Fundamental Research Corp.

Investment Analysis for Intelligent Investors

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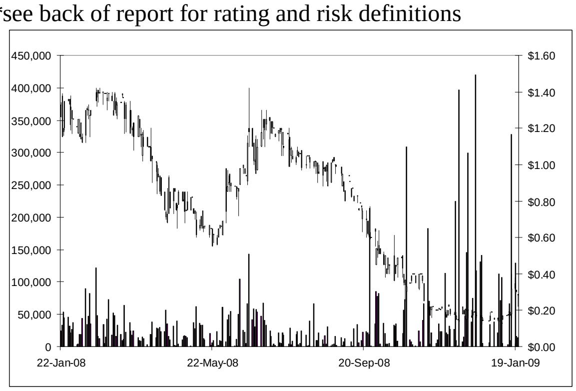
Duran Ventures Inc. (TSXV: DRV) – Initiating Coverage; Potentially Bulk Mineable Silver Gold and Copper Deposits in Peru

Sector/Industry: Junior Mining **www.duranventuresinc.com**

Market Data (as of January 23, 2009)

Current Price	**$0.25**
Fair Value	**$0.40**
Rating*	**BUY**
Risk*	**5 (Highly Spec)**
52 Week Range	$0.12 - $1.42
Shares O/S	58.51 mm
Market Cap	$14.63 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	2.27
YoY Return	-78.8%
YoY TSX	-66.1%

*see back of report for rating and risk definitions



Investment Highlights

- Duran Ventures Inc ("Duran" "the company") is a Toronto-based exploration company committed to the ongoing expansion of its highly prospective copper-molybdenum, silver-lead-zinc, and gold projects in Peru.
- The Pasacancha target is hosted at a past-producing silver-lead-zinc mine with the potential for a bulk tonnage resource. The main tunnel sampled over 384 meters returning grades of 0.17 g/t Au, 69.1 g/t Ag, 0.077% Cu, 0.56% Pb and 0.94% Zn
- The El Halcon concession hosts the Aguila copper-molybdenum porphyry deposit that produced as an open-pit mine in the 1970's. Drilling has expanded the deposit to the west, east and at depth. Hole #14 returned 455 meters grading 0.499% Cu and 0.038% Mo
- We believe the company's current cash position will be able to fund its projects and working capital for the next 3 to 4 months. The company will have to raise capital either through equity/debt later this year to fund exploration and working capital.

Risks

- The value of the company depends heavily on silver and copper prices
- The company's projects are early stage and do not have 43-101 compliant resource estimates at this time

Key Financial Data (FYE - Dec 30) (C$)	2007	2008 (9 mo)
Cash	3,361,333	1,436,693
Working Capital	3,434,430	1,253,779
Mineral Properties	2,314,398	3,685,115
Total Assets	5,801,035	6,695,595
Net Income	(749,543)	(1,164,896)
EPS	(0.03)	(0.04)

Duran Ventures is a Canadian exploration company focused on advancing the Pasacancha Project which features a past producing silver-lead-zinc mine and the Aguila copper-molybdenum project in Ancash, Peru. The 11,000 hectares of Peru projects are 100% owned by Duran Ventures.

PLEASE READ THE IMPORTANT DISCLOSURES AT THE BACK OF THIS REPORT

Company Overview

Duran Ventures' principal business activity is the acquisition and exploration of mineral properties. The company holds 100% interest in the highly prospective Aguila and Pasacancha projects, which are comprised of the Aguila copper moly porphyry target and the Pasacancha bulk tonnage silver gold lead zinc target. There are no outstanding royalties on these deposits. The company is building a large land position along the Aguila Trend which hosts several mineralized anomalies and historically producing deposits. The company also holds 100% interest in four properties in Victoria County, New Brunswick, and 100% interest in the Miller Creek Uranium Project in the Athabasca Basin in northern Saskatchewan. The company plans to focus on its silver and gold targets in Peru based on their more positive outlook for precious metals.

Corporate History

The company was incorporated on March 5, 1997, under the name 537926 B.C. Ltd. In June 1997, the company changed its name to Duran Gold Corp., and in August 2000, the company changed its name to Duran Ventures Inc. In 2002, a controlling interest in the company was acquired by Devon Ventures Corporation (TSXV: DVX) who subsequently sold the controlling interest in mid 2003. The company optioned the right to earn an initial 50% interest in MacMillan Gold Corporation's ("MacMillan") Aguila property in June 2003. The remaining 50% was obtained in October 2008, through the company's amalgamation with MacMillan.

MacMillan Gold was merged with Duran Resources ULC (a newly formed wholly owned subsidiary of Duran Ventures Inc.) for the consideration of 31 million Duran Ventures common shares to the shareholders of MacMillan Gold on the basis of one Duran Ventures common share for two MacMillan Gold Corp. shares. As a result of the merger, the company now owns 100% interest in Minera Aguila de Oro, the Peruvian company which has title to the exploration properties in Peru including the Aguila copper-molybdenum Project and the Pasacancha silver-lead-zinc Project. Duran Ventures now has 100% ownership of its Peruvian properties with no underlying royalties.

Mining Outlook: Peru

Mining in Peru has a moderately positive outlook due to low short term political risk and relatively high mineral potential. In the Fraser Institute survey of mining companies for 2007/2008, Peru was ranked 28 out of 68 overall, and was third only to Mexico and Chile in South America for policy potential. Many domestic and foreign companies operating within Peru's mining sector have been expanding their operations and increasing exploration, further drawing exploration companies to initiate projects in the country. Major international suppliers of mining equipment and services are represented within the country, providing a source for industry goods and know-how. Infrastructure is relatively weak; however, development is ongoing which will only benefit the industry.

Peru Properties

Overview: The company's Peruvian properties are located in north central Peru and consist of the 100 hectare El Halcon concession, which hosts the primary Aguila target, the 1,000 hectare Pasacancha 1 concession, and numerous peripheral claims totaling an additional 10,900 hectares. The main targets on the properties are the Pasacancha silver-lead-zinc target, the Santa Rosa copper-gold target, the Aguila main copper-molybdenum porphyry target, the Aguila East copper-molybdenum target and the Aguila SW copper-molybdenum target.

