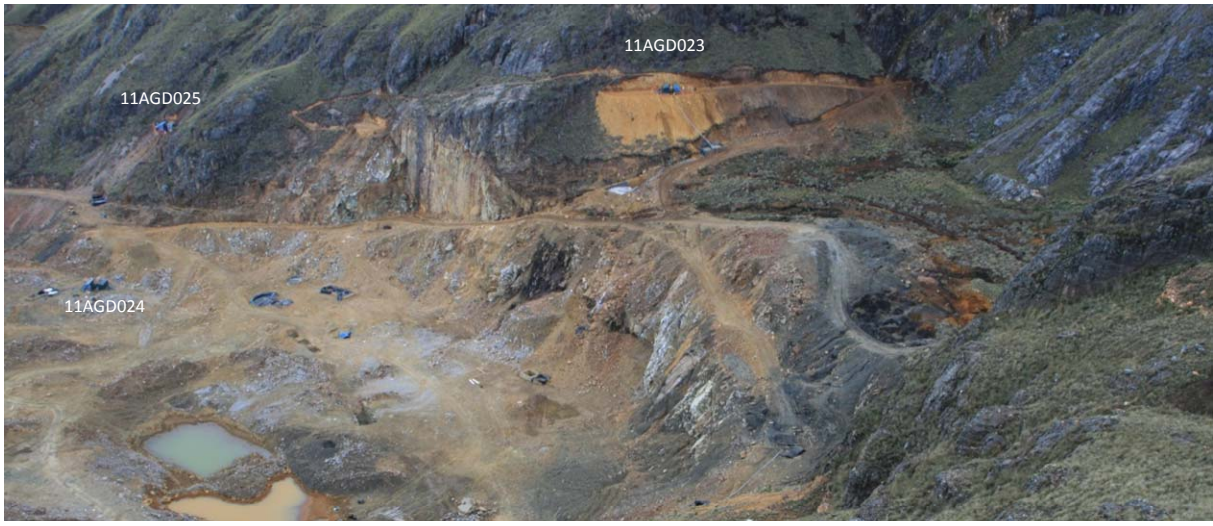
# Mineral Resource Technical Report for the Aguila Copper-Molybdenum Project, Peru

**Report Prepared for**

## Duran Ventures Inc.




**Report Prepared by**

SRK Consulting (Canada) Inc.

3CD011.000

April 20, 2012

# Mineral Resource Technical Report for the Aguila Copper-Molybdenum Project, Peru

## Duran Ventures Inc.
Suite 710, 40 University Avenue
Toronto, Ontario, Canada
M5J 1T1
E-mail: info@duranventuresinc.com
Website: www.duranventuresinc.com
Tel: +1 416 867 1591
Fax: +1 416 479 4371

**SRK Consulting (Canada) Inc.**
Suite 2100, 25 Adelaide Street East
Toronto, Ontario, Canada
M5C 3A1
E-mail: toronto@srk.com
Website: www.srk.com
Tel: +1 416 601 1445
Fax: +1 416 601 9046

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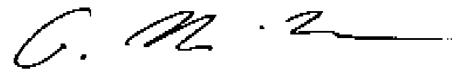
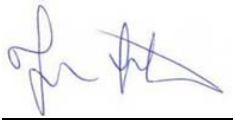
**Authored by:**



G. David Keller, P.Geo. (APGO#1235)
Principal Consultant (Resource Geology)

**Peer Reviewed by:**



Jean-François Couture, P.Geo. (APGO#0197)
Corporate Consultant (Geology)

Cover: Historical Aguila Open Pit, showing sites of active drilling in June, 2011.

# IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report for Duran Ventures Inc. (Duran) by SRK Consulting (Canada) Inc. (SRK). The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in SRK's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Duran subject to the terms and conditions of its contract with SRK and relevant securities legislation. The contract permits Duran to file this report as a Technical Report with Canadian securities regulatory authorities pursuant to National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Duran. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

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# Executive Summary

## Introduction

The Aguila Project is a copper-molybdenum exploration project, located in the Ancash region of Peru. Duran Ventures Inc. (Duran) owns 100 percent of the project through its wholly owned subsidiary company Minera Aguila de Oro S.A.C. (MADOSAC).

In March 2011, Duran commissioned SRK Consulting (Canada) Inc. (SRK) to visit the property and to prepare a geological and an initial mineral resource model for the Aguila Project. The Mineral Resource Statement reported herein represent the first mineral resource evaluation prepared for this project and was presented to Duran in a memorandum report and disclosed publicly in a news release dated March 8, 2012. This technical report was assembled in the SRK Toronto office during the months of March and April 2012.

The preparation of the initial Mineral Resource Statement was a collaborative effort between Duran and SRK personnel. The exploration database was compiled and maintained by Duran, and was audited by SRK. The geological model and outlines for the lithological contacts of two major intrusive units were constructed by Duran from a two-dimensional geological interpretation also undertaken by Duran. In the opinion of SRK, the geological model is a reasonable representation of the distribution of the targeted mineralization at the current level of sampling. The geostatistical analysis, variography and grade models were completed by SRK during the period of January 2012 to March 2012.

## Property Description, Location, Access and Physiography

The Aguila Project property can be accessed by paved and mountain gravel roads from various towns such as Chimbote to the west, Huarez in the south and Trujillo to the northwest.

Aguila Project concessions are held by MADOSAC, with all the resources reported in this report located on the solely-owned Pasacancha 1 and El Halcon concessions. The Aguila Project is located between 3,100 metres and 4,400 metres above sea level. The terrain is mountainous and varies from moderate to steep slopes. Natural vegetation consists of brush and grass. Sheltered areas at lower elevations support grazing and subsistence vegetable farming.

## Geology, Deposit Types and Mineralization

The Aguila property is located on a portion of the regional Antamina thrust and fold belt that trends northwest-southeast through the north central part of Peru. The property hosts a copper-molybdenum porphyry deposit. Stockwork veinlet and disseminated copper-molybdenum-silver mineralization is hosted by a hydrothermally altered monzonite to quartz monzonite stock, and metasomatized sedimentary rock.

The property is underlain mostly by clastic sedimentary units comprising of intercalated Jurassic to Lower Cretaceous quartzite, siltstone and shale. This package has been regionally compressed in a northwest-southeast direction, forming a northwest-trending fold-and-thrust belt. The Aguila intrusion is monzonite to quartz monzonite porphyry stock. The copper and molybdenum mineralization associated with the Aguila intrusion is middle Miocene to early Pliocene in age. The monzonite and quartz monzonite rock is the main host of the copper-molybdenum mineralization, but the alteration and copper-molybdenum mineralization halo extends well into the host sedimentary rocks.

Alteration and copper-molybdenum mineralization are typical of porphyry copper systems, with early potassic alteration locally overprinted by later, lower temperature intermediate argillic and phyllic alteration. Mineralization consists of disseminated and stockwork veinlet-hosted chalcopyrite, molybdenite, pyrite, pyrrhotite, and traces of bornite in monzonite intrusions. The strongest mineralization is associated with

potassic alteration. Significant copper and molybdenum mineralization is also found in altered sedimentary rocks near the contact with the main intrusion, and gradually diminishes away from this contact.

Sulphide mineralization is centred on the main Aguila intrusive body (Central Aguila Zone), where two phases of monzonite have been identified and described as PMZ1 and PMZ2. The mineralization consists of hypogene sulphides, with little or no development of supergene enrichments. The Pasacancha Zone is host to several polymetallic (silver-lead-zinc) veins and stockwork sulphide zones, which may be considered peripheral base metal mineralization related to the Aguila porphyry deposit. Base metal mineralization has not been evaluated in this study.

## Exploration

Over a six year period, Duran completed rock sampling, diamond drilling, geological mapping, property rock geochemical surveys and geophysical surveys over the Aguila and Pasacancha areas. From 2005 to 2006, Duran rehabilitated previously developed adits and crosscuts on the Aguila property.

A geochemical survey was conducted over the Pasacancha Zone in 2007. The survey covered an area of 1.5 kilometres by 1.5 kilometres. Duran collected 751 geochemical rock chip samples comprised of 544 grid samples and 207 samples collected from trenches.

A second geochemical survey was conducted over the Central Aguila, East and North Pasacancha zones in 2009. In 2009, Val d'Or Geophysics Ltd. (VDG), conducted ground magnetic, gamma radiometric spectrometry and three-dimensional induced polarization (IP) surveys over a 2,000 metres by 3,000 metres area covering the Aguila Southwest, Central, East and Pasencancha zones. Various exploration targets were identified by these geophysical surveys.

Duran completed a number exploration drilling campaigns over the property from 2007 to 2012 focused on the Aguila and Pasacancha zones. A total of 55 (25,601 metres) diamond drill core holes were completed on the Aguila area covering the East, Central and Southwest Zones. A total of eight (1,422 metres) diamond drill core holes were completed in the Pasacancha Zone.

## Drilling and Trenching

Drilling on the project comprised of early exploration drilling prior to historical mining operations (1971 to 1974), followed by exploration drilling by a Rio Tinto Exploration Ltd. joint venture (1998 to 1999) and finally by Duran (2007 to 2012). The total drilling database comprises information from 72 core boreholes (27,398 metres). Boreholes were generally drilled at azimuths of 070 degrees and 250 degrees at inclinations ranging from 45 to 80 degrees. Boreholes were drilled on lines spaced by 44 metres to about 130 metres.

Trenches in the Aguila East area trend in a southwest-northeast direction on sections 80 metres to 100 metres apart. Exploration procedures undertaken by Duran for the Aguila Project trenching, drilling, core handling, logging and database inputs meet industry standard best practice. SRK considers the exploration data collected by Duran to be of sufficient quality to support a mineral resource evaluation.

## Quality Assurance

No information is available for sample preparation and analyses undertaken on the project before Duran's involvement in 2007. For the period 2007 to 2008, split core were delivered to Inspectorate Services Peru SAC, located in Lima, Peru. The management system of the Inspectorate Lima laboratory is accredited to ISO 9001/12000 accredited laboratory. The laboratory is not accredited to ISO 17025 for copper and molybdenum analyses.

For the period 2009 to 2012, split core samples and all channel samples were submitted to ALS Minerals in Lima, Peru for sample preparation and analysis. The management system of this laboratory is accredited to ISO 9001:2000 and the laboratory is also accredited ISO 17025:2005 for certain testing procedures including copper and molybdenum analyses by atomic absorption and gold by conventional fire assaying..

SRK undertook a site visit to review the exploration database, data validation procedures, exploration procedures, define geological modelling procedures, examine drill core, interview project personnel and collect all relevant information for the preparation of a mineral resource model and the compilation of a technical report. Duran relied partly on the internal analytical quality control measures implemented by both Inspectorate and ALS Minerals. In addition, Duran implemented external analytical control measures on all diamond borehole sampling consisting of using control samples in all sample batches submitted for assaying, including field blanks, certified standards and field duplicates.

## Mineral Resources and Mineral Reserves Estimates

The database used to evaluate mineral resources for the Aguila deposit consists of 46 core boreholes (23,400metres) and 4 lines of channel samples (1,060 metres).

Core assay intervals were composited to an approximate length of 6.0 metres. SRK determined that capping was needed to limit the influence of high-grade composites. SRK examined three different spatial metrics for the purpose of quantifying spatial continuity: traditional variogram, correlogram, and normal scores variograms. SRK calculated and modelled the variograms using capped composite data.

A sub-blocked model was generated using CAE Studio 3. The block model coordinates are based on the local UTM grid (PSAD 56 datum, Zone 18). The parent block size is 12 metres by 12 metres by 12 metres. Sub-blocking was carried out to three levels in the X, Y and Z directions. Sub-blocks were assigned parent cell values.

The estimation strategy for the deposit consisted of ordinary kriging (OK) estimates for copper and molybdenum using a constrained estimate for the two intrusive units and an unconstrained estimate for the sedimentary unit. An average specific gravity value of 2.78 was assigned to each block in the model.

SRK classified the mineral resources into Indicated and Inferred categories based on the borehole spacing and copper estimation variance used to make a first run block estimate. Indicated categorization is based on areas where the borehole spacing is at about 100 metres or less, and has a copper estimation variance of less than 0.35. Further, the material classified as Indicated must form a contiguous minable unit in the deposit. All other blocks represent estimates with a lower level of confidence and are, therefore, classified as Inferred.

SRK considers that the Aguila deposit is amenable for underground and open pit extraction. To assist with the preparation of the mineral resource statement and the selection of appropriate reporting cut-off grade, SRK used a pit optimizer to identify which portions of the block model can be reasonably expected to be extracted from an open pit. The material outside the resulting conceptual pit shell was then considered available for underground extraction. After review, SRK considers that classified resource blocks with grades above 0.22 and 0.26 percent copper equivalent show reasonable prospect for economic extraction from open pit and underground, respectively.

## Mineral Resource Statement

The Mineral Resource Statement presented in Table i was prepared by G. David Keller, P.Geo. (APGO#1235), an independent Qualified Person as this term is defined in National Instrument 43-101. The effective date of the Mineral Resource Statement is March 8, 2012.

**Table i: Mineral Resource Statement* for the Aguila Copper-Molybdenum Project, Peru, SRK Consulting (Canada) Inc., March 8, 2012**

| Category | Quantity | Grade | | | Contained Metal | |
|---|---|---|---|---|---|---|
| | [000' tonnes] | Cu [%] | Mo [%] | CuEq [%] | Cu [Million lb.] | Mo [Million lb.] |
| **Open Pit Resources** | | | | | | |
| Indicated | 27,750, | 0.612 | 0.036 | 0.791 | 374.5 | 22.0 |
| Inferred | 299,640, | 0.264 | 0.019 | 0.357 | 1,743.9 | 125.5 |
| **Underground Resources** | | | | | | |
| Inferred | 55,880 | 0.320 | 0.033 | 0.477 | 394.2 | 40.7. |
| **Total Resources** | | | | | | |
| Indicated | 27,750 | 0.612 | 0.036 | 0.791 | 374.5 | 22.0 |
| Inferred | 355,520 | 0.273 | 0.021 | 0.376 | 2,138.2 | 166.2 |

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.22 percent copper equivalent and underground mineral resources are reported at a cut-off grade of 0.26 percent copper equivalent. Copper equivalent grades are based on metallurgical recovery of 87 percent for copper and 88 percent for molybdenum and metal prices assumptions of US$2.85 per pound of copper and US$13.85 per pound of molybdenum

## Conclusions and Recommendations

SRK draws the following conclusions regarding the Aquila Project:

- Mineral resources can be expanded by step out drilling at depth at a drilling spacing of 50 to 100 metres. The drill spacing is largely dependent on the confidence in the lateral distribution of the felsic intrusions hosting the copper-molybdenum mineralization;
- Mineral resources can also be expanded by exploration drilling in the Aguila East area and to the west;
- The confidence in the classification of the mineral resources can be improved with infill drilling; and
- The Aguila Project also contains the Pasacancha silver-lead occurrences and several other untested geophysical IP targets. Additional exploration is warranted to investigate those targets by drilling.

Exploration procedures and protocols used by Duran meet or exceed industry best practices. Duran should continue implementing these procedures as the project moves forward. SRK recommends the following exploration work be undertaken:

- Exploration drilling over Aguila and Aguila East Expansion area and closing off mineralization to the west of the Aguila area (8,000 metres);
- Exploration drilling on Pasacancha property targeting down dip silver-zinc-lead mineralization and geophysical IP targets (2,500 to 3,000 metres);
- Exploration drilling targeting geophysical IP targets other than above (1,000 metres);
- Revision to the geology and mineral resource models to consider new drilling information;
- Upon completion of the proposed drilling program and the preparation of a revised mineral resource model, Duran should consider completing engineering studies required to evaluate the economic viability of a mine at a scoping level and the preparation of a Preliminary Economic Assessment; and
- Commissioning environmental and social impact baseline studies.

The approximate cost of the recommended exploration program is estimated at US$5.45 million.

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# 1 Introduction and Terms of Reference

The Aguila Project is a resource development copper-molybdenum exploration project, located in the Ancash region of Peru (Figure 1). Duran Ventures Inc. (Duran) owns 100 percent of the project through its wholly owned subsidiary company Minera Aguila de Oro S.A.C. (MADOSAC).

An initial technical report on the Aguila property was compiled by Dahrouge Geological Consulting Ltd. (Dahrouge) in 2011, which documented exploration results to date. In March 2011, Duran commissioned SRK Consulting (Canada) Inc. (SRK) to visit the property and prepare a geological and mineral resource model for the Aguila Project. The services were rendered between June 2011 to March 2012, leading to the preparation of the initial Mineral Resource Statement reported herein that was disclosed publicly by Duran in a news release on March 8, 2012.

This technical report documents an initial Mineral Resource Statement for the Aguila Project prepared by SRK. It was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and Form 43-101F1. The Mineral Resource Statement reported herein was prepared in conformity with the Canadian Institute of Mining, Metallurgy and Petroleum's (CIM) *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines*.

## 1.1 Scope of Work

The scope of work, as defined in a letter of engagement executed on March 13, 2011 between Duran and SRK, includes the construction of a mineral resource model for the copper and molybdenum mineralization delineated by drilling on the Aguila Project and the preparation of an independent technical report in compliance with National Instrument 43-101 and Form 43-101F1 guidelines. This work typically involves the assessment of the following aspects of this project:

- Topography, landscape, access;
- Regional and local geology;
- Exploration history;
- Audit of exploration work carried out on the project;
- Geological modelling;
- Mineral resource estimation and validation;
- Preparation of a Mineral Resource Statement; and
- Recommendations for additional work.

## 1.2 Work Program

The Mineral Resource Statement reported herein was a collaborative effort between Duran and SRK personnel. The exploration database was compiled and maintained by Duran, and was audited by SRK. The geological model and outlines for the lithological contacts of two major rock units were constructed by Duran from a two-dimensional geological interpretation. In the opinion of SRK, that geological model is a reasonable representation of the distribution of the targeted mineralization at the current level of sampling. The geostatistical analysis, variography and grade models were completed by SRK during January 2012 and February 2012. The Mineral Resource Statement reported herein was presented to Duran in a memorandum report and disclosed publicly in a news release dated March 8, 2012. The technical report was assembled in SRK's Toronto office.

