.4	224	223.6	0.516	0.021	0.658	
10 AGD016	0	620.6	620.6	0.492	0.033	0.72	
including	0	396	396	0.692	0.042	0.98	0.98
10 AGD017	0	147	147	0.364	-	0.364	
including	0	71	71	0.62	-	0.62	

Simple Average ----> 0.69

At an exploration level, surface samples of over 100 ppm are considered significant and it is concluded that these results show that the mineralized system at Aguila covers a much larger area than just the main Aguila intrusive body.

The target was a strong IP chargeability high, which occurs between the Aguila and Aguila East areas.

Hole # 15 succeeded in extending the porphyry mineralization to the north and hole 16 drilled between the Aguila and Aguila East showed excellent results.

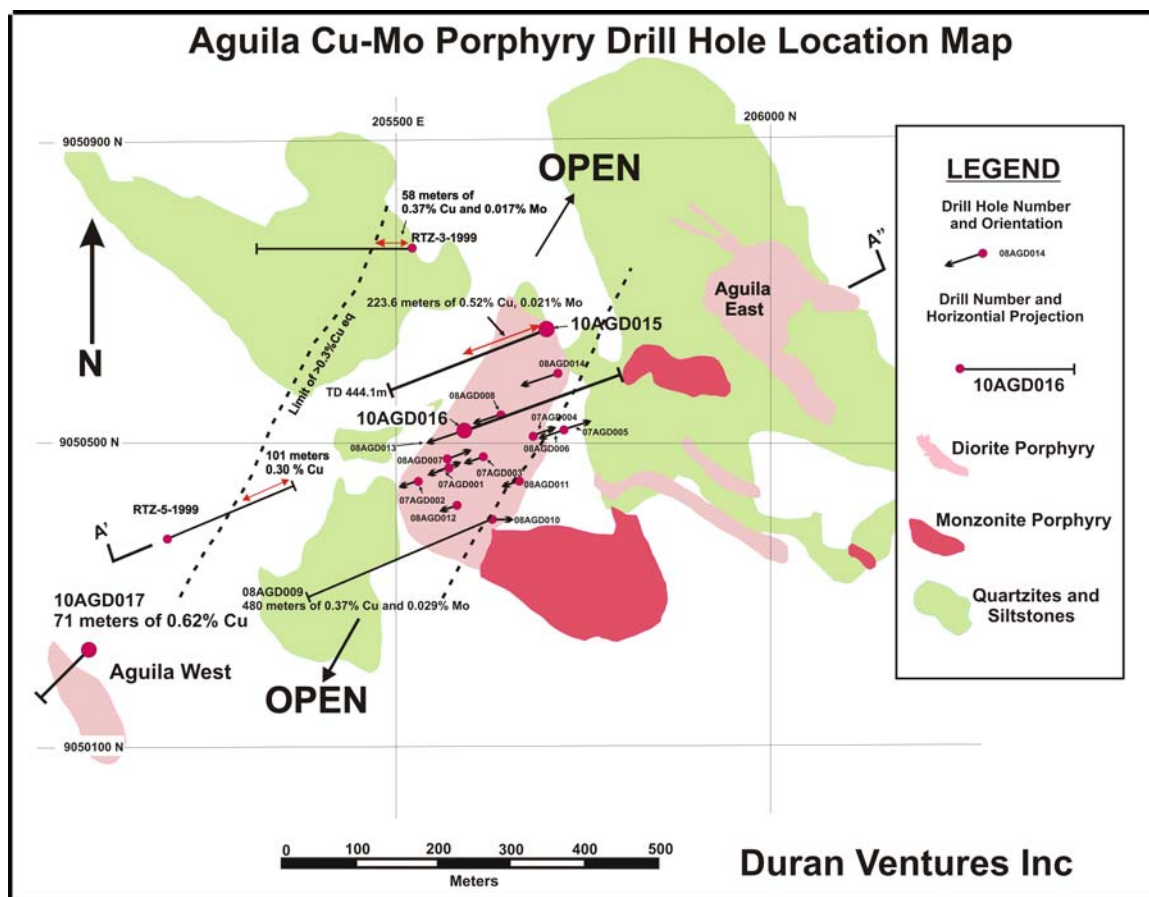
In addition, hole 17 was drilled in the Aguila West area to a final depth of 147 m, stopping at the western limit of the Halcon concession.