The company's wholly owned subsidiary, Mineral Aguila de Oro S.A.C., has received final approval of a C Permit for exploration of its Peruvian properties. The permit will allow drilling of up to 64,000 meters from up to 80 platforms on the Aguila and Pasacancha targets. The permit is valid for a two year period from when it is activated by commencement of drilling the first hole. This must be done within one year from issue of the C Permit which was announced in November 2008. The company plans to allocate the allowed meters between one or two holes from each permitted platform.

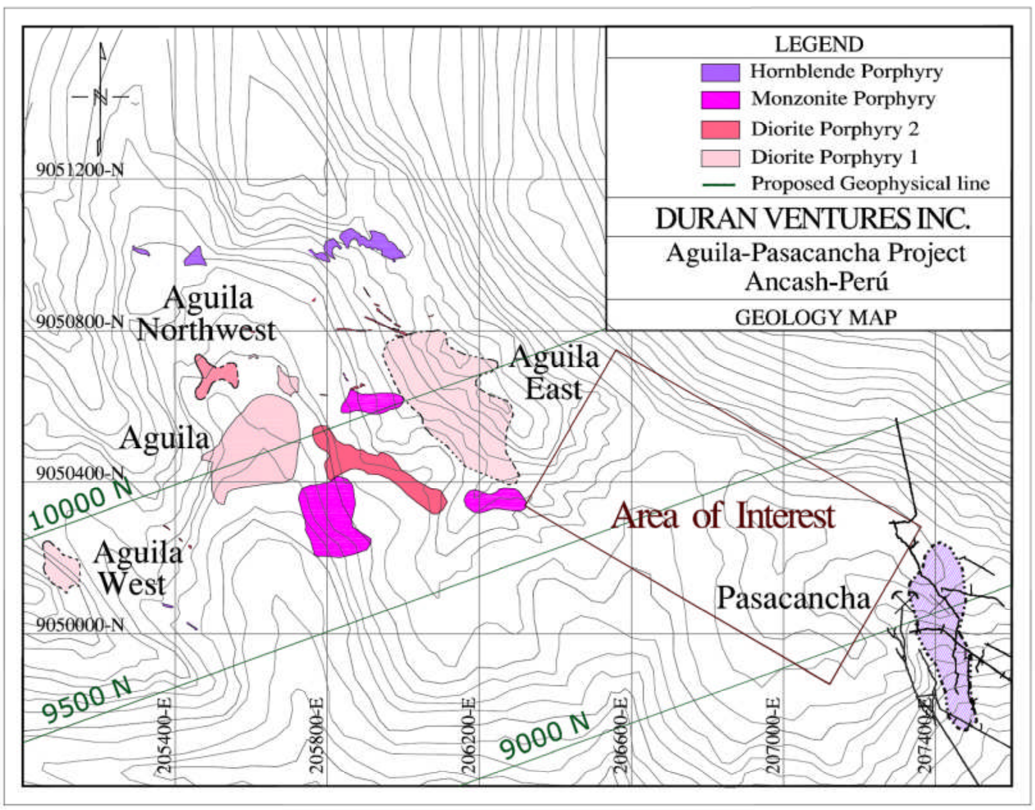


Figure 1: Duran plans to conduct a geophysical survey in 2009 to cover a 2 km area of interest between the drill proven Aguila Main Porphyry and the Pasacancha Porphyry proven by drilling and tunnel sampling (Source: Duran Ventures Inc).

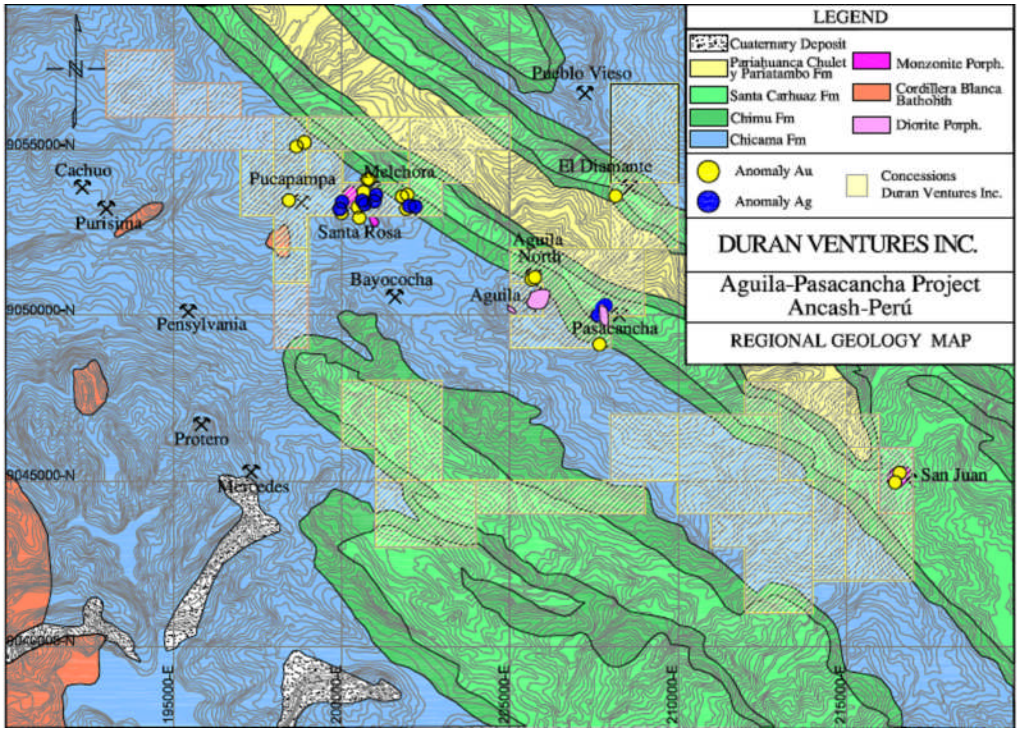


Figure 2: Geological map with metals targets and former producing mines (Source: Duran Ventures)

Geology and Mineralization: A NW trending thrust and fold belt comprised of Mesozoic sedimentary rocks dominates the regional geology of the project area. The Mesozoic sedimentary rocks belonging to this belt are comprised of siltstone and mudstone of the Cretaceous Goyllarisquizga Group and quartzite, and interbedded siltstone and argillite of the Jurassic Chicama Formation. Miocene aged stocks have intruded the Western Cordillera during the late Tertiary. On the property itself, at least three stocks and several dykes of quartz monzonite and diorite composition intrude the sedimentary package forming several copper molybdenum porphyry deposits.