## 1.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed between June 18 and June 23, 2011, and on additional information provided by Duran throughout the course of SRK's investigations. Other information was obtained from the public domain. SRK has no reason to doubt the reliability of the information provided by Duran. This technical report is based on the following sources of information:

- Discussions with Duran personnel;
- Inspection of the Aguila Project area, including outcrop and drill core;
- Review of exploration data collected by Duran; and
- Additional information from public domain sources.

## 1.4 Qualifications of SRK and SRK Team

The SRK Group comprises of more than 1,200 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations on crucial issues. SRK has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with a large number of major international mining companies, SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The site visit, resource evaluation work and the compilation of this technical report were completed by G. David Keller, P.Geo (APGO #1235). By virtue of his education, membership to a recognized professional association and relevant work experience, Mr. Keller is an independent Qualified Person as this term is defined by National Instrument 43-101. The open pit optimization work completed to assist with the preparation of the mineral resource statement was completed by Mr. Goran Andric, P.Eng (APEO#100103151). Mr. Andric did not visit the property. Mr. Glen Cole, P.Geo (APGO #1416), Ms. Zoe Demidjuk and Ms. Sophia Karadov from the SRK Toronto office assisted with the compilation of the technical report. They have not visited the property.

Dr. Jean-Francois Couture, P.Geo. (APGO#0197), Corporate Consultant (Geology) reviewed drafts of this technical report prior to their delivery to Duran as per SRK internal quality management procedures. Dr. Couture did not visit the project site.

## 1.5 Site Visit

In accordance with National Instrument 43-101 guidelines, G. David Keller visited the Aguila Project on June 18 to 23, 2011 accompanied by Cary Pothorin, President of Duran and Joe Brunelle.

The purpose of the site visit was to review the exploration database, data validation procedures, exploration procedures, define geological modelling procedures, examine drill core, interview project personnel and collect all relevant information for the preparation of a mineral resource model and the compilation of a technical report.

The site visit also aimed at investigating the geological controls on the distribution of the copper and molybdenum mineralization in order to aid the construction of three-dimensional copper and molybdenum mineralization domains.

SRK was given full access to relevant data and conducted interviews with Duran personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

## 1.6 Acknowledgement

SRK would like to acknowledge the support and collaboration provided by Duran personnel for this assignment. Their collaboration was greatly appreciated and instrumental to the success of this project. Mr. Jeffrey Reeder, P.Geo (President and CEO), Steve Brunelle (Director) and Joe Brunelle (Mining Engineer) all contributed to this technical report.

## 1.7 Declaration

SRK's opinion contained herein and effective **March 8, 2012**, is based on information collected by SRK throughout the course of its investigations, which in turn reflect various technical and economic conditions at the time of writing this report. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Duran, and neither SRK nor any affiliate has acted as advisor to Duran, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

SRK was informed by Duran that there are no known litigations potentially affecting the Aguila Project.

# 2 Reliance on Other Experts

SRK has not performed an independent verification of land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but has relied on the legal opinion on the property by legal counsel for Duran, Alfonso J. Alvarez Yrigoyen of Estudio Alvarez Calderon Abogados, a lawyer registered with the Lima Bar Association in Peru as expressed in a legal opinion provided to Duran on March 20, 2012. A copy of the title opinions is provided in Appendix A. The reliance applies solely to the legal status of the rights disclosed in Sections 3.1 and 3.2.

# 3 Property Description and Location

## 3.1 Mineral Tenure

Duran formed Minera Aguila de Oro S.A.C. (MADOSAC), a Lima-based Peruvian exploration company, as the sole owner of the El Halcon concession and the operating vehicle for future exploration. Duran is the sole shareholder of MADOSAC, with the exception of a Hatum Minas S.A.C., another wholly-owned subsidiary of Duran, which holds one share for the purpose of compliance with Peruvian law.

The El Halcon concession was originally registered on May 18th, 1998, and has since been transferred by a series of public deeds to MADOSAC. The Pasacancha 1 concession was originally registered in January 30th, 1998, and has since been transferred by a series of public deeds to MADOSAC. In Peru, mineral claims are map-registered using a grid system based on the Provisional South American Datum 1956 (PSAD56).

The vertices of the claims that comprise the property are registered at the Instituto Geologico, Minero y Metalurgico (INGEMMET), and Superintendencia Nacional de Registros Publicos (SUNARP).

Mining titles in Peru are irrevocable and perpetual as long as the titleholder maintains annual payment to the Ministerio de Energia y Minas (Ministry of Energy and Mines). Titleholders must pay the annual maintenance fee of US$3 per hectare for each concession which is due on January 1st of each year, and must be paid before June 30 of each year.

The concession holder is given six years, from the year following the granting of title, to put the property into commercial production at a rate equal to US$100 per hectare in gross sales annually. If this deadline is not met, there is a US$6 per hectare/annum penalty in addition to the annual fee of US$3 per hectare. The penalty increases to US$20 per hectare in the 12th and later years.

Penalties are waived if it can be shown that investment in the concession has amounted to at least 10 times the penalties that would otherwise be levied. Failure to pay the annual fees or required penalties for two consecutive years results in cancellation of the concession. The term of a concession is indefinite provided it is properly maintained by payment of rental fees and fines.

The holder of a mining concession must develop and operate his/her concession in a progressive manner, in compliance with applicable safety and environmental regulations and with all necessary steps to avoid third-party damages. The concession holder must permit access to those mining authorities responsible for assessing that the concession holder is meeting all obligations.

Aguila concessions are tabulated in Appendix B and illustrated in Figure 2. The resources reported in this report are located on concessions Pasacancha 1 and El Halcon.

**Figure 1: Aguila Project Location**

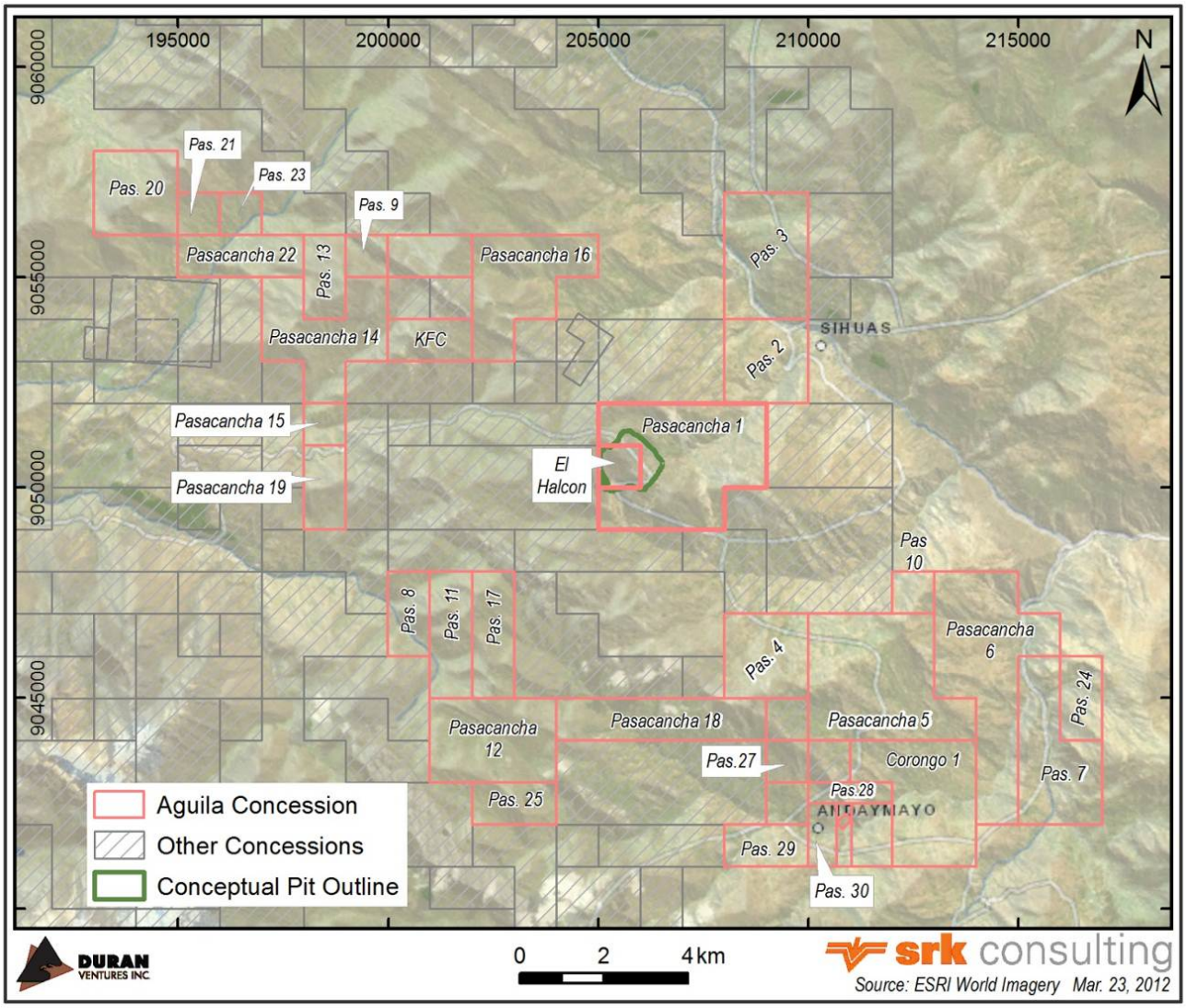



**Figure 2: Duran Ventures Inc. Concessions for the Aquila Project**

## 3.2 Underlying Agreements

The Aguila property concessions are held 100 percent in a Duran-owned Peruvian subsidiary (MADOSAC), subject to no third party agreements. There are no underlying royalties associated with this project.

## 3.3 Surface Rights

Surface rights at the Aguila Project belong to the Community of Juan Velasco of Pasacancha in the Province of Sihuas, located in the Department of Ancash. On January 12, 2011, the community signed a two-year surface rights contract with MADOSAC. The contract allows land access and exploration activities in accordance with the government-approved environmental permit. A pre-existing two-year contract was in place up to January 15, 2011. The terms that the community requested include annual cash payments, employment for community members, and several other minor obligations.

## 3.4 Royalties and Obligations

Peru established a sliding scale mining royalty late in 2004. Calculation of the royalty payable is made monthly and is based on the gross value of the concentrate sold (or its equivalent) using international metal prices as the base for establishing the value of metal. The sliding scale is applied as follows:

- First stage: up to US$60 million annual revenue; 1.0 percent of gross value;
- Second stage: in excess of US$60 million up to US$120 million annual value; 2.0 percent of gross Value; and
- Third stage: in excess of US$120 million annual value; 3.0 percent of gross value.

## 3.5 Permits and Authorization

The original permit was issued under previous legislation as a 'C Permit' in November 2008, but has been updated as a Semi-Detailed Environmental Impact Assessment Study (Category 2 Permit) to reflect current legislation, as requested by the DGAAM (General Direction of Environmental Studies for Mining), a part of the Peruvian Ministry of Energy and Mines. Final approval was granted on March 23, 2011.

The Category 2 Permit allows for up to 61,600 metres of diamond drilling from 77 platforms, and is valid for 23 months once drilling commences. In addition, the permit allows for the construction of access roads and drilling platforms, settling pits for drill fluids, the installation of a camp with sanitary facilities, septic system, water supply, and fuel storage.

Methods of waste disposal are specified, which mostly involve removal by approved companies. The Category 2 Permit includes a study at the level of archaeological prospecting. There were no significant archaeological sites encountered during this survey. Category 2 Permit conditions prohibit any surface disturbance within 50 metres of an archaeological site.

## 3.6 Environmental Considerations

Duran is not subject to any outstanding environmental liabilities on the concessions. Duran has no environmental responsibility for historic exploration and operational activities prior to their involvement on the project. All permits required for completed drilling have been issued in compliance with the Peruvian legal system and Duran remains in compliance with local authorities.

# 4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

## 4.1 Accessibility

The Aguila Project is located in Ancash Region of Peru. The property can be accessed by paved and mountain gravel roads from the west from the coastal town of Chimbote via secondary highway 102 over an approximate distance of 205 kilometres. The project can also be accessed by gravel road from the south from the town of Huarez via the national 3N Highway over an approximate distance of 205 kilometres.

The nearest major city to the project is the city of Trujillo. Trujillo is the third largest city in Peru with a population of about 812,000. It provides regional air service to the property from Lima, Peru's capital. Trujillo is approximately 130 kilometres by paved highway to the Aguila Project.

## 4.2 Local Resources and Infrastructure

Modest hotel accommodations are available in Sihuas, the capital of the district, which is about 6 kilometres from the Aguila property. The village of Pasacancha is located within the Pasacancha 1 concession, about 3 kilometres east-southeast of the Aguila Property and provides an excellent source of labour and geotechnical personnel. An active power line connected to the national grid traverses the Pasacancha 1 concession and was used during previous mining operations.

Water for drilling is locally available from surface drainages.

## 4.3 Climate

Annual temperatures range from -10°C to about 25°C with heavy precipitation during the rainy season between December and April.

## 4.4 Physiography

The Aguila property is located between 3,100 metres and 4,400 metres above sea level. The terrain is mountainous and varies from moderate to steep slopes. Natural vegetation consists of brush and grass. Sheltered areas at lower elevations support grazing and subsistence vegetable farming. Typical landscape on the project is illustrated in Figure 3.

**Figure 3: Aguila Project Open Pit Area Looking Southwest**

# 5 History

Exploration and mining of the Aguila property and surrounding areas started in 1928 with the exploitation of lead-zinc-silver veins in the Pasacancha area and continued through to 1962 (Ordez, 1974). Systematic exploration on the Aguila Project area started in 1971 with small scale production from an open pit operation that focused on an intrusive body. Production was terminated in 1976. Exploration of the property continued from 1996 onwards.

## 5.1 Previous Exploration and Development Work

### 5.1.1 Compañía Minera Yuravilca (1971 - 1993)

Surface exploration by Compañía Minera Yuravilca (Yuravilca) in the period from 1971 to 1974 comprised of surface diamond drilling, development of underground exploration drifts, and bulk sampling. Some geophysical surveys were conducted over the property, details of which were not available to SRK. The company began open pit production at the property with the construction of a mill in the early 1970s (Figure 4) with an open pit mining production rate of approximately 6,000 tonnes per day (McCrea, 2004).

In 1974, the mining was terminated because of financial problems. McCrea (2004) reports that there is no further documentation of exploration activity on the property by Yuravilca except for restaking of the property carried out by shareholders in 1993.

**Figure 4: Historical Mill Site Near the Aguila Open Pit**

### 5.1.2 MacMillan Gold Corp. (1997)

The Aguila property was acquired by MacMillan Gold Corp. (MacMillan) in 1997, following a site visit and an initial examination of the property. During that year, MacMillan commenced a program of land consolidation and property evaluation work.

### 5.1.3 Rio Tinto Exploration (1997 - 1999)

MacMillan formed a joint venture with Rio Tinto Exploration (Rio Tinto) in 1997 where Rio Tinto could earn 51 percent ownership of the property through undertaking US$4.5 million in exploration and a US$5 million payment to MacMillan. Rio Tinto conducted geological mapping, a magnetic survey over the El Halcon and adjacent Pasacancha 1 concessions with follow up drilling to confirm mineralization and to test geophysical targets beyond the porphyry. Rio Tinto terminated the joint venture in 1999.

### 5.1.4 MacMillan Gold Corp. (2000 - 2003)

In 2000, MacMillan acquired 100 percent of the remaining portion of the Pasacancha 1 concession from Inca Pacific Resources Inc. In 2003, MacMillan optioned the El Halcon and Pasacancha 1 concessions to Duran Ventures Inc.

# 6 Geological Setting and Mineralization

## 6.1 Regional Geology

The Aguila property is located on a portion of the regional Antamina thrust and fold belt that trends northwest-southeast through the north central part of Peru. The Antamina thrust and fold belt is flanked to the east by Precambrian metamorphic rocks of the Amazon basin and to the west by a regional geological trench and the Coastal Batholith. Mesozoic sediments of the Antamina thrust and fold belt are intruded by Cenozoic magmatic belts. A regional geological map of north central Peru is provided in Figure 5.