There are several elements to note:

- We have highlighted the holes for which CuEq grades exceeded 0.60%. These number 11 of the 16 holes.
- We have also highlighted the widths over which these (0.60% CuEq) grades were encountered, and note that these are significant, with the lowest interval being 223.6 m.
- We have also calculated a simple average for all 16 holes (including both high and low results) over what we would consider to be the most relevant two things here. As indicated, this simple average is 0.69% CuEq.

**Mineralization seems to flank the high chargeability IP anomalies. Duran has only tested 300 meters of the flank at Aguila which is 1400 meters long.**

**There are eight IP anomalies. Only two have been tested and both have returned mineralization.**



For a good discussion of the recent program, IP results, and size potential for Aguila, readers are referred to a March 31, 2010 Mining MarketWatch report (<http://miningmarketwatch.net/drv.htm>). As noted, to date, mineralization can be traced in the subsurface over 450 m x 350 m wide x 400 m depth – which shows approximately 175 million tonnes – readers must bear in mind this should not be construed as a resource of any kind.

## EVALUATION

Comparison  
With Advanced  
Projects

Duran is now trading at roughly a \$12 million market cap, relatively low. Given that this is a Peru play, and the fact that there have been several transactions involving companies with porphyry deposits, we have investigated these in order to see what it seems to take in order to be an attractive takeover target. In addition, we have taken a look at several other companies with appreciable market caps and their resource base.

We have focused on the obvious – grades and size. What kind of grades seem to be required in order to generate sufficient profitability and what kind of size is required in order to be of interest to large, producing companies. The results seem to be as follows:

- Grades for takeover targets appear to be in a range of 0.64% CuEq to 0.70% CuEq for sulfide deposits (with most of the Chariot Resources Marcona deposit being an oxide deposit). In the case of companies advancing their properties in Peru, we continue to note the importance of grade (the spikes in stock price on announcements of higher grades, along with the very active program of Norsemont to supplement the later stage, lower grade hypogene ore). With Peregrine Minerals, although the overall deposit is truly huge, it is low grade and the market clearly likes the emphasis on the near surface, leachable zone.
- In terms of size, several of these deposits are truly huge – witness the Toromocho deposit with roughly 2 billion tons of resources. That being said, a more recent takeover, Chariot Resources, has indicated resources of 336 million tonnes.