<u>Pasacancha Silver Lead Zinc Deposit</u>:

Rehabilitation of the historic Pasacancha mine workings began in 2005. To date, 11 tunnels have been located and the 3790 and 3940 levels rehabilitated, mapped and sampled. Channel sampling was completed using diamond saws; highlights from the sampling program completed to date include:

3790 Level Highlights:

- Main Access Tunnel Central Portion: 384 meters sampled width (220 meters estimated true width) with average values of 0.17 g Au/t, 69.1 g Ag/t, 0.077% Cu, 0.56% Pb, and 0.94% Zn.
- Tunnel E: 141 meters sampled width (58.8 meters estimated true width) with average values of 0.07 g Au/t, 53.3 g Ag/t, 0.045% Cu, 0.85% Pb and 1.15% Zn.
- Tunnel F: 147 meters sampled width (58.8 meters estimated true width) with average values of 0.28 g Au/t, 56.1 g Ag/t, 0.044% Cu, 0.295% Pb and 0.53% Zn. Including 16

meters sampled (6.4 meters estimated true width) 1.91 g Au/t, 378 g Ag/t, 0.110% Cu, 0.23% Pb and 0.17% Zn.

3940 Level Highlights:

- Access Tunnel: 111 meters sampled width (111 meters estimated true width) with average values of 0.18 g Au/t, 65.9 g Ag/t, 0.009% Cu, 0.87% Pb, and 0.48% Zn.
- Terminated in mineralized material, with the last 72 meters showing average values of 0.24 g Au/t, 80.7 g Ag/t, 0.101% Cu, 1.07% Pb, and 0.56% Zn.

Geology: The Pasacancha target is interpreted as a silver system with high grade shear zones and veins, and widespread lower grade silver bearing stockworks and breccias. The breccia target is exposed or inferred in an area of approximately 3 km in length, 500 meters in width, and 500 meters in depth. Host rocks are quartzites and interbedded siltstones and mudstones of the Chicama formation at the contact with the quartz monzonite.

Current Status: Phase I drilling on Pasacancha targets commenced in August 2008, with a plan to complete 5,000 meters. Drilling has been slow as the brecciated rock is heavily fractured resulting in a loss of circulation of drill fluids. The drill contractor has taken up the practice of drilling 30 meters, cementing the hole to seal the walls and then drilling another 30 meters. The process is time consuming but ensures efficient recovery of core. The company expects to begin releasing assay results in early 2009, for Pasacancha Hole 4B, the first completed drill hole into the Pasacancha target.

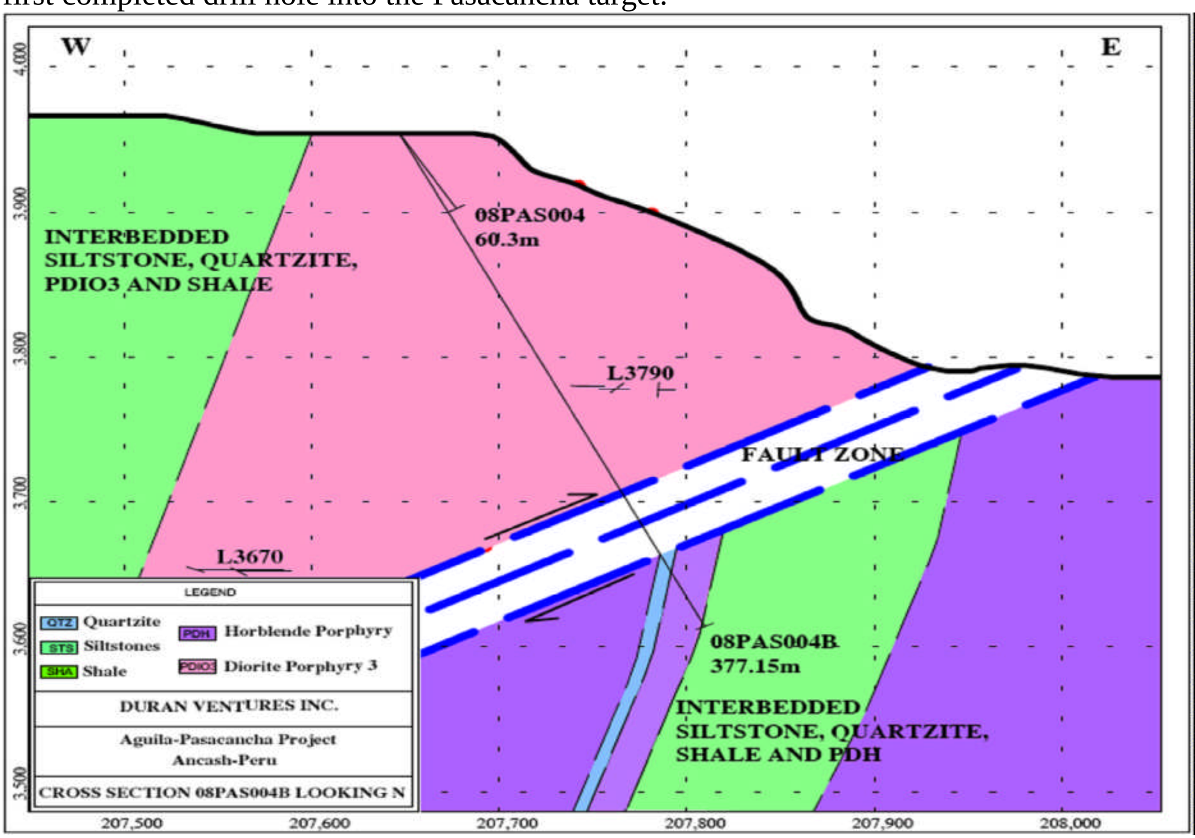


Figure 3: Pasacancha cross section with location of drill holes 4 and 4B (Source: Duran Ventures)

<u>Aguila Copper Molybdenum Deposit</u>:

The company initiated its own exploration work on the property in 2005, with a field review, and followed up with the rehabilitation and sampling of the Aguila Main adit, 80 metres beneath the bottom of the historical open pit. A total of 298 rock chip samples were collected by early 2006, confirming the presence of significant copper-molybdenum mineralized diorite with assays returning up to 0.64% Cu and 0.064% Mo.

Completed in July and August of 2007, phase I drilling was comprised of five core holes totaling 2,062 meters. Holes 1, 2 and 3 tested the down dip western extensions of Aguila Main, and holes 4 and 5 tested the Aguila East copper-molybdenum target.