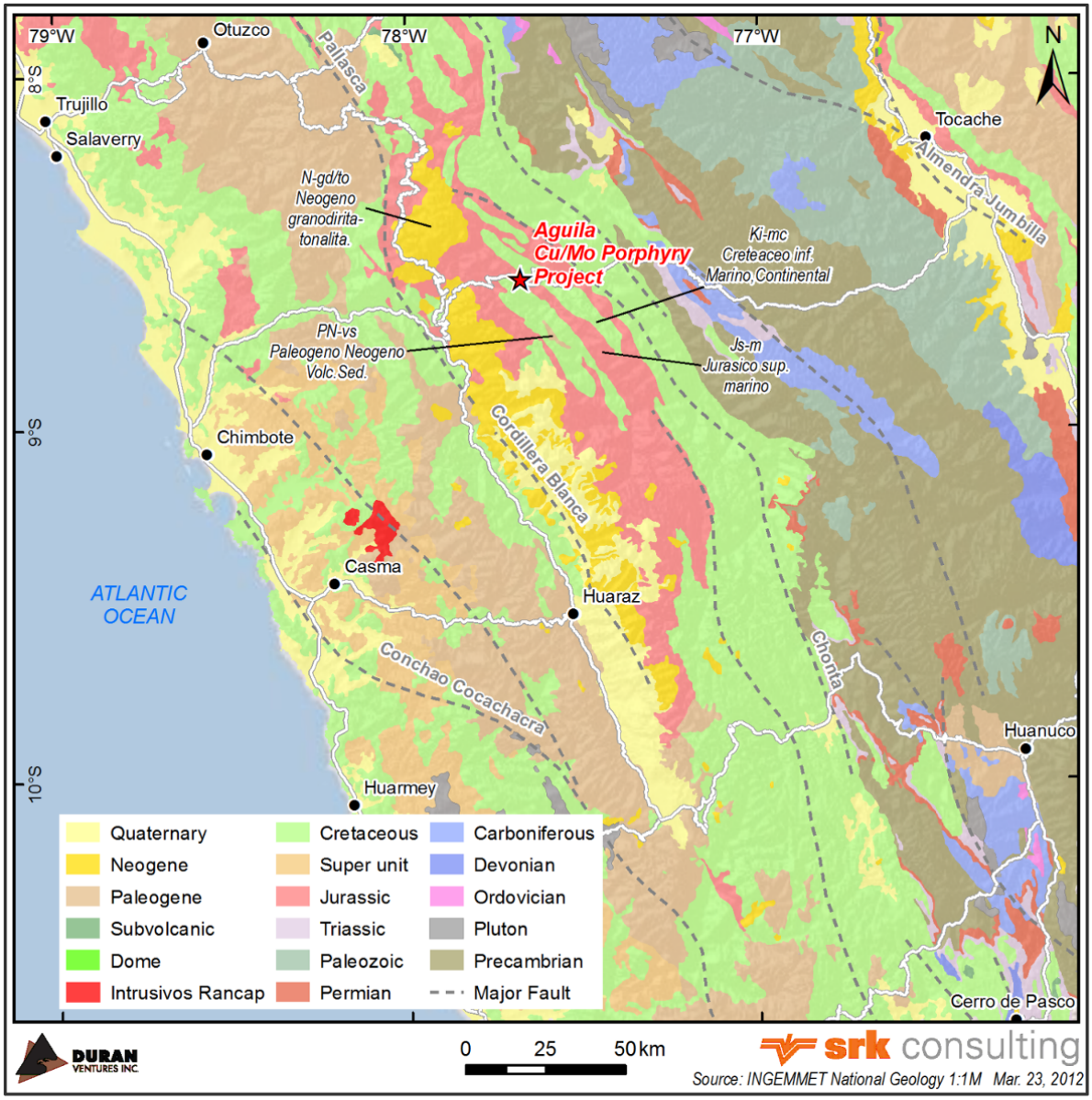



**Figure 5: Regional Geology Peru**

Copper deposits in the Andes are believed to be related to distinct regional Cenozoic magmatic belts developed in three distinct time periods (Sillitoe, 1988):

- Paleocene to early Eocene (66 to 52 million years [Ma]);
- Late Eocene to early Oligocene (42 to 31 Ma); and
- Middle Miocene to early Pliocene (16 to 5 Ma).

The Aguila intrusion is associated with the middle Miocene to early Pliocene period. Peterson (1999) has constrained the Aguila intrusion to the period 10 to 15 Ma. The Cordillera Blanca Batholith was emplaced west of Aguila during the late Miocene.

## 6.2 Property Geology

The predominant lithologies on the Aguila Project confirm the regional mapping of the INGEMMET. The property is underlain mostly by clastic sedimentary units of the Jurassic Chicama and Lower Cretaceous Goyllarisquizga Group. Both are packages of intercalated clastic sedimentary rock ranging from quartzite to siltstone to shale. This package has been regionally compressed in a northwest-southeast direction, forming a northwest-trending fold-and-thrust belt. The Aguila intrusion, a monzonite to quartz monzonite porphyry intrusive stock, forms a steeply southwest-plunging stock or pipe on the property that has been drill tested to a vertical depth of over 900 metres. Several smaller satellite intrusive bodies with anomalous copper mineralization on the surface are found over an area of approximately 1,500 metres by 600 metres, elongated in an east-northeast orientation. These satellite intrusive bodies form relatively smaller stocks, dykes, and sills that often follow sedimentary bedding planes, and which include the Aguila East and Aguila West areas.

The monzonite and quartz monzonite intrusive rock is the main host to the copper-molybdenum mineralization, but the alteration and copper-molybdenum mineralization halo extends well into the host sedimentary wall rocks. There are several related phases of intrusive activity, as indicated by differences in texture, alteration and mineralization intensity, and crosscutting relationships. The porphyritic intrusive rocks are part of a regional-scale event, which includes emplacement of the mineralized intrusive bodies at Aguila, Racaycocha, and Mamaniña over a 14-kilometre northwest-southeast strike length. Clark (2008) indicates that the Aguila intrusive rocks have been age-dated at 14.49 +/- 0.21 Ma through a 40Ar/39Ar dating procedure, which would confirm the age as Miocene. There is a strong component of structural control, with a regional northwest-trending fold and fault belt cut by local northeast-trending cross structures. These cross structures appear to exert some control on the emplacement of the intrusive bodies.

Peripheral and related lead-zinc-silver base metal mineralization also occurs in the area, notably in the Pasacancha Zone roughly 2 kilometres to the east of Aguila on the company's property. A map showing local geology is provided in Figure 6. In addition, two illustrative geological cross-sections across the Aguila deposit are provided in Appendix C.

The observed alteration and copper-molybdenum mineralization in the deposit are typical of porphyry copper systems, with early potassic alteration locally overprinted by later, lower temperature intermediate argillic and phyllic alteration. The alteration assemblages are present in both the monzonite intrusive bodies as well as the host sediments. Copper-molybdenum mineralization occurs in both units as stockwork and disseminated mineralization, with chalcopyrite and molybdenite as the most common ore-bearing minerals.

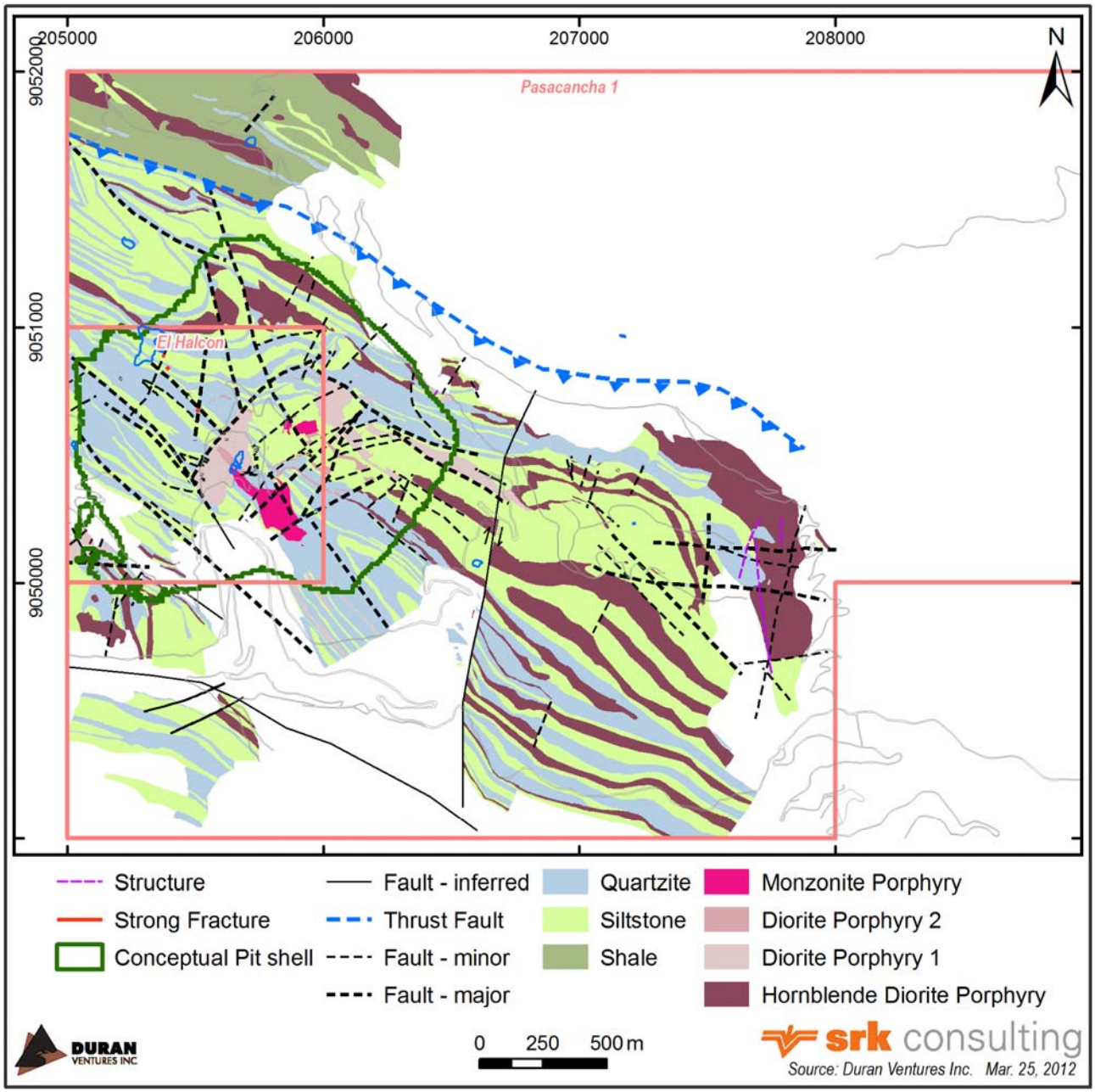



**Figure 6: Local Geology Setting**

### 6.2.1 Sedimentary Lithologies

The Upper Jurassic Chicama Formation consists of interbedded shale, fine sandstone, and quartzites. The shale is often carboniferous, and contain pyrite and ferruginous nodules.

The Lower Cretaceous Goyllarisquizga Group is comprised of several different sedimentary clastic formations, including the Santa, Carhuaz, Farrat, and Chimu Formations. These formations are the most common in the project area and consist of interbedded quartzite, sandstone and siltstone, locally with layers of coal and shale (Figure 7). The quartzite is light grey to white, medium grained

and massive. When in contact with intrusive units, quartz-molybdenite veinlets in fractures are common. The dark grey siltstone is fine-grained and laminated. When in contact with the intrusive rocks, it alters brown, mainly due to the presence of secondary biotite and phlogopite and common quartz-calcite veinlets.

**Figure 7: Typical Sedimentary Unit**

Borehole 07AGD005, 129.2-130.9 metres, stock work mineralization with vuggy quartz veinlets, pyrite + chalcopyrite trace molybdenite mineralization, 1 to 2% chalcopyrite. Interval 129.0-132.0 metres, 0.19% copper and 0.02% molybdenum.

### 6.2.2 Intrusive Lithologies

The predominant intrusive rock type is quartz monzonite in composition with a porphyritic texture. Plagioclase phenocrysts compose 20-32 percent of the rock and are up to 4 millimetres in length. Biotite and relict hornblende also occur as larger crystals. The matrix is composed of quartz and potassic feldspar, often with considerable fine secondary biotite.

Four phases of the quartz monzonite have been differentiated in the Aguila area:

1. Monzonite Porphyry 1 (PMZ1) - light grey to brown colour, with a medium to coarse grained porphyritic texture, contains plagioclase phenocrysts < 4 millimetres, and mafic minerals of 0.5 millimetres to 1 millimetres. This intrusive rock contains multidirectional quartz veinlets with chalcopyrite-pyrite-molybdenite mineralization. Deeper and lateral veinlets often contain pyrite-pyrrhotite-sphalerite, and galena locally. The rock commonly shows moderate to intense potassic alteration, with matrix and veinlet controlled potassium feldspar and fine secondary biotite.

2. Monzonite Porphyry 2 (PMZ2) - light grey to grey-brown with a porphyritic texture (Figure 8). This unit is characterized by weak to moderate potassic alteration, with some matrix and veinlet controlled potassium feldspar and fine secondary biotite. Veinlet hosted and disseminated mineralization is similar to the above, but often weaker in intensity.

**Figure 8: Typical Monzonite Rock Unit (PMZ2)**

Borehole 07AGD005, 194.2-195.7 metres, stock work mineralization, 1 to 2% disseminated pyrite, 1% molybdenite, trace chalcopyrite.

3. Monzonite Porphyry (PMZ3) - white grey and a holocrystalline porphyritic texture, medium-grained matrix, and characterized by the presence of primary horblende and biotite. This intrusive rock occurs as sills and dykes, typically 2 metres to 20 metres thick, with weak chloritic to locally phyllic alteration. In the area of Pasacancha, it is host to silver-lead-zinc-copper veins and stockworks.

4. Intrusive Breccia (IBX) - often occurs at or near sedimentary-intrusive contacts, and is composed of fragments of sedimentary wall rock in a monzonite porphyry matrix. The breccias can be matrix or clast-supported (Figure 9).

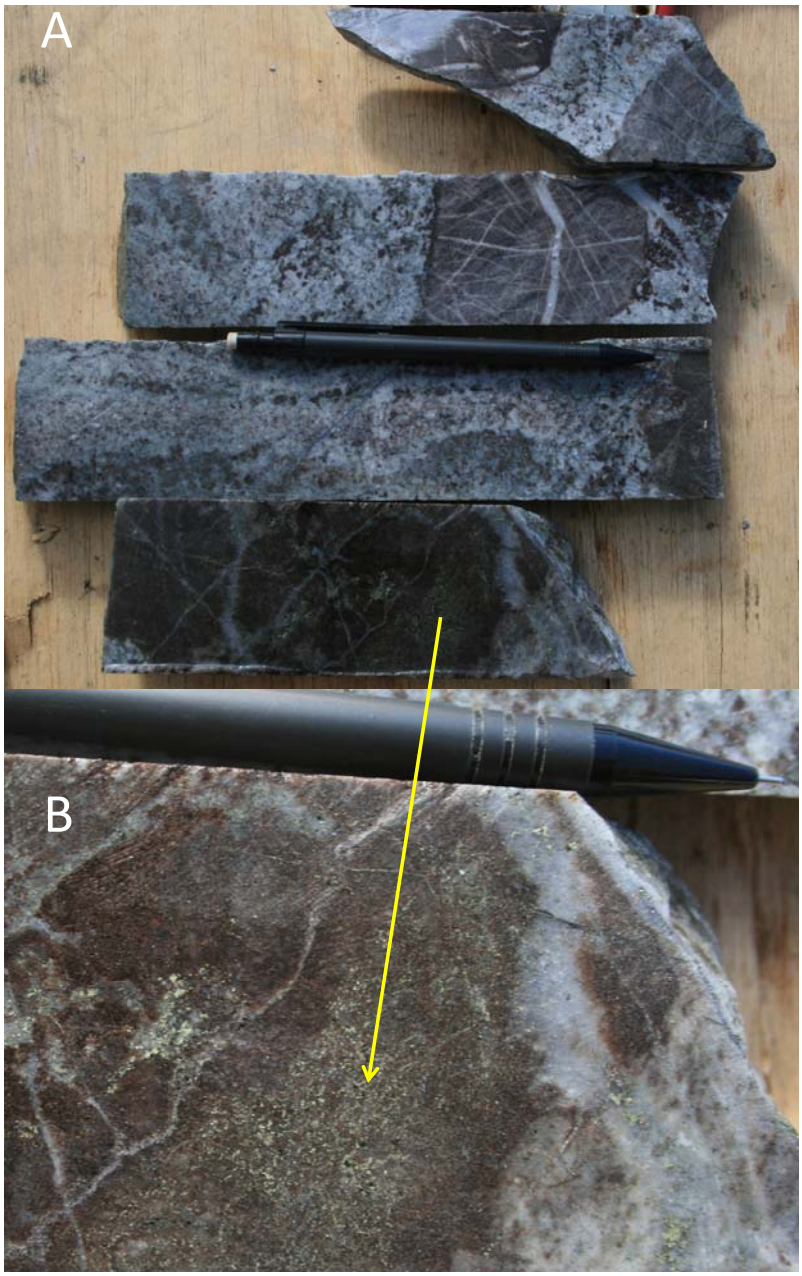



**Figure 9: A: Typical Breccia Unit**

Borehole 08AGD018, 428.5 to 430.0 metres. Interval 428.5 to 430.0 metres, 0.80% copper, 0.05% molybdenum. B: Inset, locally 5 to 7%, fine to very finely disseminated pyrite and chalcopyrite.

### 6.2.3 Quaternary Deposits

Fluvial and glacio-fluvial Quaternary deposits are common in the project area. These deposits are evidenced by the presence of fluvial terraces distributed along all major rivers and minor tributaries. Glacial moraines are also present in the Aguila area, often with rounded boulders of both sedimentary and intrusive material up to 1 metre in diameter. There is abundant Quaternary colluvium from normal weathering processes, present as soil and colluvial fans.

### 6.2.4 Alteration

The alteration assemblages in the Aguila area are consistent with a porphyry copper-molybdenum deposit, with a core potassic alteration zone and peripheral phyllic alteration zone.

Within monzonitic intrusive rock, the potassic alteration assemblage typically includes fine-grained brown biotite and K feldspar. These are introduced in both the matrix and along quartz-K feldspar-sulphide veinlets, which form stockworks in the intrusive rock. Ross (2011) notes that the high temperature potassic alteration is well preserved in the main Aguila intrusive, with only local minor later-stage overprinting.

Phyllic alteration is seen mostly as a later stage overprint, and is composed of sercite-clay-quartz-chlorite. This alteration style is seen more in the Aguila East and especially the Pasacancha areas (located some 2 kilometres to the east of the main Aguila zone).

An extensive alteration halo within the sedimentary host rock extends from the contact with the Aguila intrusive body. The sediments are commonly hornfelsed and altered, often with strong quartz-K feldspar-sulphide stockwork zones. The quartzite units also host quartz-K feldspar-sulphide stock-working in places. The siltstones commonly display very fine matrix biotite +/- K feldspar alteration along with quartz-K feldspar-sulphide stockwork veinlets. Ross (2011) notes that biotite-pyrrhotite hornfels halo is present around the Aguila intrusive body.