## Selected Takeovers of Exploration Companies Active in Peru

Company	Events																								
Peru Copper	<ul style="list-style-type: none"> <li>Takeover by Aluminum Corp. of China for \$792 million in 2007.</li> <li>Its' Toromocho project is an enormous project, with 22 billion lbs. of copper and over 840 million lbs of moly.</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Mo (%)</th> <th>Ag (g/t)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Proven / Prob.</td> <td>1,260.7</td> <td>0.53%</td> <td>0.018%</td> <td>7.16</td> <td><b>0.68%</b></td> </tr> <tr> <td>Meas / Indic.</td> <td>715.3</td> <td>0.37%</td> <td>0.020%</td> <td>6.55</td> <td><b>0.70%</b></td> </tr> <tr> <td>Inferred</td> <td>151.1</td> <td>0.46%</td> <td>0.010%</td> <td>7.80</td> <td><b>0.61%</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Cash costs were estimated at <b>\$0.514 /lb</b> and project economics were favorable using a base copper price of \$1.10 Cu used in the Prefeasibility Study.</li> </ul>	Category	Mill. Tonnes	Cu (%)	Mo (%)	Ag (g/t)	Cu Eq (%)	Proven / Prob.	1,260.7	0.53%	0.018%	7.16	<b>0.68%</b>	Meas / Indic.	715.3	0.37%	0.020%	6.55	<b>0.70%</b>	Inferred	151.1	0.46%	0.010%	7.80	<b>0.61%</b>
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Northern Peru Copper	<ul style="list-style-type: none"> <li>Takeover by Chinese consortium in 2008 for \$437 million in 2007 (for 96% stake at the time).</li> <li>The principal target was the company's El Galeno deposit, again with significant resources. However, bear in mind that projected recoveries for Mo were only 52.9%, which was a significant component. Recoveries for gold, also a significant component of the mix, were projected at 67%. Resources @ 0.4% CuEq cutoff</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Mo (%)</th> <th>Au (g/t)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Indicated</td> <td>765.0</td> <td>0.49%</td> <td>0.014%</td> <td>0.11</td> <td><b>0.64%</b></td> </tr> <tr> <td>Inferred</td> <td>98.0</td> <td>0.35%</td> <td>0.010%</td> <td>0.11</td> <td><b>0.48%</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Net of by product credits, LOM C-1 cash costs were projected at <b>\$0.513 / lb Cu</b> mined and the project IRR after tax was projected at 18.2%.</li> </ul>	Category	Mill. Tonnes	Cu (%)	Mo (%)	Au (g/t)	Cu Eq (%)	Indicated	765.0	0.49%	0.014%	0.11	<b>0.64%</b>	Inferred	98.0	0.35%	0.010%	0.11	<b>0.48%</b>						
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Chariot Resources (CHD.V)  \$0.65 \$237 million mkt cap  Subject to takeover offer by China Sci-Tech Holdings Ltd. @ \$0.67 / sh.	<ul style="list-style-type: none"> <li>The company's principal asset is a 70% interest in the Marcona Copper Property in southern Peru. In 2009, the company completed at 43-101 Technical Report (Feasibility Study) on the Mina Justa project.</li> <li>The project is a combination SX-EW operation for lower grade oxides (114.6 million t @ 0.56% Cu) and flotation to treat higher grade sulfides (48.8 million tonnes @ 1.37% Cu 0.029 g/t Au, 14.1 g/t Ag). Cu production estimated at 2.38 billion lbs. Overall the resources is categorized as follows Weighted average cost over the life of the mine projected at <b>US \$0.92 / lb</b>. Project IRR of 20.2% at US \$2.00 Cu price. Total recovered Cu of approximately 2.3 billion lbs.</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> </tr> </thead> <tbody> <tr> <td>Indicated</td> <td>336.8</td> <td>0.76%</td> </tr> <tr> <td>Inferred</td> <td>64.6</td> <td>0.82%</td> </tr> </tbody> </table>	Category	Mill. Tonnes	Cu (%)	Indicated	336.8	0.76%	Inferred	64.6	0.82%															
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<p>Corriente Resources (CTQ.TO)</p> <p>\$8.40 \$633 million mkt cap</p> <p>Subject to takeover offer by CRCC-Tongguan Investment Co., @ \$8.60.</p>	<ul style="list-style-type: none"> <li>Active in Ecuador with the very large Mirador / Mirador Norte deposit.</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Au (g/t)</th> <th>Ag (g/t)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Meas / Indic.</td> <td>438.0</td> <td>0.61%</td> <td>0.19</td> <td>1.5</td> <td><b>0.70%</b></td> </tr> <tr> <td>Inferred</td> <td>235.0</td> <td>0.52%</td> <td>0.17</td> <td>1.3</td> <td><b>0.60%</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>In 2008, Corriente completed a feasibility study on milling 30,000 tpd from a 181 million tonne in-pit resource. This resource had grades of 0.62% Cu, with 0.2 g/t Au and 1.63 g/t Ag (CuEq. of roughly <b>0.64%</b>). Results were positive, with cash costs of \$0.835 / lb. Cu (net of credits) and a 17.7% IRR.</li> </ul>	Category	Mill. Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Cu Eq (%)	Meas / Indic.	438.0	0.61%	0.19	1.5	<b>0.70%</b>	Inferred	235.0	0.52%	0.17	1.3	<b>0.60%</b>
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In addition, there are several companies active in Peru with deposits worth noting.