Phase I was successful in accomplishing its goals. Holes 1, 2 and 3 showed mineralization to depth including termination in mineralized material, and holes 4 and 5 intersected the Aguila East target.

Geology: Previous geological work suggests that the stock in the Aguila pit area has been localized by intersecting steeply dipping northwest-southeast and north northeast-south southwest faults and shears and a northwest trending anticline. The Aguila porphyry body is interpreted to be about 250 by 350 m in plan, and extending to a depth of at least 400 m beneath the historic Aguila pit. Aguila East represents another known copper-molybdenum porphyry style deposit, and there is evidence to support the existence of additional copper-molybdenum porphyry deposits throughout the property. At the Aguila pit, plagioclase porphyritic diorite has been cut by multistage disseminated and vein hosted copper-molybdenum sulphide mineralization associated with potassic alteration, quartz stockworks, and sheeted quartz veins.

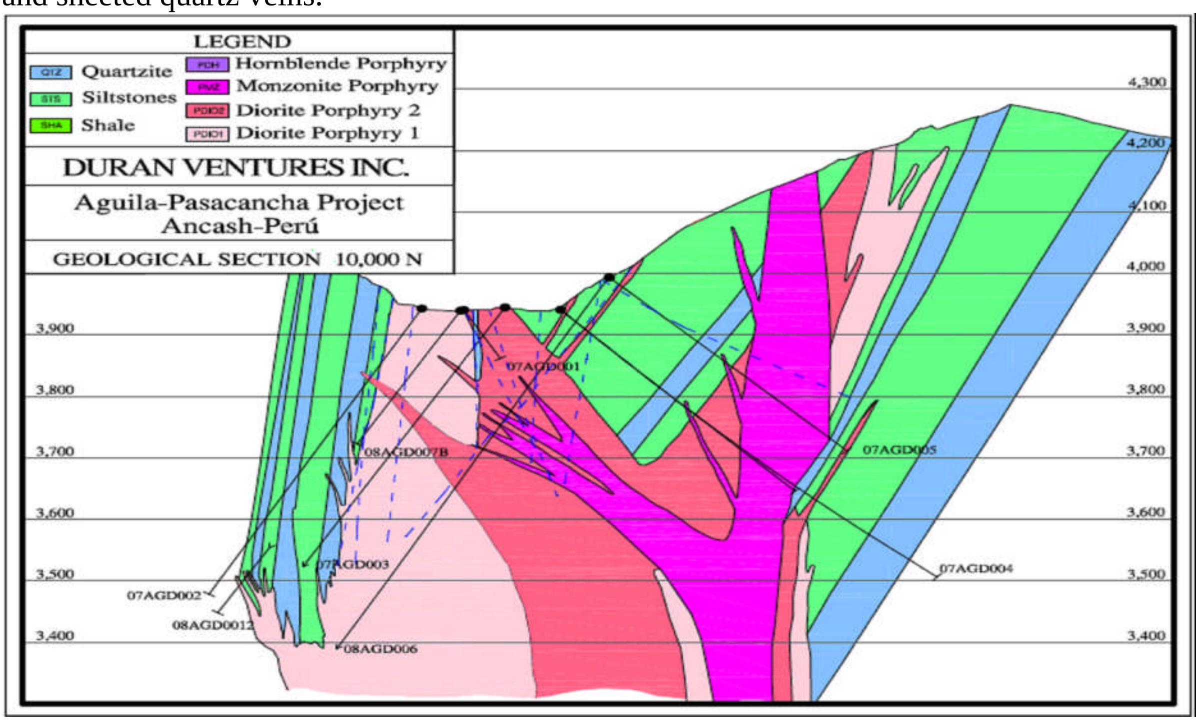


Figure 4: Aguila cross section with phase I and II drill hole locations (Source: Duran Ventures)

Current Status: The company is in the process of completing the last hole of the phase II diamond drilling program which included holes 4A and 6 to 14. Hole 4A was wedged off phase I Hole 4 starting at 249.6 meters. Phase II further tested the Aguila Main and Aguila East targets to depth. Table 1 summarizes the diamond drilling completed on the Aguila Main and Aguila east targets to date. Hole RTZ1 was originally completed by Rio Tinto (NYSE: RTP) in 1999, and re-assayed after initiating exploration on the properties. Table 1 summarizes the historic Rio Tinto hole, as well as phase I and II drill results.

Table 1: Summary of Diamond Drilling at Aguila Target

Hole #	From (m)	To (m)	Length (m)	Cu (%)	Mo (%)	Total Cu Equiv. (%)
RTZ1	0.00	400.1	400.1	0.640	0.042	1.060
1	0.00	250.0	250.0	0.650	0.023	0.880
2	0.00	530.0	530.0	0.338	0.023	0.568
3	0.00	510.0	510.0	0.525	0.043	0.955
4	0.00	371.0	371.0	0.343	0.020	0.543
4A	249.60	682.2	378.6	0.254	0.006	0.312
Including	249.60	388.6	139.0	0.472	0.009	0.567
5	0.00	401.0	401.0	0.209	0.011	0.314
6	5.20	723.3	718.1	0.555	0.041	0.965
7B	0.00	90.0	90.0	0.594	0.045	1.041
8	0.00	522.3	522.3	0.626	0.049	1.116
9	5.00	485.4	480.4	0.373	0.029	0.659
10	6.90	574.8	567.1	0.147	0.011	0.252
11B	1.00	605.3	604.3	0.425	0.029	0.718
12	2.90	567.7	564.2	0.365	0.030	0.665
13	0.50	578.9	578.4	0.427	0.046	0.886
14	4.35	459.6	455.3	0.499	0.038	0.879

Source: Duran Ventures Inc.

We believe the optimal plan for moving Aguila forward would be to define 2 to 3 additional deposits on the property and look to a major to takeover the project.

Ownership: As per the terms of the Duran/MacMillan amalgamation discussed earlier, the company now holds 100% interest in the Aguila and Pasacancha projects.

Accessibility and Infrastructure: The properties are located approximately 3,100 to 4,400 meters above sea level in the eastern part of the Western Cordillera of North Central Peru. As a result, the topography is moderate to steep. The Aguila and Pasacancha properties are traversed by gravel roads which provide access to Chimbote, located along the Pacific Coast.