### 6.2.5 Structural Geology

The Aguila Project is located to the northeast of the coastal batholith of the Cordillera Blanca. The property is underlain mostly by clastic sedimentary units of the Jurassic Chicama and Lower Cretaceous Goyllarisquizga Group. This sedimentary rock package has been regionally compressed and shortened in a northwest-southeast direction due to the Miocene Andean Orogeny, forming a northwest-trending thrust-and-fold belt. Fold axes and local thrust faults share the northwest-southeast orientation. Coeval magmatism related to this orogeny is responsible for emplacement of the Aguila and related intrusive bodies. The strike of the regional fabric varies from 300 degrees to 330 degrees.

A second fracture and fault system is oriented perpendicular to the above, typically with a northeast-southwest orientation. This may be considered a conjugate set to the above system. The northeast-southwest oriented structures include fracture sets and normal faults, which vary in strike from 010 degrees to 080 degrees. This structural orientation is thought to be important in the emplacement of the Aguila intrusive body, as it is elongated in a northeast-southwest orientation.

One strong thrust fault has been mapped on the property and was also intersected in a diamond drill borehole in the Pasacancha area (Borehole 08PAS002). This fault has a north-west strike (approximately 300 degrees) with a shallow dip to the southwest. This fault has not been intersected in any Aguila area boreholes to date.

## 6.3 Mineralization

Mineralization on the Aguila Project consists of disseminated and stockwork veinlet-hosted chalcopyrite, molybdenite, pyrite, pyrrhotite, and traces of bornite in monzonite intrusions (Figure 10 and Figure 11). The strongest mineralization is associated with potassic alteration in the Aguila and related intrusive bodies. Significant copper and molybdenum mineralization is also found in altered sedimentary rocks near the contact with the main intrusion, which gradually diminishes away from this contact. The section below describes the various mineralized zones on the Aguila Project (Duran Ventures, pers comm).

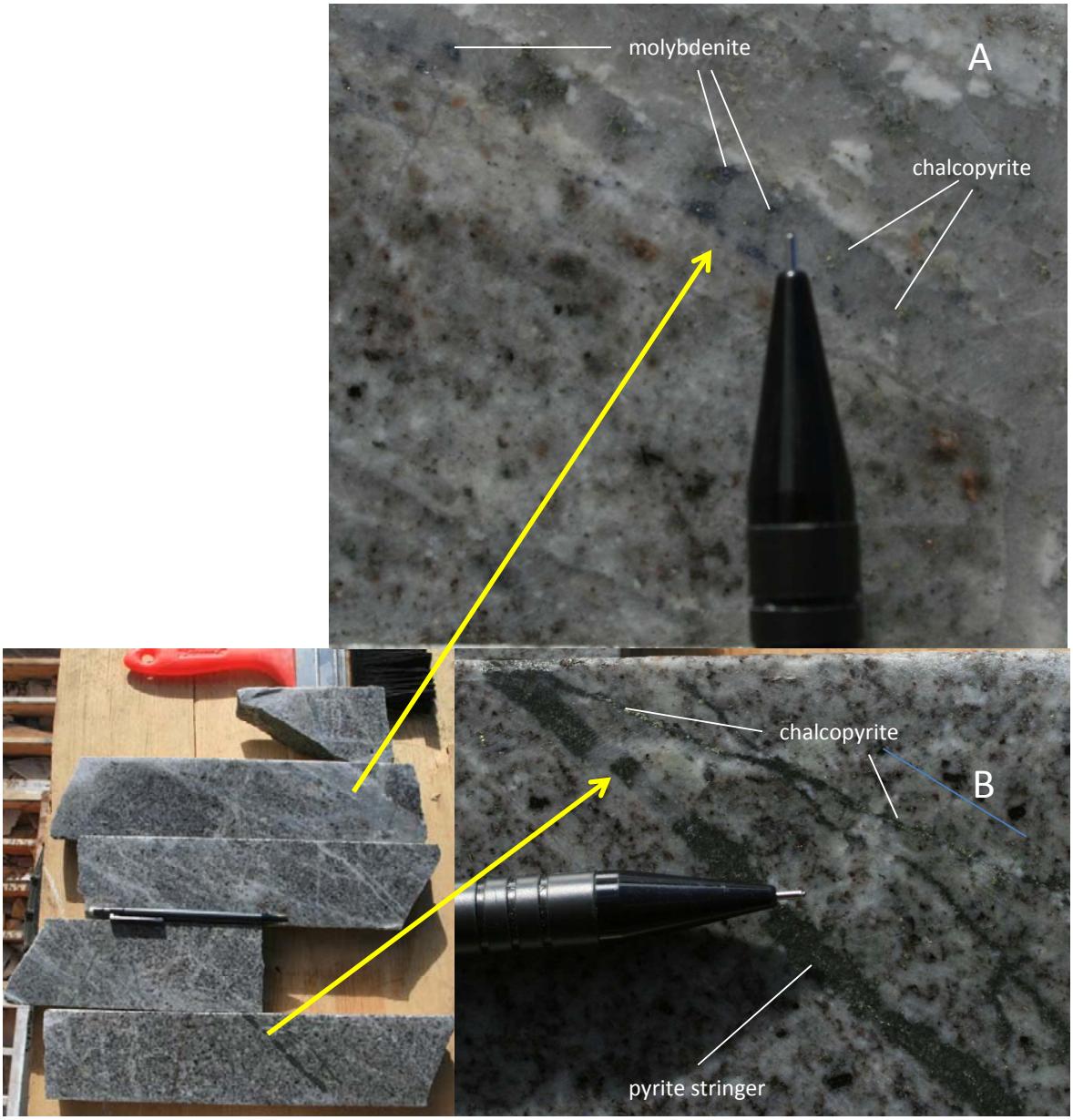



**Figure 10: Typical Diorite (PMZ1) Unit Stock Work and Disseminated Sulphide Mineralization**

Borehole 11AGD018, 116.3 to 119.0 metres.

A: Fine disseminated molybdenite and chalcopyrite mineralization.

B: Pyrite veinlet with chalcopyrite. Interval assayed at 0.16% copper and 0.03% molybdenum.

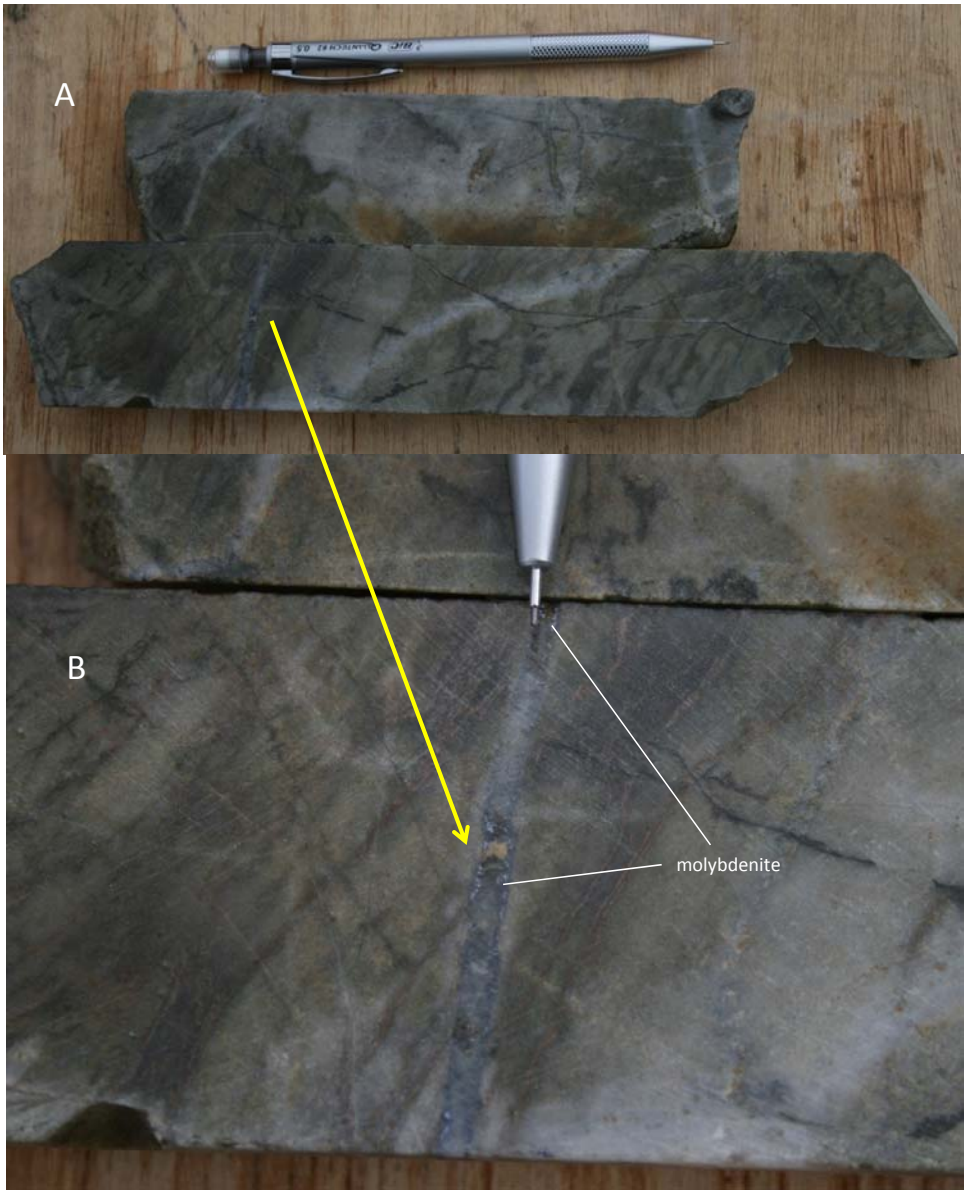



**Figure 11: Typical Sediment Unit Mineralization**

Borehole 08AGD012, 327.6 to 328.1 metres, primarily mudstone and shale.

B: Stock work mineralization, quartz veinlet with molybdenite. Interval 326.7 to 329.0 metres, 0.10% copper and 0.08% molybdenum.

### 6.3.1 Central Aguila Zone

The Central Aguila Zone monzonite and quartz monzonite is host to the strongest copper-molybdenum mineralization. The strongest sulphide mineralization is associated with potassic alteration consisting of biotite-K feldspar-stockwork quartz veinlets in the monzonite. Alteration and sulphide mineralization does extend well into the host quartzite and siltstone.

Sulphide mineralization occurs as disseminations and stockwork quartz, quartz-carbonate, and quartz-kspar-sulphide veinlets. The most common sulphide minerals are pyrite, pyrrhotite,

chalcopyrite, molybdenite, and local trace amounts of bornite. Minor quartz-sphalerite-galena veinlets occur some distance from the main Aguila, possibly indicating limits on the copper-molybdenum mineralization.

### 6.3.2 Aguila East Zone

The Aguila East Zone is located approximately 400 metres to the east of the Central Aguila Zone, with outcrop dimensions of approximately 300 metres by 200 metres. The host rock is monzonite porphyry similar to the Central Aguila Zone. The zone consists of disseminated pyrite and chalcopyrite, with moderate potassic alteration consisting of secondary biotite and widely dispersed quartz-feldspar-sulphide stockwork.

### 6.3.3 Aguila West Zone

The Aguila West Zone is located approximately 600 metres to the southwest of the Central Aguila Zone, with surface outcrop dimensions of approximately 100 metres by 100 metres. Sampling of Borehole 10AGD017 suggests a northwest-southeast orientation. The mineralization consists of chalcopyrite, pyrite, pyrrhotite and molybdenite, which occur as disseminations and veinlets. The mineralization is hosted within a monzonite porphyry unit with moderate to strong potassic alteration. Underground chip sampling encountered grades of 0.34 percent copper and 95.9 parts per million (ppm) molybdenum across 30 metres, and Borehole 10AGD017 intersected grades of 0.364 percent copper across 147 metres.

### 6.3.4 Pasacancha Zone

The Pasacancha Zone is located approximately 2,000 metres to the southeast of the Central Aguila Zone. The zone is hosted within phyllic altered monzonite porphyry, with plagioclase, hornblende and biotite in a fine-grained matrix. Mineralization consists of vein and stockwork zones with sphalerite, galena, argentine, pyrite and pyrrhotite. One borehole from 2008 (08PAS004B) intersected 104.15 metres of 35.3 grams of silver per tonne (gpt silver), 0.37 percent lead and 0.70 percent zinc.

# 7 Deposit Types

The exploration target at the Aguila property is a copper-molybdenum porphyry deposit. Stockwork veinlet and disseminated copper-molybdenum-silver mineralization is hosted by a hydrothermally altered monzonite to quartz monzonite stock, and metasomatized sedimentary host rock.

Mineralization at the Aguila property as identified to date is centred on the main Aguila intrusive body (Central Aguila Zone), where two phases of monzonite have been identified and described as PMZ1 and PMZ2. The mineralization at Aguila appears to consist of primary sulphides, with little or no development of supergene-style mineralization.

The Pasacancha Zone (Pasacancha 1 claim) of the Aguila property is host to several polymetallic (silver-lead-zinc) veins and stockwork sulphide zones, which may be considered peripheral base metal mineralization related to the Aguila porphyry deposit.

# 8 Exploration

Over a six year period, Duran completed rock sampling, diamond drilling, geological mapping, property rock geochemical surveys and geophysical surveys over the Aguila and Pasacancha areas. Details of these exploration programs are described in McCallum (2011). From 2005 to 2006, Duran rehabilitated previously developed adits and crosscuts on the Aquila property. A total of about 175 metres on Level 3895 metres and 740 metres on Level 3860 metres were rehabilitated. Channel samples were collected at Aguila and the Pasacancha silver-lead-zinc workings. Samples were collected by making a parallel series of cuts into the sidewall with a diamond saw, 2 centimetres deep and 5 centimetres apart. Samples were then collected at a spacing of 3 metres.

A geochemical survey was conducted over the Pasacancha Zone in 2007. The survey covered an area of 1.5 kilometres by 1.5 kilometres. Duran collected 751 geochemical rock chip samples comprised of 544 grid samples and 207 samples collected from trenches. The survey identified significant silver and lead anomalies in the north eastern portion of the grid. A second geochemical survey was conducted over the Central Aguila, East and North Pasacancha zones in 2009. Samples consisted of chip samples and grab samples collected over these areas. The survey confirmed copper and gold mineralization in the Central, East and West Aguila zones. Gold anomalies were identified at Aguila North and Pasacancha Zones. In 2009, Val d'Or Geophysics Ltd. (VDG), based in Val d'Or, Quebec, conducted ground magnetic, gamma radiometric spectrometry and three-dimensional induced polarization (IP) surveys over a 2,000 metres by 3,000 metres area covering the Aguila Southwest, Central, East and Pasencancha zones. The survey covered approximately 74 kilometres of magnetic surveys at 100 metres line spacing, 72 kilometres of radiometric surveys (also at a line spacing of 100 metres), and 41 kilometres of IP surveys at a line spacing of 200 metres. Data from these surveys were processed and interpreted by S.J.V. Consultants Ltd. (SJV) based in Delta, British Columbia. Exploration targets identified by the surveys include:

- A large (800 metres x 600 metres) resistivity low is located in the area beneath the Central Aguila and Aguila East zones;
- A large cylindrical chargeability anomaly that is prominent at depth (400 metres), located to the east of the Central Aguila Zone. This anomaly is coincidental with the resistivity anomaly. Several other isolated chargeability anomalies occur in the Pasacancha and Aguila West zones;
- A cluster of high-frequency anomalies are interpreted as dykes that radiate around the Central Aguila Zone. The broad magnetic susceptibility low area surrounding the Central Aguila Zone confirms the interpretation of an alteration zone centred in that area, three-dimensional modelling of the magnetic susceptibility by SJV produces a deep-sourced, pipe-like magnetic susceptibility low that correlates with both of the resistivity low and chargeability anomalies; and
- The radiometric surveying identified surface anomalies of high-potassium concentrations in all of the known mineralized zones.

Duran completed a number exploration drilling campaigns over the property from 2007 to 2012 focused on the Aguila and Pasacancha zones. A total of 55 core boreholes (25,601 metres) were completed on the Aguila area covering the East, Central and Southwest Zones. A total of 8 core bore holes (1,422 metres) were completed in the Pasacancha Zone. In addition to core drilling, Duran also completed trench samples along an outcrop in the Aguila East Zone.

# 9 Drilling and Trenching

Drilling on the project comprised of early exploration drilling prior to historical mining operations, followed by exploration drilling by a Rio Tinto Exploration Ltd. joint venture and finally by Duran. A summary of drilling completed on the project to 2012 is summarized in Table 1.

**Table 1: Summary of Drilling for the Aguila Project from 1971 to 2012**

| Company | Year | Borehole Numbers | Target Area | No. of Holes | Drilled Distance (m) |
|---|---|---|---|---|---|
| Minera Yuravilca | 1971 | 1-12 | Aguila Zone | 12 | 155 |
| Rio Tinto Exploration | 1998 | AGD001 | Aguila Zone | 1 | 400 |
| | 1999 | AGD002-AGD005 | Aguila Zone | 4 | 1,242 |
| Duran Ventures | 2007 | 07AGD001-07AGD005 | Aguila Zone | 5 | 2099 |
| | | 07PAS001-07PAS001B | Pasacancha Zone | 3 | 193 |
| | 2008 | 08AGD004A-08AGD014 | Aguila Zone | 12 | 5,693 |
| | | 08PAS002-08PAS004A | Pasacancha Zone | 5 | 1,229 |
| | 2009 | 09AGD015 | Aguila Zone | 1 | 444 |
| | 2010 | 10AGD016-10AGD017 | Aguila Zone | 2 | 768 |
| | 2011-12 | 11AGD018-11AGD044 | Aguila Zone | 27 | 15,175 |
| **Total** | | | | **72** | **27,398** |

## 9.1 Drilling

### 9.1.1 Compañía Minera Yuravilca (1971 - 1974)

Compañía Minera Yuravilca completed 12 core boreholes on the Aguila Project (1,289 metres) according to McCrea (2004). There is limited information available about the drilling program and the exact location of the boreholes is not known. There is no documentation available on drilling procedures used by Minera Yuravilca.