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<p>Antares Minerals (ANM.V)</p> <p>\$3.10 \$180 million mkt cap</p>	<ul style="list-style-type: none"> <li>Developing the Haqira Cu-Mo project in Peru. The stock has essentially had two good "runs",</li> </ul> <p>In 2007, as the company drilled to delineate recently discovered high-grade primary copper-molybdenum mineralization beneath the secondary copper blanket at the Haqira East zone. Initial results were positive. The stock spiked following release of results from the best hole, which returned 746.15 m with 0.86% Cu. At this time, the company also released a resource estimate for the near surface, leachable portion. The company subsequently raised \$30 million in November, 2007.</p> <p>Recently, the stock essentially doubled in 2010 to over \$3.00 per share ① as high grade mineralization was intersected (2.00% Cu over 52.45 m) at the Cristo de los Andes Prospect (Haqira), ② as an updated resource estimate was released, and ③ as metallurgical study of the "primary" mineralization was shown to be positive (89.3% Cu, 72% Au, 57% molybdenite).</p> <p><b>Primary Mineral Resources (mill / concentrate)</b></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Mo (%)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Measured</td> <td>68.9</td> <td>0.64%</td> <td>0.015%</td> <td><b>0.78%</b></td> </tr> <tr> <td>Indicated</td> <td>285.7</td> <td>0.63%</td> <td>0.014%</td> <td><b>0.75%</b></td> </tr> <tr> <td>Inferred</td> <td>333.7</td> <td>0.54%</td> <td>0.009%</td> <td><b>0.62%</b></td> </tr> </tbody> </table> <p><b>Secondary Mineral Resources (SX-EW)</b></p> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> </tr> </thead> <tbody> <tr> <td>Measured</td> <td>59.4</td> <td>0.52%</td> </tr> <tr> <td>Indicated</td> <td>155.6</td> <td>0.44%</td> </tr> <tr> <td>Inferred</td> <td>72.2</td> <td>0.41%</td> </tr> </tbody> </table> <p>(note – Au, Ag values omitted from primary mineral table for brevity).</p>	Category	Mill. Tonnes	Cu (%)	Mo (%)	Cu Eq (%)	Measured	68.9	0.64%	0.015%	<b>0.78%</b>	Indicated	285.7	0.63%	0.014%	<b>0.75%</b>	Inferred	333.7	0.54%	0.009%	<b>0.62%</b>	Category	Mill. Tonnes	Cu (%)	Measured	59.4	0.52%	Indicated	155.6	0.44%	Inferred	72.2	0.41%			
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<p>Norsemont Mining (NOM.TO)</p> <p>\$2.30 \$187 million market cap</p>	<ul style="list-style-type: none"> <li>Positive feasibility study released in September, 2009 with projected recoveries of ~90% (Cu), 55% (Mo), 80% (Ag), 60% (Au).</li> </ul> <p>Global Mineral Resource (0.20% Cu cut-off)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Mo (%)</th> <th>Au (g/t)</th> <th>Ag (g/t)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Meas / Indic.</td> <td>392.5</td> <td>0.42%</td> <td>0.011%</td> <td>0.05</td> <td>3.7</td> <td><b>0.54%</b></td> </tr> <tr> <td>Inferred</td> <td>28.5</td> <td>0.35%</td> <td>0.008%</td> <td>0.06</td> <td>3.8</td> <td><b>0.45%</b></td> </tr> </tbody> </table> <p>Project Mineral Reserves</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Mill. Tonnes</th> <th>Cu (%)</th> <th>Mo (%)</th> <th>Au (g/t)</th> <th>Ag (g/t)</th> <th>Cu Eq (%)</th> </tr> </thead> <tbody> <tr> <td>Proven / Prob.</td> <td>277.4</td> <td>0.43%</td> <td>0.012%</td> <td>0.05</td> <td>3.7</td> <td><b>0.55%</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Project yields 15.5% IRR (\$2.00 Cu). Lower grade hypogene ore is processed beginning in year 6 and given the presence of potentially higher grade satellite deposits, the current strategy is to supplement the lower grade ore with additional higher grade ore from new prospects (i.e. 0.75%+ Cu).</li> </ul>	Category	Mill. Tonnes	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	Cu Eq (%)	Meas / Indic.	392.5	0.42%	0.011%	0.05	3.7	<b>0.54%</b>	Inferred	28.5	0.35%	0.008%	0.06	3.8	<b>0.45%</b>	Category	Mill. Tonnes	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	Cu Eq (%)	Proven / Prob.	277.4	0.43%	0.012%	0.05	3.7	<b>0.55%</b>
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Company	Events
<p>Apoquindo Minerals (AQM.V)</p> <p>\$0.92 \$80 million market cap</p>	<ul style="list-style-type: none"> <li>● Earning 51% in Zafranal from Teck. Teck has right to earn-back to a 60% interest, failing which Apoquindo can increase its interest to 60% and 100%. Drilling has identified a significant mineralized zone 2000+ m in strike, up to 600 m wide and 30 – 150m thick.</li> <li>● There have been several drill holes that have yielded 1%+ Cu over significant widths.</li> <li>● 40,000 m drill program to drill grid in main zone and identify test east and west extensions, along with drilling of satellite targets.</li> <li>● Company expects to complete resource estimate by Q3 / 2010 and has \$40 million in the Treasury to complete its work program.</li> </ul>
<p>Peregrine Metals (PGM.V)</p> <p>\$0.83 \$100 million market cap</p>	<ul style="list-style-type: none"> <li>● Although located in Argentina, it is instructive to note that although the overall resource is very large (i.e. at 0.20% cutoff 589 million tonnes @ 0.40% Cu, 0.055 g/t Au M&amp;I, 720 million tonnes @ 0.38% Cu, 0.052 g/t Au), efforts appear focused on the near surface leachable deposit with potential for 200 – 400 million tonnes @ 0.40% - 0.50%.</li> </ul>