Unskilled and semi-skilled labour can be sourced from nearby Sihuas and Pasacancha, which is located within the Pasacancha concession.

Power to the property is provided by an active power line traversing the Pasacancha 1 concession and connecting to the national grid. Water for drilling is available from local surface drainages. We believe these factors will help the future economics of the project by decreasing costs and waiting time associated with their construction and acquisition.

Sufficient underground workings below the Aguila pit and within the Pasacancha breccia zone benefit the exploration at both targets. Duran has rehabilitated the adit beneath the Aguila pit and has identified a total of 11 tunnels within the Pasacancha target which are being rehabilitated, mapped and sampled.

Historic Exploration/Production: Table 2 shown below was borrowed from the technical report dated April 19, 2007, prepared by R.A. Lunceford, M.Sc., CPG for the company on the Aguila project. It summarizes the history of work conducted on the properties prior to the involvement of Duran. The 1970's production at Aguila, performed by Minera Yaruvilca, was conducted by open pit methods.

Table 2: History of Work Conducted on Aguila Property

Time Period	Company	Work	Results	Reference
1923 – 1958 approximate	Compañía Minera Tarica	Underground Development and Mining Pb-Zn-Ag veins, Pasacancha	Underground development and mining. Not yet documented in detail. About 5 million tons grading 5.69 ounces Ag/ton, 2.15% Pb and 4.22% Zn	Ordez 1974
1971	Compañía Minera Yuravilca	Surface exploration, 9 diamond drill holes total 1289 metres	Positive exploration results which led to advancement to production	Bosc, 1972
1974 – 1976	Minera Yuravilca	Underground Exploration, Construction of Mill, production with peak capacity 6000 tonnes per day	Production terminated on suspension of financing from Banco Minero	McCrea 2004
1993	Shareholders of Minera Yuravilca	Re-Staking of Aguila Area	No documented work	
1996	MacMillan Gold Corp.	Site visit and initial evaluation	Begin land consolidation and evaluation work	
1997	MacMillan Gold Corp. and Rio Tinto Exploration	Cooperative staking of liberated land, contract for RTZ option to earn 51% JV by investing US$4.5 million and paying MacMillan Gold US$500,000	Commencement of work testing Cu, Mo and possible Gold potential in and around porphyry bodies	Internal Files, Reeder 1997
1998	MacMillan Gold Corp. and Rio Tinto Exploration	RTZ operated exploration programs, geology, geophysics, drilling	Drill hole AGD 01, with 400.15 metres of 0.63% Cu and 0.040% Mo	Guizado 1998
1999	MacMillan Gold Corp. and Rio Tinto Exploration	4 diamond drill holes in Aguila area, evaluation of concept of gold halo and exten.	No significant gold values, results did not meet expectations, land returned to MacMillan	Guizado 1999, McCrea 2004
2000	MacMillan Gold Corp. and Inca Pacific Exploration Ltd.	MacMillan acquired 100% of Pasacancha property from Inca Pacific, conducted surface program	Mapping of Aguila East Cu-Mo target, proposal for exploration of Aguila and Aguila East as combined targets	McCrea 2004, Internal Files

In addition to the work outlined above, Inca Pacific SA, a wholly owned subsidiary of Inca Pacific Resources Inc (TSXV: IPR), and owner of the Pasacancha claims in the 1990's, collected 469 surface and underground rock samples for gold in 1997. 485 m of trenching was subsequently completed approximately 1.5 km north of the Aguila pit.

Metallurgy: In 1998, Rio Tinto submitted a sample from the Aguila pit for metallurgical testing. Recovery for copper averaged slightly higher than 96%, while recovery of molybdenum averaged nearly 91%.

Santa Rosa Gold Target:

Santa Rosa was identified through fieldwork completed by Rio Tinto in 1998 as part of a joint-venture exploration program. Results included several encouraging gold samples that were encountered within a mine dump from a smaller historic working. The company is advancing the Santa Rosa Gold target to drill ready stage for early 2009, as plans are shifting to focus on silver and gold targets.

Resource Estimates: This property does not have a NI 43-101 compliant resource calculation.

Other Properties

Buttermilk Brook, Joe Brook, Long Lake and Long Lake West
The company has the option to acquire 100% interest in these properties, located in Victoria County, New Brunswick, subject to a 2% Net Smelter Royalty. The NSR may be reduced by 1% for $250,000 and a further ½ % for an additional $250,000. Sufficient information is not available to fully comment on the prospective targets of these properties.

Miller Creek Uranium Project
The 30,151 ha Miller Creek Uranium Project, located in the Athabasca Basin in northern Saskatchewan, was acquired by the company in May 2006. Exploration on the property since acquisition was limited to work performed by RPT Uranium Corp ("RPT" TSXV: RPT) who had entered an option agreement with the company to earn a 70% working interest in the property. RPT recently terminated the option agreement and the company maintains these claims in good standing.

Management

George A. Brown – CEO
Mr. Brown is an Honours Finance and Accounting B.B.A. graduate of Bishop's University. Mr. Brown has provided financial services to Campbell Resources Inc., Camchib Resources Inc., Cullaton Lakes Gold Mines Inc., Chesbar Resources Inc., Boulder Mining Corporation, Nugget Resources Inc., Titanium Corporation, and Corner Bay Silver Inc. in his over 25 years of experience in the mining sector. Mr. Brown was Treasurer of Corner Bay Silver Inc. at the time of his appointment as President of MacMillan. Corner Bay Silver Inc. provided a sound experience in successful exploration through its discovery and development of the Alamo Dorado Silver Project.

Cary Pothorin – President
Mr. Cary Pothorin, P.Geo. is a Canadian professional geologist in good standing with the

Association of Professional Engineers and Geoscientists of British Columbia. He graduated in 1988 with a B.Sc. specialized in Geology from the University of Alberta. He also received a Business Administration Diploma from Camosun College in Victoria B.C. in 1994. Mr. Pothorin is fluent in Spanish and his most recent experience is as VP Exploration of Acero-Martin Exploration Inc. who have successfully advanced the Pinaya Porphyry Copper-Gold Skarn Deposit in Peru to a National Instrument 43-101 compliant resource. Mr. Pothorin assumed the duties as President of Aguila in Peru effective April 1, 2008. Mr. Pothorin was promoted to President of amalgamated Duran in October 2008.