### 9.1.2 Rio Tinto Exploration Ltd. (1998 - 1999)

As part of a joint venture agreement between Rio Tinto and MacMillan, Rio Tinto drilled five core boreholes on the Aguila property (1,642 drilled metres). Very limited documentation is available on drilling procedures used by Rio Tinto for these boreholes.

### 9.1.3 Duran Ventures Inc. (2007 - 2012)

Duran completed a total of 55 core boreholes (25,601 metres) over the Aguila Project from the 2007 to 2012. Drilling on the Aguila Project comprises of 47 core boreholes (24,179 metres) in the Aguila zones and eight boreholes (1,422 metres) in the Pasacancha Zone (Table 1).

For the drilling campaign in the Aguila and Pasacancha zones, Duran contracted Geodrill S.A. of Arequipa, Peru from April 2007 to July 2007 and Iguana Drilling of Lima, Peru for the period November 2007 to November 2008. In both cases, Longyear 44 drilling equipment was used. For the drilling campaign in the Pasacancha Zone, Duran also contracted Perfomin of Arequipa, Peru during

December 2008 who utilized a Longyear 44 drill. Drilling equipment used over these periods consisted of HQ and NQ core drilling equipment.

From 2009 through to 2012, Duran contracted Energold Drilling S.A.C. from Lima, Peru to complete all drilling on the Aguila and Pasacancha zones using modular EGD drilling rigs, which are man portable. HQ, NTW coring equipment was used mainly, BTW equipment was used for deeper boreholes.

Borehole collars were located in the field by Duran geologists using grid coordinates or a handheld GPS. All borehole collars were surveyed using a total station survey equipment. Down hole surveys were conducted by the drilling contractor using a Flexit tool. Down hole surveys were completed at 50-metre intervals for all boreholes. Coordinates were surveyed using the local UTM grid (PSAD 56 datum).

After the completion of each borehole, each collar position was marked with flat concrete slabs. Borehole collar coordinates, borehole azimuth, inclination and total depth were marked on the slab. A typical collar marker is presented in Figure 12.

**Figure 12: Borehole Collar Marker**

An overview of the drilling operations at the time of the SRK site visit in June 2011 is illustrated in Figure 13. Detailed photographs of the three active drilling rigs are provided in Figure 14 through Figure 16.

**Figure 13: Overview of Active Drilling at the Aguila Deposit (Aguila Pit Looking West)**

**Figure 14: Drilling Operations at Borehole 11AG023**

**Figure 15: Drilling Operations at Borehole 11AG024**

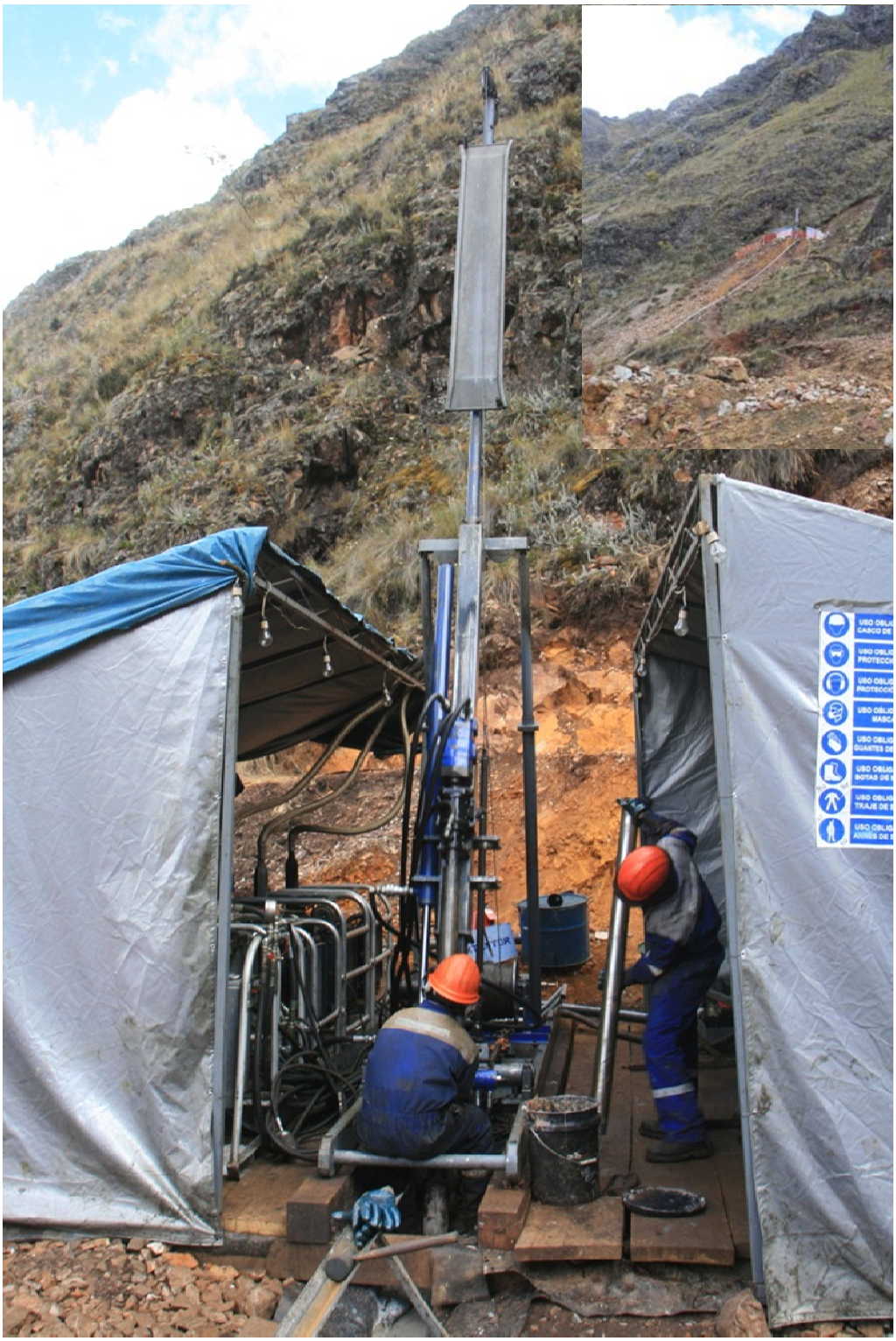


**Figure 16: Drilling Operations at Borehole 11AGD025**
Inset: Location of Drilling Platform

## 9.2 Trench Samples

Duran completed trenching over the Aguila deposit, sampling surface or near surface rock exposures. A total of 4 lines of channels samples were completed, 3 at Aguila East and one at Aguila West. A photograph of a typical trench channel sample line is shown in Figure 17. Channel sampling line details are below:

- AE10000, 356 metre length, azimuth 225 degrees, 261 samples;
- AE10100, 278 metre length, azimuth 250 degrees, 194 samples;
- AE10100, 239 metre length, azimuth 225 degrees, 81 samples;
- AW10000, 166 metre length, azimuth 250 degrees, 116 samples.

**Figure 17: Typical Trench Channel Sample at Aguila East**

## 9.3 Drilling and Trenching Pattern and Density

Boreholes on the Aguila property were generally drilled at azimuths of 070 degrees and 250 degrees with borehole inclinations ranging from 45 degrees to 80 degrees (Figure 18). Boreholes were drilled on lines spaced from 44 metres to about 130 metres apart. Borehole depths ranged from approximately 90 metres to 1000 metres. Borehole 11AGD029 was drilled at an azimuth of 180 degrees and an inclination of about 60 degrees to a depth of 1000 metres.

Trenches in the Aguila East area trend in a southwest-northeast direction. The trenches are spaced at about 80 metres to 100 metres apart. Only one trench, AW10000, was developed in the Aguila West Zone. This trench also trends in a southwest-northeast direction.

## 9.4 Sampling Approach and Methodology

### 9.4.1 Drilling Sampling

Limited information is available for Yuravilca or Rio Tinto borehole sampling approach and methodologies.

For the Duran programs, all drill core was transported from drilling sites to the Duran core shed at the end of each shift by drilling contractors. All Duran core is HQ, BQ or BTW size. As core arrived in the core shed, each core was photographed in the core box, and indicating date, borehole number, box numbers and meterage of core in each box. Duran geologists logged the drill core according to geological and geotechnical features, including coded logs and detailed description of geology. Geological coding used by Duran includes 17 lithological codes, alteration type with distribution and intensity modifiers, mineralization type and predominant minerals, structure type and orientation. Geotechnical logging consisted of intensity codes for rock strength fracture conditions and weathering. Logging was completed by Duran geologists directly into notebook computers. Drill logs were checked by the project chief geologist before entry into the borehole database.

Once logging was completed, core was marked with a wax marker for sampling by technical staff. Sample tickets were inserted by geologists for each sample. Most of the core from each borehole was sampled unless the core was clearly unmineralized. Drill core from boreholes 07AGD001 to 10AGD017 was sampled at 3-metre intervals. Subsequent drilling from 11AGD18 was sampled at 1.5-metre intervals. All sample intervals were terminated at lithological boundaries.

Core intervals for sampling were cut by technical staff using diamond saws. Each split core interval was placed in single use canvas bags with a sample tag placed inside the bag and sample number marked on the bag with a permanent marker pen. Aluminum tags were stapled into core box sample locations as permanent markers for sample information. Sample bags were placed in plastic barrels and sealed prior to shipping. All samples were transported in company vehicles from the project site to the ALS Minerals preparation laboratory in Trujillo, Peru or transported directly to the ALS Minerals laboratories in Lima, Peru.

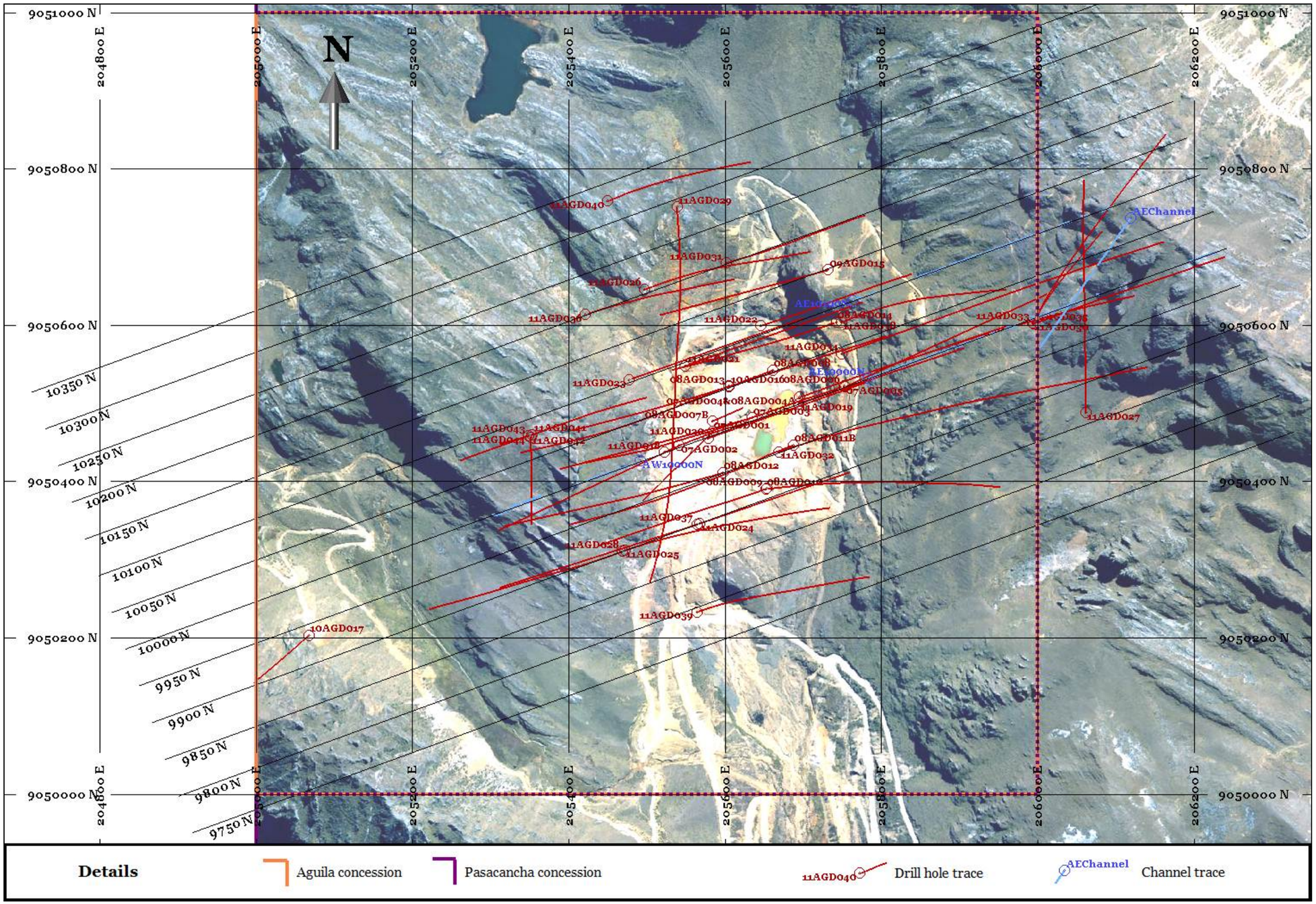



**Figure 18: Map Showing the Distribution of Drilling and Trenching**

### 9.4.2 Trench Sampling

Channel samples were collected from all trenches with near or surface exposures of rock. Samples were collected by making 2 cuts into the surface outcrop spaced 4 centimetres to 5 centimetres apart using a portable diamond saw. Then, using a hammer and chisel, a continuous sample approximately 2 centimeters to 3 centimeters deep was removed from the outcrop providing continuous rock sample of approximately the same volume. Sample intervals were generally 3 metres in width, sample intervals were terminated at lithological boundaries. A summary of samples collected over the Aguila deposit trenches is as follows:

- AE10000, 261 samples;
- AE10100, 194 samples;
- AE Channel, 81 samples; and
- AW10000, 116 samples.

## 9.5 SRK Comments

In the opinion of SRK the sampling preparation, security and analytical procedures used by Duran are consistent with generally accepted industry best practices and are therefore adequate. SRK considers that the exploration data collected by Duran are of sufficient quality to support mineral resource evaluation.

# 10 Sample Preparation, Analyses, and Security

## 10.1 Sample Preparation and Analyses

No information is available for sample preparation and analyses undertaken on the project before Duran's involvement in 2007. For the period 2007 to 2008, split core from boreholes 07AGD001 to 08AGD014N were delivered to Inspectorate Services Peru SAC (Inspectorate), located in Lima, Peru. The management system of the Inspectorate Lima laboratory in Lima is accredited to ISO 9001/12000. The laboratory is not accredited to ISO 17025 for copper and molybdenum analyses.

Sample preparation by Inspectorate was undertaken according to code SP-RX-2K, consisting of drying the sample, crushing to 70 percent of material passing through 10 millimetres sieve, riffle splitting to make 250 gram pulp sample and pulverization to 85 percent of material passing through -200 mesh sieve.

Prepared samples were assayed for copper and molybdenum using an aqua regia digestion and atomic absorption finish and for a suite of 32 elements using by inductively coupled plasma spectrometry (ICP); method codes BM-AR-OR, 30-AR-TR ICP32, respectively). In addition, some borehole samples were analysed using aqua regia digestion and atomic absorption analysis for silver, lead and zinc and for gold using a conventional 30 gram fire assay procedure with atomic absorption finish.

For the period 2009 to 2012, split core samples for boreholes 09AGD015 to 11AGD044 and all channel samples were submitted to ALS Minerals in Lima, Peru for sample preparation and analysis. The management system of this laboratory is accredited to ISO 9001:2000 and the laboratory is also accredited ISO 17025:2005 for certain testing procedures including copper and molybdenum analyses by atomic absorption and gold by conventional fire assaying.

Sample preparation procedures consisted of drying the sample; crushing to 70 percent of material passing through a 6 millimetres sieve, riffle splitting to make a 250 gram pulp sample pulverized to 80 percent of material passing a sieve of 75 microns.

ALS Minerals analytical procedures for the samples comprised of four acid digestion and atomic absorption assaying for copper and molybdenum and multi-element Inductively coupled plasma atomic emission spectroscopy (ICP-AES) analysis (codes AA-61 and ME-ICP61 respectively). Copper and molybdenum over assays were also determined by atomic absorption methods (code AA-62). Approximately 10 percent of samples were assayed for gold using fire assay with atomic absorption finish analysis (code Au-AA23). For samples above 10 ppm gold, a gravimetric finish was used.

All analytical quality control and quality assurance data was compiled and reviewed by the project geologist, and then was further reviewed by an independent quality control consultant. Margaret Fairhurst of Smee and Associates Consulting Ltd. (Brisbane, Australia) provided this service for Duran.

## 10.2 Specific Gravity Data

Duran measured specific gravity on approximately 20 samples per borehole. Specific gravity samples in each borehole were chosen on the basis of lithology and alteration. The specific gravity samples consisted of 15-centimetre whole core intervals. All samples were sent to ALS Minerals laboratories in Lima, Peru for specific gravity measurements. The laboratory covered all core with paraffin before using the weight in air-weight in water methodology to determine specific gravity.

## 10.3 Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. These measures include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples.

Assaying protocols typically involve regularly duplicating and replicating assays and inserting quality control samples to monitor the reliability of assaying results throughout the sampling and assaying process. Check assaying is normally performed as an additional test of the reliability of assaying results; it generally involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

For the Aguila Project, Duran relied partly on the internal analytical quality control measures implemented by Inspectorate and ALS Minerals. In addition, Duran implemented external analytical control measures for the drilling samples consisting of inserting control samples (field blanks, certified standards and field duplicates) in all sample batches submitted for assaying.