What we can conclude is that for a company to warrant a significant (i.e. \$100+ million market cap), the requirements are simple:

- A defined resource (43-101 compliant), and
- Demonstrated project economics.

Companies which are actively advancing their projects – that have formally defined resources and are either resolving issues (i.e. metallurgical) or expanding their deposits will have a range of values depending on the particular circumstances. Low grades appear to lead to low market caps (even in spite of studies which tend to show positive overall results).

#### Meaning For Duran

What this means for Duran seems obvious.

- Grades to date appear in line with successful peers.
- Drilling has been over an appreciable area, but clearly potential tonnage needs to be increased in order to warrant a high valuation.
- There do not appear to be any major "problem area" at this point (access / infrastructure / water, etc.).

We basically see Duran's exploration program to date as somewhat drawn out (i.e. from 2003 to date). In 2009, with no drilling activity at Aguila, the market clearly has expressed little interest in the stock and a "show me" mentality seems to prevail.

We see the beginnings of a turnaround. The IP program was completed and Duran has drilled a couple of these IP anomalies with very positive results. Drilling toward the Aguila East target (hole 16) was highly positive. Surface channel sampling there returned very good results, confirming the overall strength of the entire area. The IP program point to several additional areas.

### IMPORTANCE OF DURAN'S NEXT DRILLING PROGRAM

With this in mind, we see Duran's next drilling program as important in two respect: ❶ expanding the current Aguila mineralized block, and ❷ putting management's geological model to the test, drilling some of the better / larger targets.

If there are other large porphyry bodies located on the property (i.e. assuming a size say of 400 m x 200 m areal extent) which are identified by IP results, the intention here is to hit one or more through drilling somewhere within them.

Below are images showing the IP maps, sample results, along with the proposed drill program to test some of these important areas.