David C. Hammond –Chief Financial Officer
Mr. Hammond graduated in 1988 from Jacksonville State University, Jacksonville Alabama with a B.Sc. in Accounting and Finance. Since graduation, performed public accounting and auditing for 7 years with PriceWaterhouse Coopers and Revenue Canada Taxation, then moved to banking for 12 years leaving as a Vice President of Underwriting for an international finance company. He successfully underwrote and closed over $1 billion of commercial loans in Canada and the USA during this period.

Carmen Yuen – Secretary-Treasurer
Ms. Yuen is a graduate of the University of Toronto with a Bachelors of Commerce specialized in finance. Ms. Yuen has also successfully completed her exams to qualify as a Certified Public Accountant and awaits her certification. Ms. Yuen’s experience includes work as a Tax Analyst with an international tax firm.

Dave Goldman – Director, Chairman of the Board
Mr. Goldman has a degree from McGill University in Metallurgical Engineering and an MBA from Concordia University. Mr. Goldman occupied several senior management positions at Noranda Inc. over a period of 35 years including Executive Vice-President and Chief Operating Officer. Mr. Goldman is a director of SNC Lavalin Inc. and Copernic Inc.

David A. Bending – Director
Mr. Bending is an honours B.Sc. Geology graduate from University of Oregon and also completed his M.Sc. at University of Toronto in Mineral Deposits Geology, Geochemistry, Geochemistry and Geophysics. His thesis won him the CIM President’s Gold Medal Award. Mr. Bending’s experience as a teaching assistant at the University of Toronto helped develop his excellent interpersonal skills. Mr. Bending has worked for The Bunker Hill Company, Rio Tinto Canadian Exploration Ltd., Texasgulf Exploration, and Homestake Mining Company where he was Exploration Manager for Northern Latin America.

Mr. John Thompson – Director
Mr. Thompson holds a B.Sc. and M.Sc. from Acadia University. Mr. Thompson is a geological engineer with over 30 years experience in our industry including as Vice President and President of public companies.

Jeffrey Reeder, P.Geo - Director
Mr. Reeder, a graduate of the University of Alberta with a B.Sc. in Geology, has over 18 years of experience in mineral exploration from grassroots to advanced exploration

programs. Mr. Reeder has provided Geological services for various clients and also serves on the board of Accero-Martin Exploration. Mr. Reeder has worked over 12 years in South America, exploring for porphyry copper-gold and epithermal gold systems.

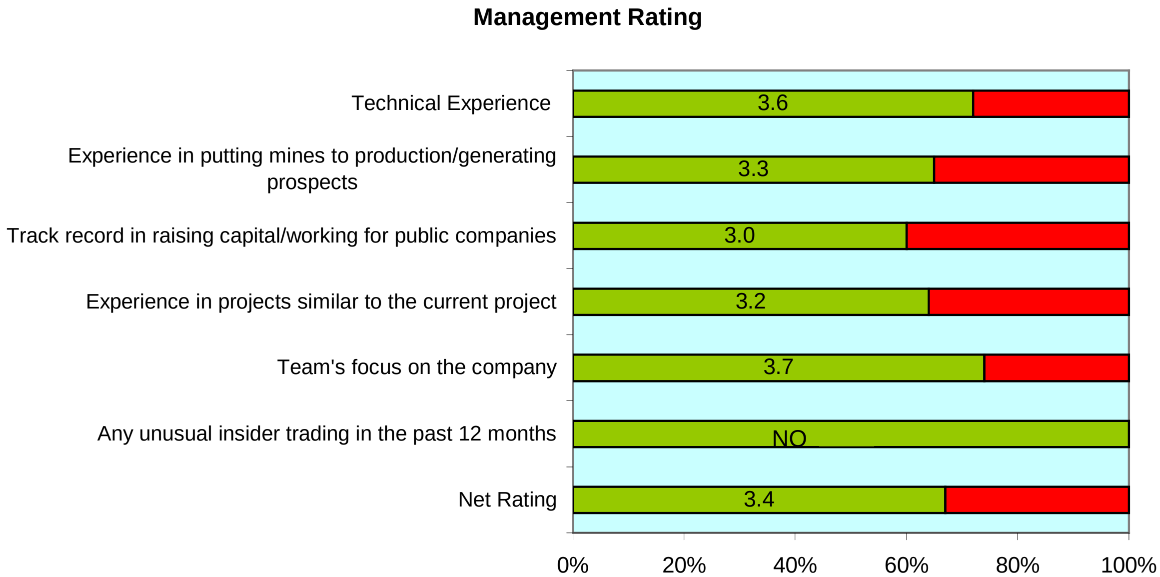
Joseph Del Campo - Director
Joseph began his career with Falconbridge Limited in 1974 and spent over 19 years working within the Falconbridge group of companies at various progressive financial positions, including Controller and Treasurer of Falconbridge Dominicana, C. por A., a ferronickel operation in the Dominican Republic; United Keno Hill Mines Limited, a silver producer in the Yukon Territories; and Falconbridge Gold Corporation, a gold mining company with operating mines in Zimbabwe and Timmins, Ontario. Over the last 10 years, Joe has been a director and the Vice President Finance and CFO of a number of junior exploration companies listed on the TSE and TSX Venture Exchange.

David J. Libby – Director
Mr. Libby is a graduate of the Camborne School of Mines, A.C.S.M. He is a member of the Association of Professional Engineers of Ontario, the Canadian Institute of Mining and Metallurgy, the Institute of Mining, Metallurgy and Materials – U.K., and a Chartered Engineer of the Council of Engineering Institutions, U.K. Mr. Libby has over forty years of experience in the mining industry including as mining engineer, mine superintendent, Vice President of Mining, and Chief Operating Officer, Mr. Libby's career includes experiences with Sherrit Gordon Mines Ltd., Tara Mines Ltd., Dickenson Mines Ltd., Wharf Resources Ltd., Noranda Minerals Inc., and Aur Resources Inc.

Michael Gingles – Director
Mr. Gingles has a B.Sc. in Geology from Kings College in London, a M.Sc. in Mineral Exploration from the Royal School of Mines in London, and an MBA from the Management School at Imperial College in London. Mr. Gingles has over twenty years of mining experience including project geologist in Australia with Bond International, Vice President of Corporate Development for the USA and Latin America with Placer Dome Inc., and currently President and Chief Executive Officer of Fortune Valley Resources Inc. since 2006.