Field blanks consisted of a coarse quartz blank material. Field duplicates consist of quarter core and half core (boreholes 11AGD020 to11AGD044). Duran used seven commercial certified reference materials sourced from CDN Resource Laboratories Ltd. (CDN) of Canada and one prepared by Inspectorate and certified by Smee and Associates Consulting Limited. The characteristics of the control samples are listed in Table 2.

**Table 2: Specifications of Control Samples Used by Duran (2007 to 2012)**

| Certified Standard | Source | Cu (ppm) | Cu Standard Deviation | Mo (ppm) | Mo Standard Deviation |
|---|---|---|---|---|---|
| CM-11A | CDN | 3,320 | 60 | 380 | 20 |
| CM-8 | CDN | 3,640 | 120 | 160 | 7 |
| GEO 276 | Inspectorate / SAC | 4,550 | 90 | 251 | 14 |
| CM-4 | CDN | 5,080 | 125 | 320 | 20 |
| CM-6 | CDN | 7,370 | 195 | 830 | 40 |
| CM-13 | CDN | 7,860 | 180 | 440 | 20 |
| CM-1 | CDN | 8,530 | 100 | 760 | 40 |
| CM-2 | CDN | 10,130 | 215 | 290 | 10 |

In addition, re-assaying of sample rejects and pulps were also taken by Inspectorate and ALS Minerals. Umpire laboratory testing was performed on samples sent to Inspectorate and ALS Minerals. Sample pulp duplicates were securely shipped to Actlabs in Lima, Peru for check assaying. Analytical quality control measures for specific gravity involved Duran re-submitting one piece of core a number of times to SGS Laboratories in Lima.

## 10.4 SRK Comments

In the opinion of SRK, the sampling methodology and procedures used by Duran are appropriate. The core and channel samples were collected by competent personnel using procedures meeting generally accepted industry best practices.

# 11 Data Verification

## 11.1 Verifications by Duran

As outlined in the previous section, Duran relied partly on the internal analytical quality control measures implemented by Inspectorate and ALS Minerals laboratories, but also implemented external analytical quality control measures, which consisted of inserting control samples (blanks, certified standards and field duplicates) in all sample batches submitted for assaying; re-assaying of pulp and reject duplicate samples; and umpire check assaying.

Assay data of the certified standards were plotted as received from the laboratory. The following criteria were considered failures by Duran when reviewing analyses of certified standards:

- Any sample assaying outside of three standard deviations;
- Any two samples together assaying outside of two standard deviations;
- Any positive values received from assaying blank material; and
- Any failures are re-assayed for borehole intervals from the previous passed standard to the next passed standard. Failed standards are not re-assayed for pulp and reject duplicates nor check samples.

All analytical quality control data is compiled and reviewed by the project geologist, and then further reviewed by an independent quality control consultant, namely Margaret Fairhurst of Smee and Associates Consulting Limited (Fairhurst, 2011; Fairhurst, 2012).

## 11.2 Verifications by SRK

### 11.2.1 Site Visit

In accordance with National Instrument 43-101 guidelines, G. David Keller visited the Aguila Project from June 18 to 23, 2011 accompanied by Cary Pothorin and Joe Brunelle both of Duran.

The purpose of the site visit was to review the exploration database, data validation procedures, exploration procedures, define geological modelling procedures, examine drill core, interview project personnel and collect all relevant information for the preparation of a mineral resource model and the compilation of a technical report.

The site visit also aimed at investigating the geological controls on the distribution of the copper and molybdenum mineralization in order to aid the construction of three-dimensional copper and molybdenum mineralization domains. In discussions with Duran staff and a review of drill core intersections in section and plan views, SRK concluded that drill core sampling and logging procedures were appropriate to support mineral resource estimation. During the site visit, SRK collected five core samples for independent verification assaying.

SRK was given full access to relevant data and conducted interviews with Duran personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

### 11.2.2 Data Verifications

SRK conducted a series of routine verifications to ensure the reliability of the electronic data provided by Duran. This included auditing the electronic data against original records in the form of PDF format assay certificates. Approximately 10 percent of the digital assay data were audited for accuracy against original assay certificates. No input errors except for one record were detected in the Duran data.

### 11.2.3 Verifications of Analytical Quality Control Data

Duran provided SRK with external analytical control data containing the assay results for the quality control samples for the Aguila Project. All data was provided in Microsoft Excel spreadsheets.

SRK aggregated the assay results of the external analytical control samples for further analysis. Standards and blank data were summarized on time series plots to highlight the performance of the control samples. Paired data (field duplicates, pulp duplicates, reject duplicates and umpire check assays) were analyzed using bias charts, quantile-quantile, and relative precision plots.

The external analytical quality control data produced for the Aguila Project are summarized in Table 3 and presented in graphical format in Appendix D. The external quality control data produced on this project represents approximately 30 percent of the total number of samples (diamond borehole and channel) submitted for assaying at commercial laboratories.

**Table 3: Summary of Analytical Quality Control Data Produced By Duran Ventures for the Aguila Project**

| Channel Samples | | | DDH | DDH | DDH | DDH | | |
|---|---|---|---|---|---|---|---|---|
| ALS Minerals (2011) | | (%) | Inspectorate (2007-2008) | ALS Minerals (2009-2011) | Actlabs (2007-2011) | Total | (%) | Comment |
| Sample Count | 652 | | | | | 13,157 | | |
| Field Blanks | 33 | 5.06 | 133 | 763 | | 896 | 6.81 | |
| GEO 265 | | | 133 | | | 133 | | Inspectorate (3 ppm Cu; ? ppm Mo) |
| Blank | 33 | | | 636 | | 636 | | |
| Coarse Blank | | | | 127 | | 127 | | Coarse quartz blank material |
| Standards | 33 | 5.06 | 149 | 698 | 38 | 885 | 6.73 | |
| CM-11A | 2 | | | 16 | 14 | 30 | | CDN (3,320 ppm Cu, 380 ppm Mo) |
| CM-8 | 15 | | 5 | 175 | 2 | 182 | | CDN (3,640 ppm Cu, 160 ppm Mo) |
| GEO 276 | | | 99 | | | 99 | | Inspectorate/SAC (4,550 ppm Cu, 251 ppm Mo) |
| CM-4 | | | 32 | 152 | 2 | 186 | | CDN (5,080 ppm Cu, 320 ppm Mo) |
| CM-6 | 15 | | 6 | 174 | 2 | 182 | | CDN (7,370 ppm Cu, 830 ppm Mo) |
| CM-13 | 1 | | | 15 | 14 | 29 | | CDN (7,860 ppm Cu, 440 ppm Mo) |
| CM-1 | | | 4 | 83 | 2 | 89 | | CDN (8,530 ppm Cu, 760 ppm Mo) |
| CM-2 | | | 3 | 83 | 2 | 88 | | CDN (10,130 ppm Cu, 290 ppm Mo) |
| Field Duplicates | | | 137 | 640 | | 777 | 5.91 | Quarter and half core (holes 11AGD020-11AGD044) |
| Pulp Replicates | | | 93 | 613 | | 706 | 5.37 | |
| Reject Duplicates | | | 138 | 632 | | 770 | 5.85 | |
| **Total QC Samples** | **66** | **10.12** | **650** | **3,346** | **38** | **4,034** | **30.66** | |
| **Check Assays** | | | | | | | | |
| Secondary Umpire Laboratory (Actlabs) | | | 176 | 641 | | 817 | 6.21 | |

Five blanks analyzed by the Inspectorate laboratory were removed from the data because it was determined that there was a sample mix-up. Some blanks were below the warning limit provided by Fairhurst (2011), although a number of blanks were above the detection limit (expected value [3 ppm] is below the detection limit [10 ppm]). However, SRK notes that this affects less than 4 percent of the total field blanks analysed by Inspectorate.

Blanks analysed by ALS Minerals were below warning limits provided by Fairhurst (2012), although approximately 97 percent were above the detection limit (2 ppm). SRK was not provided with the expected value of the blank. The coarse blanks used and analysed by ALS Minerals were below the warning limits provided by Fairhurst (2012), however the coarse blank was not barren in copper and molybdenum (samples are above the detection limit) and therefore cross sample contamination may not be monitored effectively with the coarse blank used by Duran. SRK recommends that Duran use a coarse blank barren in copper and molybdenum. Overall, considering the average grade of the copper and molybdenum mineralisation at Aguila, the values of the blanks are not significant.

A number of certified reference material samples were considered failures based on the above criteria by Fairhurst (2011; 2012) and were re-assayed by Duran. The original sample data was replaced with the re-assayed sample data and the following is based on the latter.

GEO 276 and the CDN certified material samples (except for CM-6) generally display mean grades lower than recommended copper and molybdenum values, however, within the expected tolerance limits (two and three standards from the certified mean). CM-6 performed within the expected range. GEO 276 samples also contain possible sample mix-ups and CM-2 samples also contain possible transcription errors.

Paired assay data for field duplicates examined by SRK suggest that copper can be reasonably reproduced by Inspectorate and ALS Minerals. Rank half absolute difference (HARD) plots for copper show 87.6 percent of field duplicates analysed by Inspectorate have HARD below 10 percent and 74.1 percent by ALS Minerals. Field duplicates suggest molybdenum grades display a prominent nugget effect. HARD plots for molybdenum show 51.8 percent (Inspectorate) and 48.4 percent (ALS Minerals) have HARD below 10 percent.

Paired assay data for pulp and replicate duplicates examined by SRK suggest that copper and molybdenum grades can be reasonably reproduced by Inspectorate and ALS Minerals. HARD plots for copper show more than 94 percent of the pulp and replicate duplicates have HARD below 10 percent and more than 79 percent for molybdenum. However, Fairhurst (2012) stated that “this data cannot be used to check the precision of the laboratories as the samples were run through the laboratories at separate times.”

Paired data for check assays for copper analysed by Actlabs in Lima generally agree with Inspectorate and ALS Minerals results. HARD plots show more than 96 percent of the check assays for copper have HARD below 10 percent. For molybdenum, 86.4 percent (Inspectorate) and 61.5 percent (ALS Minerals) of the check assays analysed by Actlabs have a HARD below 10 percent. Q-Q plot for molybdenum show that Actlabs results are slightly lower than ALS Minerals.

The performance of the control samples inserted with the channel samples submitted for assaying at ALS Minerals is acceptable with field blanks and certified standards performing as expected.

Duran submitted approximately 278 core samples for specific gravity measurements to the SGS laboratory in Lima, Peru in 2011. The performance of the uncertified standard for specific gravity had a mean value of 2.71 (see Figure 19) and standard deviation of 0.031 grams.

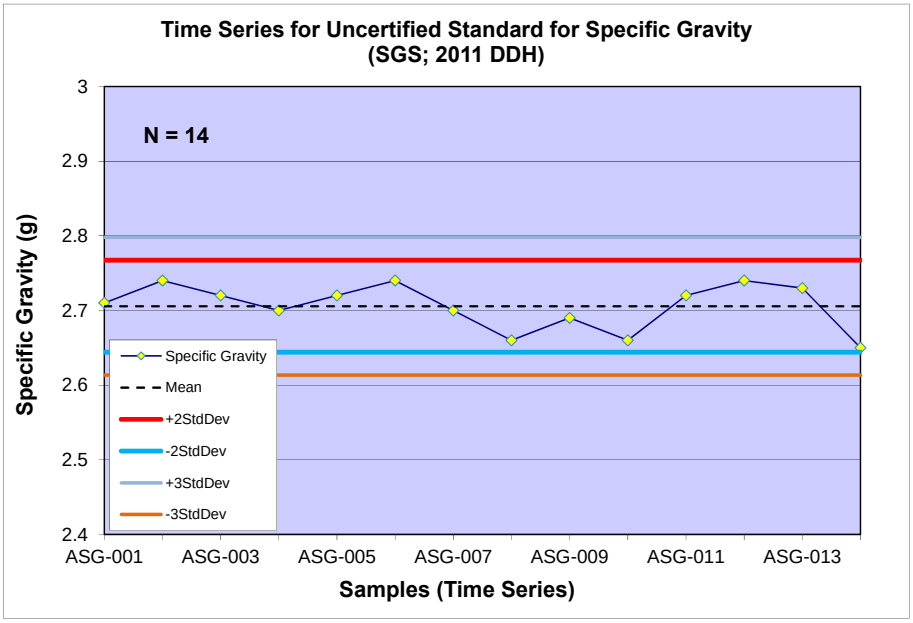



**Figure 19: Time Series Plot for Uncertified Standard for Specific Gravity Samples Analyzed by SGS During 2011**

## 11.2.4 Independent Verification Sampling

As part of the verification process, SRK collected five verification samples during the site visit. The verification samples were collected from 3 boreholes and two channel samples replicating Duran sample intervals.

The verification samples were sent to Acme Analytical Laboratories Ltd. (AcmeLabs) in Santiago, Chile. The AcmeLabs laboratory is not accredited under ISO/IEC 17025:2005 guidelines. AcmeLabs analytical procedure for the verification samples involved four acid digestion and ICP-ES analysis for copper and molybdenum. A copy of the AcmeLabs assay certificate is presented in Appendix E.

Table 4 shows the comparative assay results for the verification samples. Such a small sample collection cannot be considered representative to verify the copper and molybdenum grades obtained by Duran. The purpose of the verification sampling was solely to confirm that there is copper and molybdenum mineralisation and verify that SRK can reproduce copper and molybdenum grades for the sample intervals independently chosen by SRK.

**Table 4: Assay Results for Verification Samples Collected by SRK on the Aguila Project**

| | | | Aguila | | | SRK | | |
|---|---|---|---|---|---|---|---|---|
| **Borehole** | **From** | **To** | **SNO** | **Copper (ppm)** | **Molybdenum (ppm)** | **SNO** | **Copper (ppm)** | **Molybdenum (ppm)** |
| 11AGD018 | 116.0 | 117.5 | L1175571 | 5520 | 404 | SRKAG3 | 6007 | 313 |
| 07AGD005 | 159.0 | 162.0 | 1918 | 5166 | 131 | SRKAG4 | 6082 | 101 |
| 08AGD006 | 431.0 | 434.0 | 2428 | 6143 | 356 | SRKAG5 | 6118 | 247 |
| **Channel Samples** | **From** | **To** | **SNO** | **Copper (ppm)** | **Molybdenum (ppm)** | **SNO** | **Copper (ppm)** | **Molybdenum (ppm)** |
| Aguila East 2 | 209.0 | 212.0 | 15692 | 570 | 77 | SRKAG1 | 787 | 321 |
| Aguila East 2 | 236.0 | 239.0 | 15683 | 862 | 60 | SRKAG2 | 420 | 259 |

# 12 Mineral Processing and Metallurgical Testing

G&T Metallurgical Services Limited (G&T) completed a scoping level assessment at the Aguila deposit designed to study the metallurgical characteristics and flotation response of two carefully prepared half drill core composite samples in 2011. The samples are representative of the copper-molybdenum mineralization found in the Aguila project. The results of this study are summarized in a comprehensive report by G&T dated December 21, 2011. A summary of this work is presented in this section.

The assessment included mineralogy, ore hardness, and flotation response estimates. The composite samples tested in this study were assessed on the following parameters:

- Chemical and mineralogical characteristics of the feed;
- Ore hardness by conducting a Bond ball Mill Work index test on the feed;
- Flotation response, including batch open circuit rougher and cleaner and kinetic tests, as well as closed circuit locked cycle tests. Conventional copper-molybdenum porphyry flotation schemes appropriate to this style of deposit were used for this assessment; and
- Minor element constituents in the final copper concentrates.

Composites were prepared from intrusive and sedimentary material. The intrusive composite was created from 15 interval samples, whereas the sedimentary composite was created from 16 interval samples.

On average, the samples contained about 0.5 percent copper, 0.03 percent molybdenum and 1.5 gpt silver.

Mineralogy showed that at a nominal K80 primary grind sizing, chalcopyrite was slightly over 45 percent liberated in the two samples, with the majority of the particle interlocking occurring with non-sulphide gangue.

The average Bond ball and Bond rod Mill Work indices for the two samples were 13.2 and 14.1 kWh/tonne, respectively. SMC test results indicated that the average A*b and t10 at 1 kWh/t values were about 29 and 25, respectively. These ore hardness results would classify the two samples as hard.

A basic bulk flotation flowsheet was developed incorporating a moderate primary grind size of about 150µm K80. The pH in the rougher circuit was elevated to pH10 using lime. Potassium amyl xanthate (PAX) and fuel oil were used as the copper and molybdenum collectors, respectively. A regrind of about 20 to 30µm K80 was required to produce high grade copper concentrates. The pH of the cleaning stages was elevated to pH11 using lime.

Results from a locked cycle test on the intrusive composite sample indicated that about 93 percent of the copper in the feed was recovered into a final copper concentrate containing 28 percent copper. This concentrate also contained 1.5 percent molybdenum, and 82gpt silver.

Results from a locked cycle test on the sedimentary composite sample indicated that about 83 percent of the copper in the feed was recovered into a final copper concentrate containing 24 percent copper. This concentrate also contained 1.7 percent molybdenum, and 110 gpt silver. These

concentrate molybdenum grades should be sufficient for the efficient separation of a molybdenum concentrate.

Concentrations of deleterious elements appear below typical smelter penalty thresholds. Advice from a specialist in concentrate sales is required to assess the marketability of these concentrates.

G&T (2011) made the following recommendations:

- Further test work will be required in order to optimize the flotation performance of the samples, primarily the feed particle sizings for both the rougher and cleaner circuits. This preliminary program indicates that a primary grind size of about 200µm $K_{80}$ may be sufficient, but further testing is required for confirmation;
- Further testing to confirm the required pH for both the rougher and cleaning circuits is recommended to optimize lime dosages;
- In the next phase of testing, samples of varying geological origin and feed grades should be tested to determine the variation in metallurgical performance across the deposit. Fresh drill core samples should be used in this phase of testing;
- Copper molybdenum separation testing, on a bulk concentrate, would also be required to evaluate the potential and predict performance of such a separation; and
- The assessment of losses of copper sulphides in the tailing stream via quantitative mineralogy should be considered.