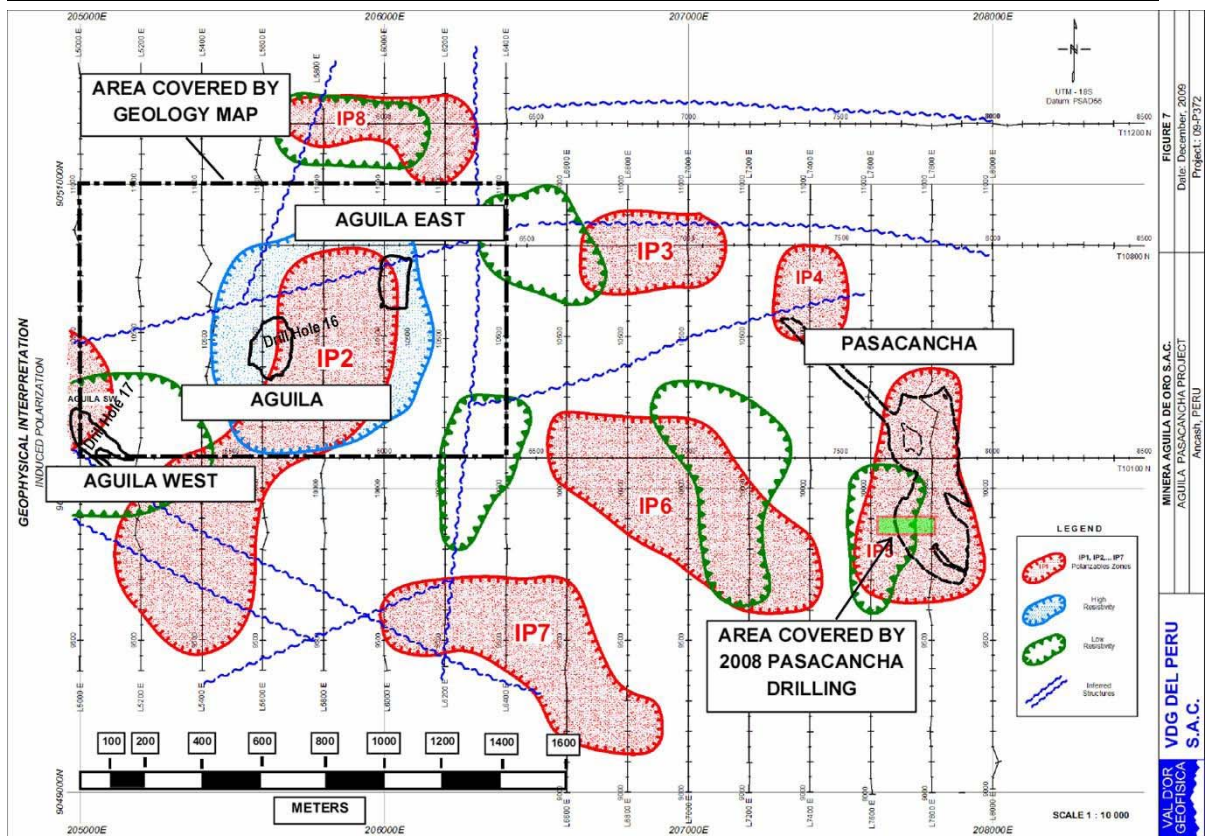
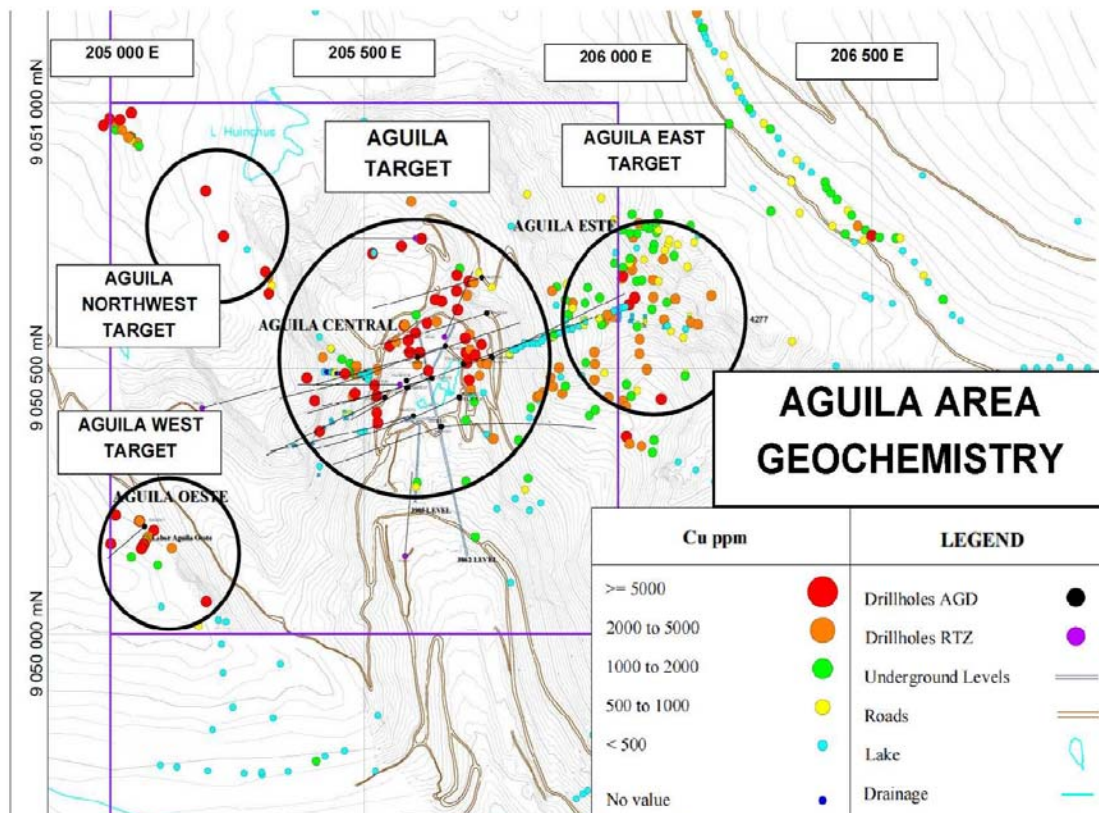