Management Rating

We believe that the most important aspect of a junior mining company is its management. Therefore we have developed a management rating system as a quantitative way to rate management based on a number of factors, including technical experience, the ability to raise financing, and management's time commitment to the company. We also analyzed trading records to identify for evidence of unusual trading by management. **Our net rating for Duran Ventures Inc is 3.4 out of 5, which we have rated average.** The company's supporting cast of directors brings exploration experience as Mr. David Bending, Mr. John Thompson, Mr. Jeffrey Reeder and Mr. Michael Gingles are all currently CEO's of active exploration companies.



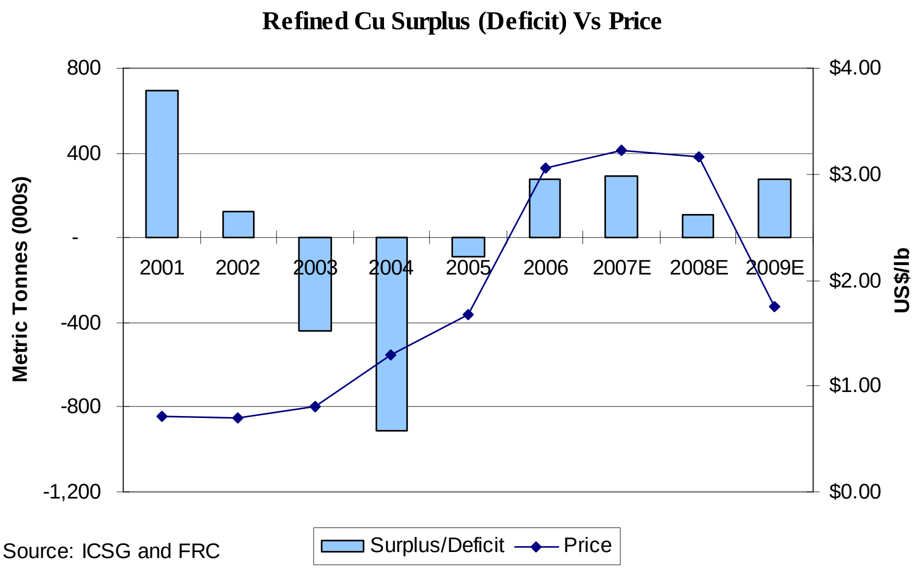
Strength of Board

The Toronto Stock Exchange recommends that the Board of Directors of every company include independent or unrelated directors who are free of any relationship or business that could materially interfere with the director's ability to act in the best interest of the company. An unrelated/independent director can be a shareholder. In this section, we present our strength of board rating for Duran Ventures, which uses information available from the company's annual "Management Information Circular" to ensure that the company has an independent Board of Directors, Audit Committee, and Compensation Committee. This report also identifies any non-arms length transactions and management's compensation.

Duran's Board of Directors is made up of 7 individuals: David Goldman, David A. Bending, John P. Thompson, Jeffrey J. Reeder, Joseph Del Campo, David J. Libby, and Michael Gingles. None of the directors have filed for personal bankruptcy. All of the directors hold shares in the company. The company does not have any related/non-independent directors. The Audit Committee is made up of Joseph Del Campo, Michael Gingles, and John Thompson. The Compensation Committee is made up of Joseph Del Campo, John Thompson, and Jeffrey Reeder.

Outlook on Copper

The global economic slowdown is clearly expected to negatively impact demand for copper. As shown in the following chart, the copper supply surplus is expected to increase in 2009. The surplus is expected to increase further in 2010. We believe the increasing global supply surplus will keep copper prices soft in the near-term.



Source: ICSG and FRC

Duran is not expecting to put any of its projects into production in the near term. So the valuation of the company depends on the long-term price forecast of copper.

Long-term copper price forecast - In order to determine a long-term price forecast, we performed a regression analysis between the price of copper (during 1991 – 2007) and several other independent variables, including the global GDP growth rate, the US$, the global annual copper supply surplus (deficit), annual copper mine production growth, and annual refined copper production, at various time lags. We found that among all these independent variables, three had statistically significant coefficients at the 90% significance level. A summary of the regression analysis is shown below.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.906
R Square	0.820
Adjusted R Square	**0.782**
Standard Error	0.424
Observations	18

ANOVA

	df	SS	MS	F	Significance F
Regression	3	11.498	3.833	21.295	**0.000**
Residual	14	2.520	0.180		
Total	17	14.018			

	Coefficients	Standard Error	t Stat	P-value	Lower 90.0%	Upper 90.0%	Lower 95%	Upper 95%
Intercept	**5.128**	1.047	4.900	**0.000**	3.284	6.971	2.883	7.372
US$	**-3.634**	0.688	-5.278	**0.000**	-4.846	-2.421	-5.110	-2.157
Global GDP Growth	**32.867**	9.913	3.315	**0.005**	15.407	50.327	11.605	54.128
Cu Mine Production Growth	**-6.367**	3.489	-1.825	**0.089**	-12.512	-0.223	-13.850	1.115

Source: FRC

A simplified model based on these statistically significant variables, namely the global GDP growth rate (positively correlated to copper prices), the US$ (negatively correlated to copper prices), and the annual copper mine production growth rate (negatively correlated to copper prices), is shown below.

Copper Price = 5.128 - 3.634 * US$ + 32.867 * Global GDP Growth - 6.367 Copper Mine Production Growth

We arrived at a long-term copper price forecast of US$2.03/lb once we input our long-term assumptions of the three independent variables as shown below.

	LT Forecast	
US$ (expressed as C$/US$)	1.15	
Annual global GDP growth	3.9%	(same as the annual growth rate during 1970 - 2007)
Annual Cu mine prod. Growth	3.2%	(same as the CAGR during 1990 - 2007)
Copper Price	**$2.03 per lb**	

Source: FRC

Although current prices are well below our long-term price forecast, we believe high cash costs, long-term demand growth (especially from the BRIC countries), and supply disruptions (as several projects worldwide are not viable at current copper prices) will be the major price drivers in the long-term.