# 13 Mineral Resource Estimation

## 13.1 Introduction

The Mineral Resource Statement presented herein represents the first mineral resource evaluation prepared for the Aguila Project in accordance with the Canadian Securities Administrators' National Instrument 43-101.

The mineral resource model prepared by SRK considers 46 core boreholes and four trenches. The resource estimation work was completed by G. David Keller, P.Geo. (#1235 APGO), an appropriate independent Qualified Person as this term is defined in National Instrument 43-101. The effective date of the resource statement is March 8, 2012.

This section describes the resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the global copper and molybdenum mineral resources found in the Aguila Project at the current level of sampling. The mineral resources have been estimated in conformity with generally accepted CIM *Estimation of Mineral Resource and Mineral Reserves Best Practices* guidelines and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

The database used to estimate mineral resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for porphyry mineralization and that the assay data are sufficiently reliable to support mineral resource estimation.

Software packages Datamine Studio 3 and MineSight were used to construct the geological solids, prepare assay data for geostatistical analysis, construct the block model, estimate metal grades and prepare the mineral resource statement. GSLib and Isatis were used for statistical and geostatistical analysis and variography.

## 13.2 Resource Estimation Procedures

The resource evaluation methodology involved the following procedures:

- Database compilation and verification;
- Construction of wireframe models for the boundaries of intrusive units;
- Definition of resource domains;
- Data conditioning (compositing and capping) for geostatistical analysis and variography;
- Block modelling and grade interpolation;
- Resource classification and validation;
- Assessment of "reasonable prospects for economic extraction" and selection of appropriate cut-off grades; and
- Preparation of the Mineral Resource Statement.

## 13.3 Resource Database

The database used to evaluate mineral resources for the Aguila deposit consists of 46 core boreholes (23,400 metres) and four lines of channel samples (1060 metres). All drilling and sampling programs were undertaken by Duran between 2007 and 2012 with the exception of five boreholes completed by Rio Tinto between 1998 and 1999. All boreholes were completed using HQ and NQ drilling tools. Boreholes collars were surveyed by differential GPS.

Channel samples were collected as continuous volume of samples cut with a diamond saw on outcrop. The collection methodology as well as data analysis indicates that there is no significant bias between channel samples and drill core.

SRK believes that the drilling, logging, core handling, core sampling, and core storage procedures used by Duran meet or exceed generally accepted industry best practices. As a result, SRK considers that the exploration data collected by Duran for the Aguila Project is of sufficient quality to support mineral resource evaluation.

## 13.4 Geological Interpretation and Modelling

The Aguila deposit was subdivided into three major lithological units comprised of two intrusive units and an enveloping sedimentary unit. These units were chosen on the basis of lithological units that are mappable or can be combined to form units that can be modelled at a deposit scale and statistical analysis to ensure that each unit are distinct from each other. On this basis all intervals logged as porphyry and breccia lithological units, excluding a monzonite porphyry, were grouped in one zone the PMZ1 intrusive. The second intrusive zone, PMZ2 is comprised of only lithologies logged as a monzonite porphyry. The third zone is a sedimentary unit (SEDS) is comprised of quartzite, sandstone, siltstone and shale lithological units. This unit covers the entire Aguila area and surrounds the two intrusive units and therefore was not modeled. An outline of the two intrusive zones is presented in Figure 20 . The PMZ1 Zone is comprised of five subzones (Subzones 1 to 5) as shown in Figure 20.

Drill hole and trench trajectories for the project were defined in MineSight in order to maintain consistency with the MineSight wireframe solids. Drill hole and trench data were exported as desurveyed point data and then imported into Datamine in order to maintain the consistent MineSight location coordinates

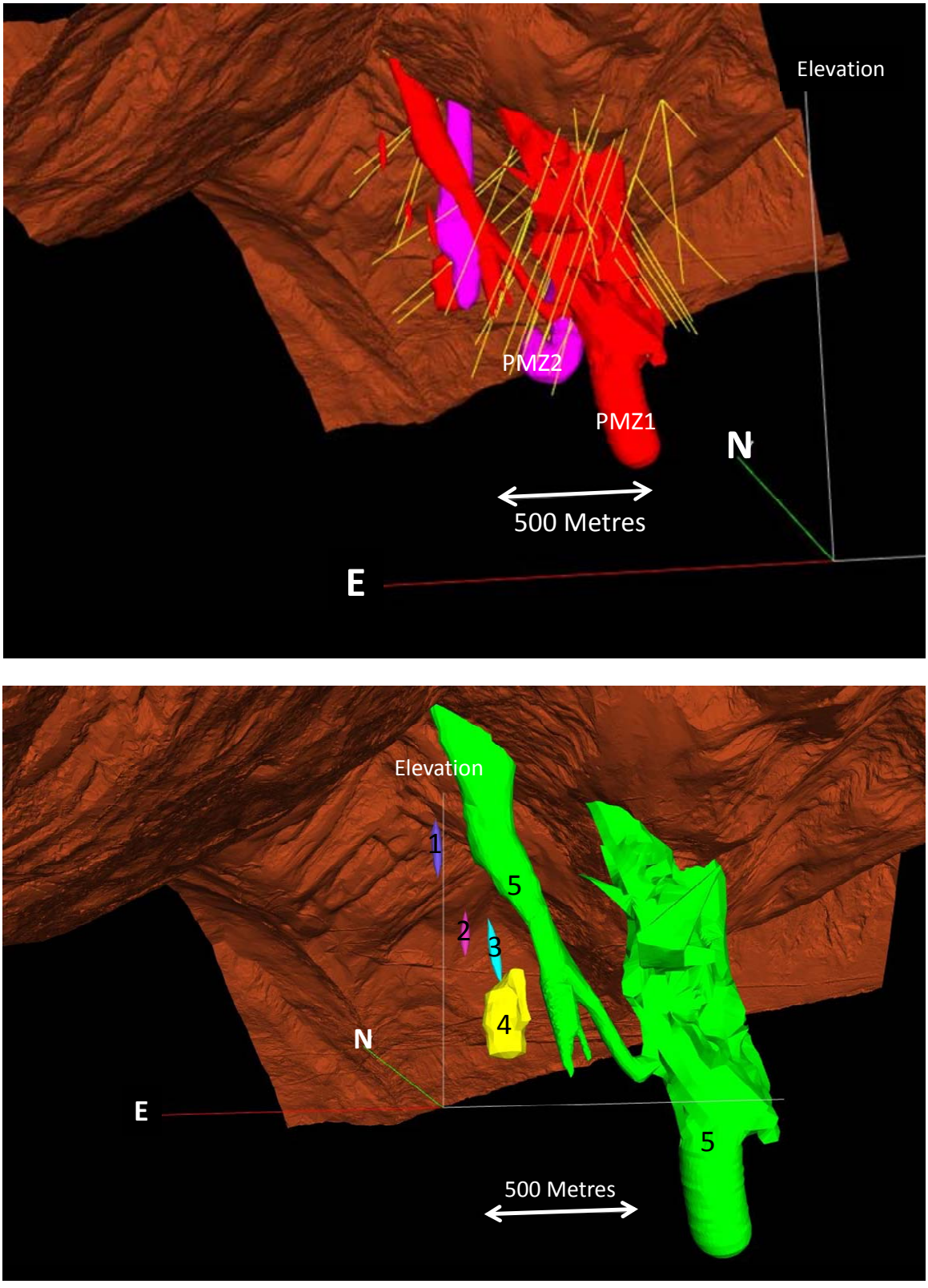
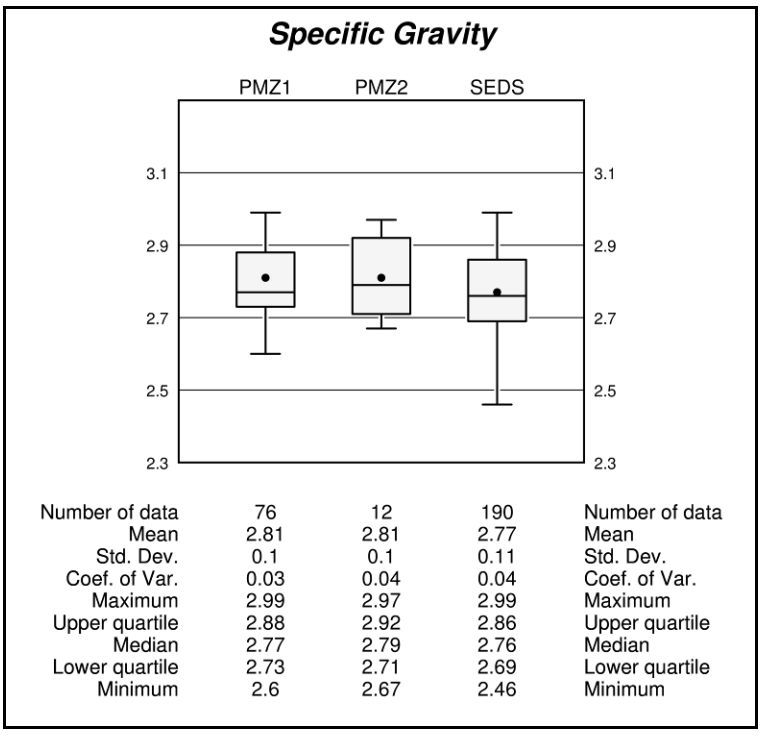



**Figure 20: Top = Modelled Intrusive Zones and Drill Holes for the Aguila Deposit (looking west-southwest) Bottom = PMZ1 Sub-Zones**

## 13.5 Specific Gravity

Duran submitted approximately 278 core samples for specific gravity measurements to the ALS Minerals laboratory in Lima, Peru using a water displacement methodology. The core samples comprised whole core samples approximately 15 centimetres in length.

SRK reviewed the specific gravity and lithologies logged for each interval. SRK found that the differences in specific gravity with respect to lithology are minor (Figure 21). Therefore, an average of all specific gravity value of 2.78 was assigned to all modelled blocks to convert volumes into tonnages.




| | PMZ1 | PMZ2 | SEDS | |
|---|---|---|---|---|
| Number of data | 76 | 12 | 190 | Number of data |
| Mean | 2.81 | 2.81 | 2.77 | Mean |
| Std. Dev. | 0.1 | 0.1 | 0.11 | Std. Dev. |
| Coef. of Var. | 0.03 | 0.04 | 0.04 | Coef. of Var. |
| Maximum | 2.99 | 2.97 | 2.99 | Maximum |
| Upper quartile | 2.88 | 2.92 | 2.86 | Upper quartile |
| Median | 2.77 | 2.79 | 2.76 | Median |
| Lower quartile | 2.73 | 2.71 | 2.69 | Lower quartile |
| Minimum | 2.6 | 2.67 | 2.46 | Minimum |

**Figure 21: Summary Statistics for Specific Gravity.**

## 13.6 Compositing

No significant bias was observed between channel samples and drill core data and therefore they were combined into one data set.

Assays need to be composited to provide common support for analysis and estimation. All assay intervals within the wireframe solid were composited to 6.0 metres. Compositing of the PMZ1, PMZ2 intrusive units and the SEDS unit were composited separately. A histogram of sample length frequencies is provided in Figure 22.

Over 99 percent of all samples in the Aguila deposit measure less than 3.3 metres in length, with all samples intervals at 4.4 metres or less in length.

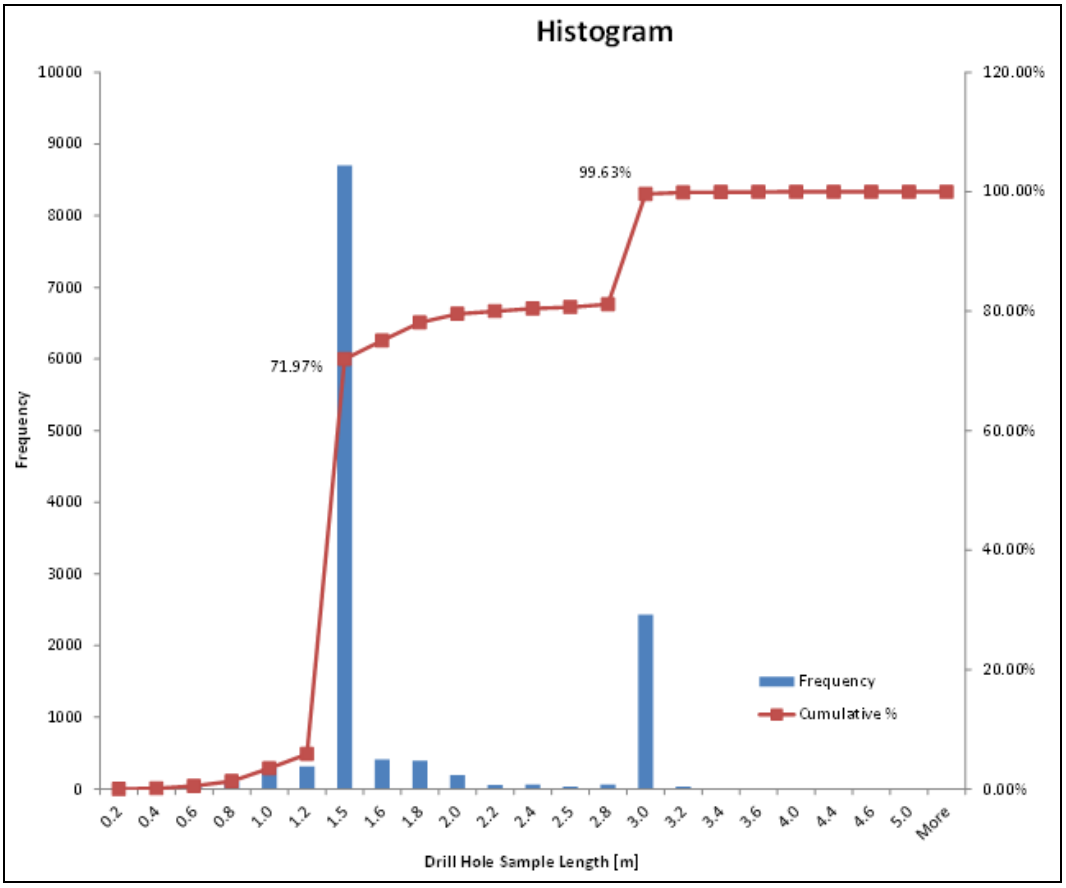



**Figure 22: Histogram Distribution of Raw Sample Lengths**

## 13.7 Statistics and Capping

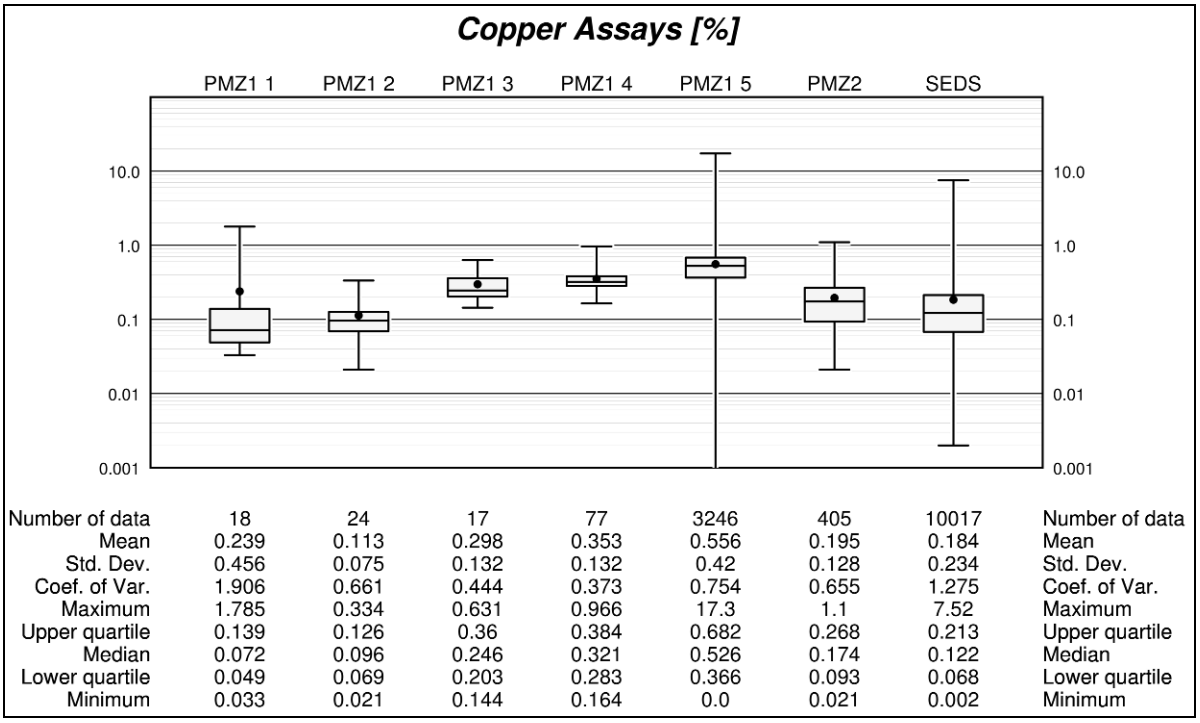
Summary statistics for the original assays are provided in Figure 23, and for the composites in Figure 24. Compositing was undertaken by Duran using MineSight software.

SRK evaluated the impact of high grade composite outliers in each zone using cumulative probability plots, histograms and plotting the mean composite value with successive capping values for composites (Appendix F). SRK determined that the capping is needed to limit the influence of high grade composites. Capping values used for the estimation of resources are summarized in Table 5.