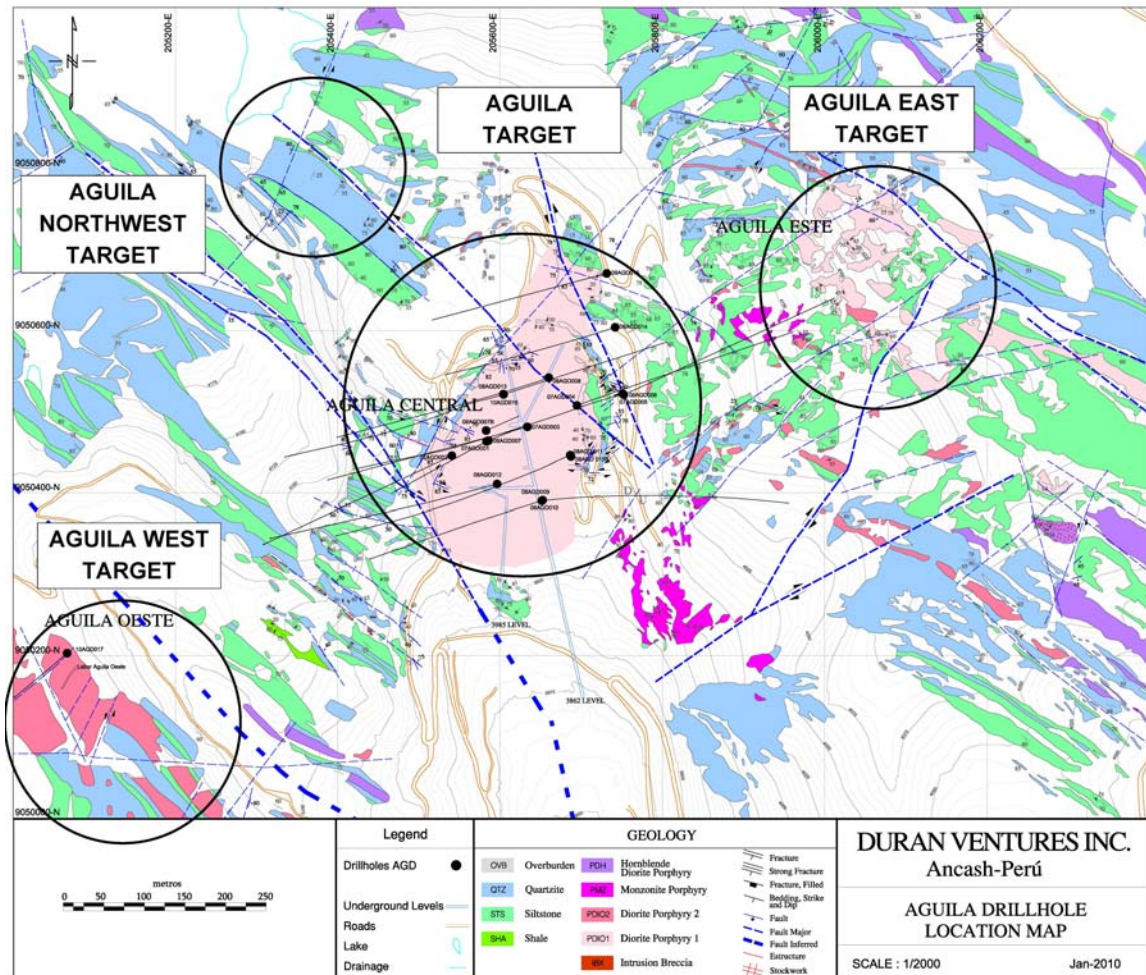
FIGURE 7  
 Date: December, 2009  
 Project: L05-P372

MINERA AGUILA DE ORO S.A.C.  
 AGUILA - PASACANCHA PROJECT  
 Arequipa, PERU

VAL D'OR  
 GEOFISICA  
 S.A.C.