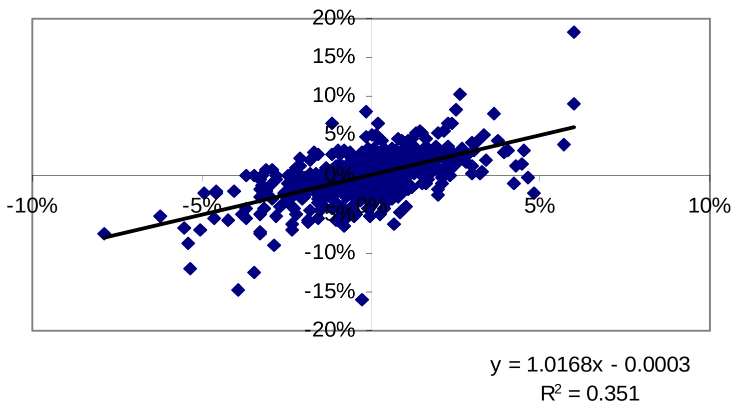
Outlook on Silver

Although supply and demand forecasts play a crucial role in setting silver prices, we believe that silver, like gold, is a commodity that investors turn to, during difficult times, to preserve capital. This is shown by the:

1. **Significant positive correlation between gold and silver prices in the past -** During January 2006 and January 2009, about 35% of the daily changes in silver prices was explained by daily changes in gold prices.

Relationship b/w daily log changes in Gold & Silver prices

(Jan 3, 2006 - Jan 21, 2009)



Source: FRC

2. **Strong investment demand –** As of January 21, 2009, iShares Silver Trust assets were 230 million oz of silver, reflecting a 43% YOY increase. It is up by 994% since the introduction of the ETF in April 2006.

Silver did not follow gold prices in the second half of 2008 due to the expected slowdown in demand growth from industrial applications - During 1997 – 2007, 42% of the demand for silver came from industrial applications (51% in 2007). The global economic slowdown is negatively impacting the demand for silver in industrial applications, and as a result, prices did not move in tandem with gold prices in the second half of 2008. The table below shows that the average gold to silver price ratio in the second half of 2008, increased to 68; up from 52 in the first half of 2008. The average ratios were 53 and 52 during 2006 and 2007, respectively.

Gold/Silver Ratio	
2006	52.81
2007	51.99
H1-2008	52.47
H2-2008	68.30

Source: FRC

Forecast Prices – We are bullish on silver prices in 2009, and 2010, primarily because we expect the US$ to depreciate (due to the slowdown in the U.S., negative real interest rates in the U.S., and inflationary pressures instigated by the recently announced large stimulus package). We believe that these factors, offset by softening demand growth from industrial applications, will drive silver prices higher in the near-term. Our forecasts for 2009 and 2010 are US$12.5/oz and US$14/oz. Our long-term price forecast (2012+) for silver is US$11/oz.

Financials

At the end of September 2008, the company had $1.44 million in cash and $1.25 million in working capital (which excludes the $1.5 million receivables from MacMillan that will be eliminated as per the terms of the business combination). The company posted a net loss of $1.16 million (EPS: -$0.04) for the first 9 months of 2008, compared to $0.39 million (EPS: -$0.02) in the same period of 2007. We estimate the company had a burn rate of $0.38 million per month for the first 9 months of 2008, compared to $0.17 million per month in 2007 (12 months). The table below shows a summary of the company's cash and liquidity position at the end of Q3 2008.

(in C$)	2007 12 mo ended Dec 2007	2008 (9 mo) 9 mo ended Sept 2008
Cash	3,361,333	1,436,693
Working Capital	3,434,430	1,253,779
LT Debt/ Assets	-	-
Burn Rate Per Month (incld. Exploration expenses)	(174,912)	(382,909)
Cash Flows From Financings	4,633,834	1,476,838

Stock Options and Warrants: At the end of September 2008, the company had 2.62 million stock options outstanding with exercise prices ranging from $0.25 to $1.50, and maturity periods between December 2008 and June 2011. The company also had 2.38 million warrants outstanding with exercise prices ranging from $1.00 to $1.50, and maturity periods between January 2009 and October 2009. Subsequent to the quarter, the company issued 1.93 million stock options in association with its business Amalgamation with MacMillan Gold Corp. (all outstanding stock options of MacMillan Gold were converted to Duran stock options), with exercise prices ranging from $0.60 to $1.20, and maturity periods between April 2009 and April 2011.

Conclusion: At the end of September 2008, the company had $1.44 million in cash. In addition, MacMillan Gold will contribute at least $1 million in cash to the company's projects after the merger. Based on a burn rate of $0.38 million per month, we believe the company's current cash position will be able to fund its projects and working capital for the next 3 to 4 months.

Valuation

None of the company's projects have known resource estimates at this time. Therefore, we have valued the company based on the average ratio of enterprise value (EV) to mineral assets (book value) of similar stage exploration companies. Although EV/mineral assets does not really capture the upside potential of a company's projects, we believe it is a good metric (and probably the only metric) to determine fair value based on work done on the project to date at this stage. Based on an average EV/Mineral Assets ratio of 2.14, and our estimate of the company's book value of mineral assets, our comparable analysis gave a fair value estimate of $0.38 per share on the company.

Relative Valuation

	Company	**Symbol**	**EV / Min. Assets**
1	Canadian Orebodies Inc.	CO	3.50
2	Canstar Resources Inc.	ROX	3.15
3	Abitex Resources Inc.	ABE	2.56
4	Explor Resources Inc.	EXS	1.81
5	Oro Gold Resources	OGR	1.66
6	Soltoro Ltd.	SOL	1.66
7	Golden Goliath Resources	GNG	1.16
8	Tumi Resources	TM	1.58
			2.14
	Fair Value		**$0.38**

Enterprise Value = Market Capitalization + Debt - Cash
EV was based on 12 mo average share prices

Conclusions & Rating

We believe the company's projects are prospective, but as they are in very early stages, we do not have enough information to conclusively state that future prospects of the projects. The assay results for Pasacancha Hole 4B, the first completed drill hole into the Pasacancha target, and the proposed geophysical survey in 2009, between the Aguila Main Porphyry and the Pasacancha Porphyry, will give us a lot more information. We estimate, the company's cash will only last for three to four months; which implies that the company has to raise additional capital through equity/debt later this year to fund working capital and exploration.

Based on our valuation and review of the company's projects, we initiate coverage on Duran Ventures with a BUY rating and a fair value estimate of $0.40 per share.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- The success of drilling, expansion and determination of favorable resource estimates are important long-term success factors for the company.
- The company is subject to delays impacting the entire mining industry.
- The value of the company depends heavily on copper and silver prices.
- The company will have to raise money this year. Financing may be difficult in this environment and will probably result in dilution.

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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