With this in mind, we can see Duran's next drilling program as representing a really good test – near Aguila, at Aguila East, continuing with the newly identified zone at Aguila West, and one or more new (i.e. Aguila Northwest) targets -which could represent a coming of age for Duran if results are positive.



## CONCLUSION

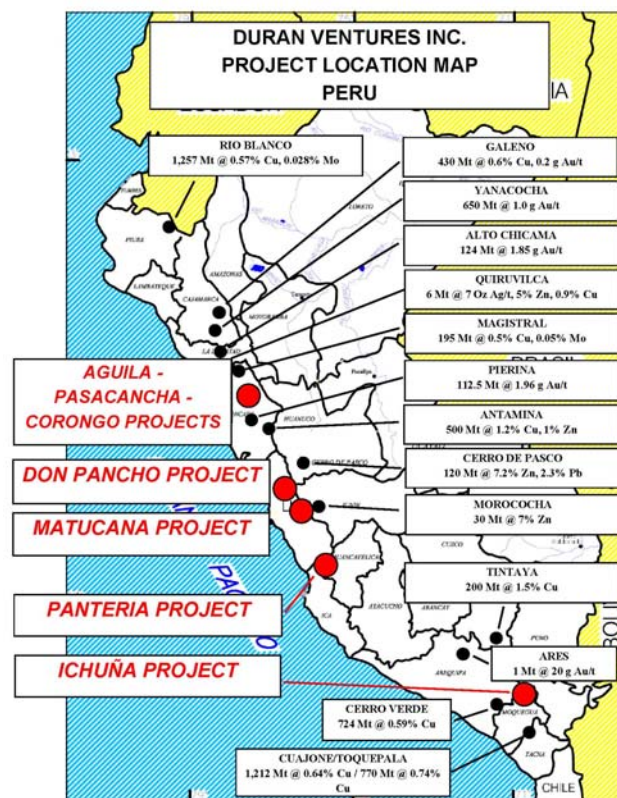
At this particular point in time, we find the risk-reward equation for Duran to be very compelling. Based on where the company is in its development and the nature of the current program, we see potential for some really meaningful news that could be a game changer. We believe this is so because the nature of this program is an attempt to determine ① the potential for a truly meaningful deposit with tonnage of interest to major producers, and ② whether grades encountered to date persist in these other areas.

Because we do not see a formal resource estimate or project economics on the horizon over the near term, we do not see the company as advancing to the level enjoyed by the more advanced companies with market caps at 100+ million (see earlier table), but should indications prove positive from the current program, it would not be unreasonable to expect a market valuation in the \$25 - \$60 million range.

Given today's \$12 million market cap, we certainly see a positive risk-reward equation and significant positive exploration leverage in Duran.

**Note on Management.** On a final note, we are encouraged by the fact that management of Duran is deeply committed to being successful in Peru.

Management is fluent in Spanish and are experts on porphyry systems. Jeff Reeder (P.Geol.), CEO has 16 years experience in Peru and prior to Duran and MacMillan worked with both Noranda Exploration and the Hunter-Dickenson Group of Companies. He was also responsible for identifying the Pinaya Copper-Gold project currently being explored by Acero-Martin Exploration. Cary Pothorin (P.Geol.), President, is also fluent in Spanish and worked for Homestake, Kennecott Canada, Corriente Resources, and Hunter Dickenson with his most recent experience is as VP Exploration of Acero-Martin Exploration Inc. who had successfully advanced the Pinaya Porphyry Copper-Gold Porphyry-Skarn Deposit in Peru to a National Instrument 43-101 compliant resource. The Peruvian Geological team has worked with Mr. Reeder and Mr. Pothorin for several years in Peru including the Pinaya Project. The team has a wide range of experience with working with companies such as AngloGold and Pan American Silver.



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