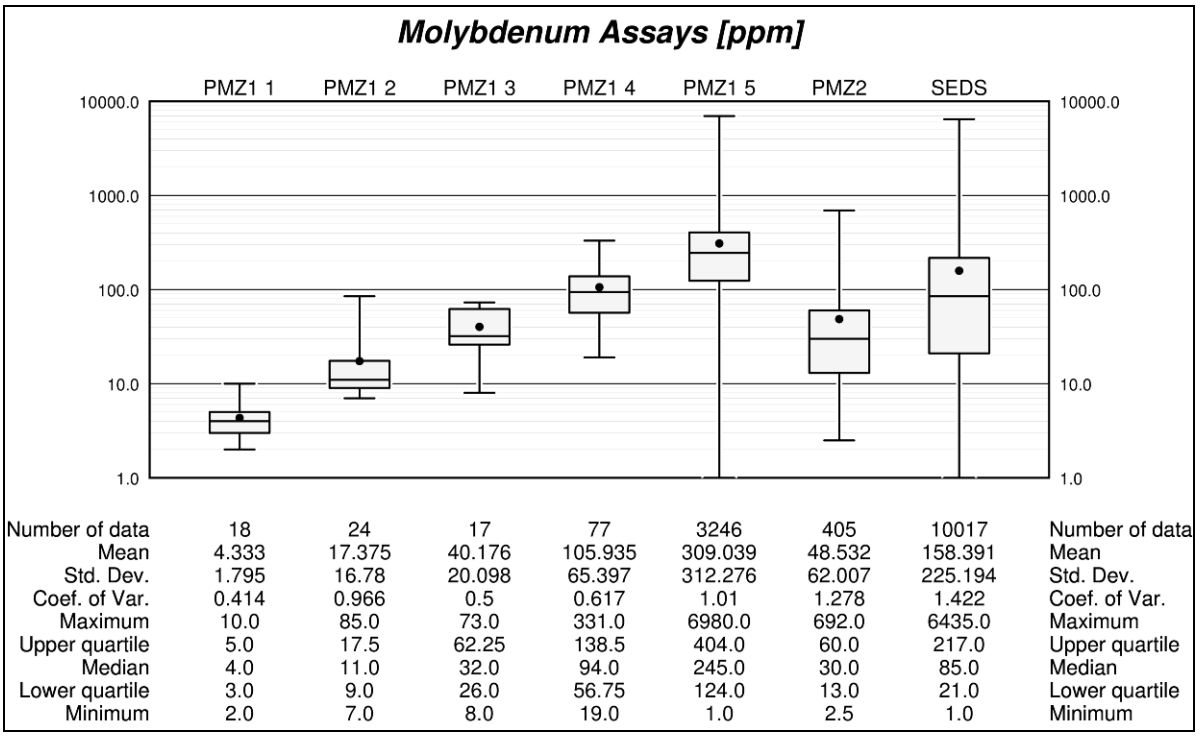
Capping values for the PMZ1 units were applied to PMZ1 Sub-unit 5 only (PMZ1 1-4 not capped). Summary statistics for capped composites are provided in Figure 25. Capping was completed by SRK using desurveyed MineSight point data exported as a CSV file by Duran.

**Table 5: Composite Capping Values**

| Unit | Copper [%] | Molybdenum [ppm] |
|---|---|---|
| PMZ1 (intrusive) | 1.40 | 1,100 |
| PMZ2 (intrusive) | 0.45 | 200 |
| Sedimentary unit | 0.90 | 1,500 |

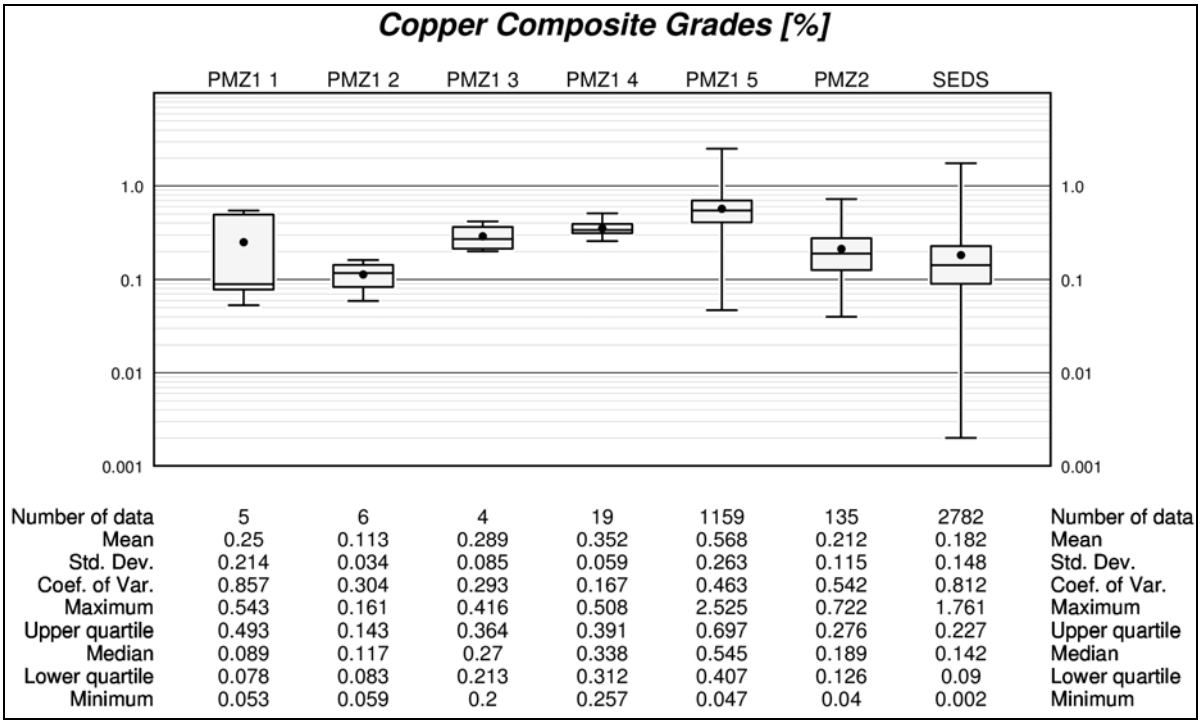



| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 18 | 24 | 17 | 77 | 3246 | 405 | 10017 | Number of data |
| Mean | 0.239 | 0.113 | 0.298 | 0.353 | 0.556 | 0.195 | 0.184 | Mean |
| Std. Dev. | 0.456 | 0.075 | 0.132 | 0.132 | 0.42 | 0.128 | 0.234 | Std. Dev. |
| Coef. of Var. | 1.906 | 0.661 | 0.444 | 0.373 | 0.754 | 0.655 | 1.275 | Coef. of Var. |
| Maximum | 1.785 | 0.334 | 0.631 | 0.966 | 17.3 | 1.1 | 7.52 | Maximum |
| Upper quartile | 0.139 | 0.126 | 0.36 | 0.384 | 0.682 | 0.268 | 0.213 | Upper quartile |
| Median | 0.072 | 0.096 | 0.246 | 0.321 | 0.526 | 0.174 | 0.122 | Median |
| Lower quartile | 0.049 | 0.069 | 0.203 | 0.283 | 0.366 | 0.093 | 0.068 | Lower quartile |
| Minimum | 0.033 | 0.021 | 0.144 | 0.164 | 0.0 | 0.021 | 0.002 | Minimum |

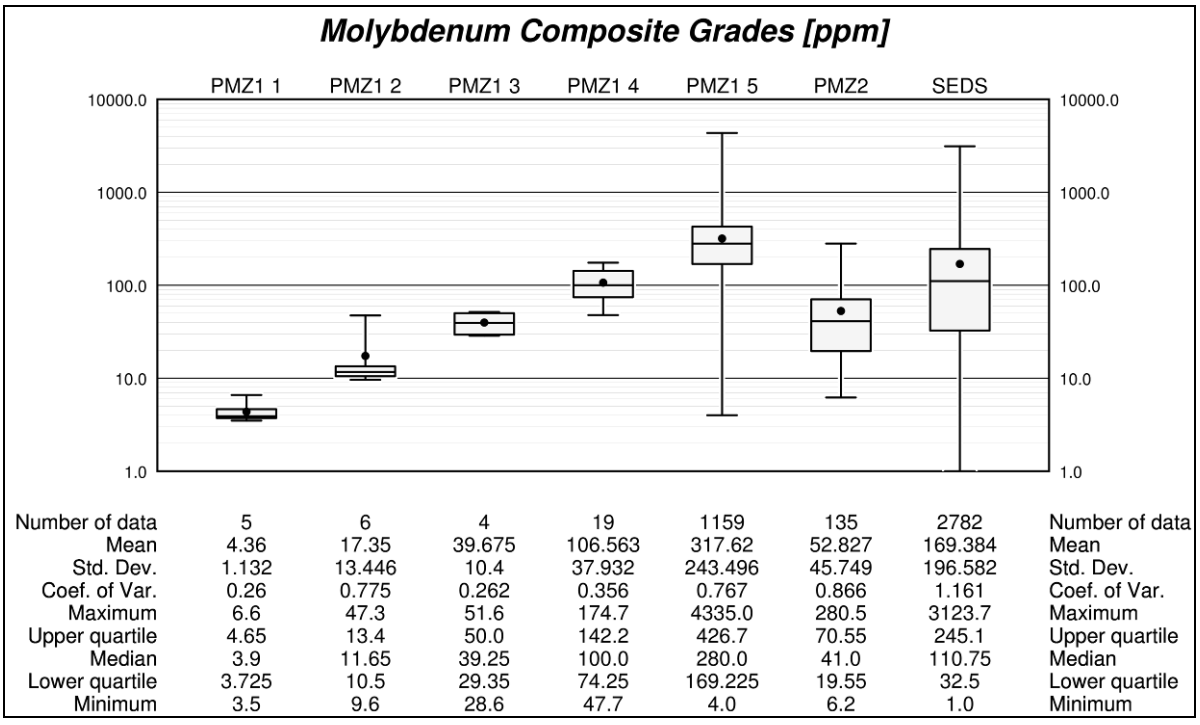



| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 18 | 24 | 17 | 77 | 3246 | 405 | 10017 | Number of data |
| Mean | 4.333 | 17.375 | 40.176 | 105.935 | 309.039 | 48.532 | 158.391 | Mean |
| Std. Dev. | 1.795 | 16.78 | 20.098 | 65.397 | 312.276 | 62.007 | 225.194 | Std. Dev. |
| Coef. of Var. | 0.414 | 0.966 | 0.5 | 0.617 | 1.01 | 1.278 | 1.422 | Coef. of Var. |
| Maximum | 10.0 | 85.0 | 73.0 | 331.0 | 6980.0 | 692.0 | 6435.0 | Maximum |
| Upper quartile | 5.0 | 17.5 | 62.25 | 138.5 | 404.0 | 60.0 | 217.0 | Upper quartile |
| Median | 4.0 | 11.0 | 32.0 | 94.0 | 245.0 | 30.0 | 85.0 | Median |
| Lower quartile | 3.0 | 9.0 | 26.0 | 56.75 | 124.0 | 13.0 | 21.0 | Lower quartile |
| Minimum | 2.0 | 7.0 | 8.0 | 19.0 | 1.0 | 2.5 | 1.0 | Minimum |

**Figure 23: Summary Statistics for Copper and Molybdenum Original Assays**

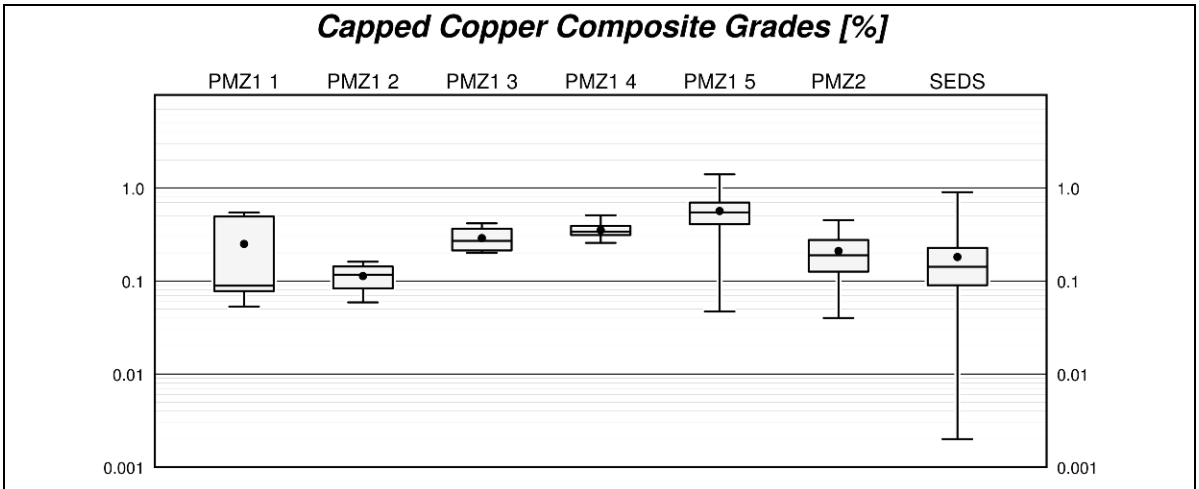



| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 5 | 6 | 4 | 19 | 1159 | 135 | 2782 | Number of data |
| Mean | 0.25 | 0.113 | 0.289 | 0.352 | 0.568 | 0.212 | 0.182 | Mean |
| Std. Dev. | 0.214 | 0.034 | 0.085 | 0.059 | 0.263 | 0.115 | 0.148 | Std. Dev. |
| Coef. of Var. | 0.857 | 0.304 | 0.293 | 0.167 | 0.463 | 0.542 | 0.812 | Coef. of Var. |
| Maximum | 0.543 | 0.161 | 0.416 | 0.508 | 2.525 | 0.722 | 1.761 | Maximum |
| Upper quartile | 0.493 | 0.143 | 0.364 | 0.391 | 0.697 | 0.276 | 0.227 | Upper quartile |
| Median | 0.089 | 0.117 | 0.27 | 0.338 | 0.545 | 0.189 | 0.142 | Median |
| Lower quartile | 0.078 | 0.083 | 0.213 | 0.312 | 0.407 | 0.126 | 0.09 | Lower quartile |
| Minimum | 0.053 | 0.059 | 0.2 | 0.257 | 0.047 | 0.04 | 0.002 | Minimum |

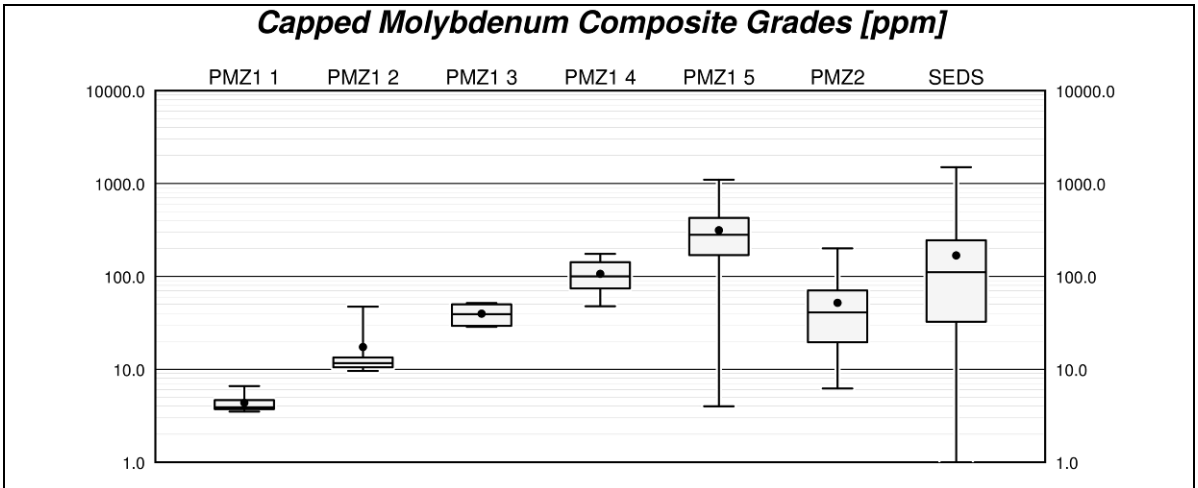



| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 5 | 6 | 4 | 19 | 1159 | 135 | 2782 | Number of data |
| Mean | 4.36 | 17.35 | 39.675 | 106.563 | 317.62 | 52.827 | 169.384 | Mean |
| Std. Dev. | 1.132 | 13.446 | 10.4 | 37.932 | 243.496 | 45.749 | 196.582 | Std. Dev. |
| Coef. of Var. | 0.26 | 0.775 | 0.262 | 0.356 | 0.767 | 0.866 | 1.161 | Coef. of Var. |
| Maximum | 6.6 | 47.3 | 51.6 | 174.7 | 4335.0 | 280.5 | 3123.7 | Maximum |
| Upper quartile | 4.65 | 13.4 | 50.0 | 142.2 | 426.7 | 70.55 | 245.1 | Upper quartile |
| Median | 3.9 | 11.65 | 39.25 | 100.0 | 280.0 | 41.0 | 110.75 | Median |
| Lower quartile | 3.725 | 10.5 | 29.35 | 74.25 | 169.225 | 19.55 | 32.5 | Lower quartile |
| Minimum | 3.5 | 9.6 | 28.6 | 47.7 | 4.0 | 6.2 | 1.0 | Minimum |

**Figure 24: Summary Statistics Copper and Molybdenum Composites**




| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 5 | 6 | 4 | 19 | 1159 | 135 | 2782 | Number of data |
| Mean | 0.25 | 0.113 | 0.289 | 0.352 | 0.565 | 0.21 | 0.181 | Mean |
| Std. Dev. | 0.214 | 0.034 | 0.085 | 0.059 | 0.246 | 0.107 | 0.139 | Std. Dev. |
| Coef. of Var. | 0.857 | 0.304 | 0.293 | 0.167 | 0.436 | 0.509 | 0.77 | Coef. of Var. |
| Maximum | 0.543 | 0.161 | 0.416 | 0.508 | 1.4 | 0.45 | 0.9 | Maximum |
| Upper quartile | 0.493 | 0.143 | 0.364 | 0.391 | 0.697 | 0.276 | 0.227 | Upper quartile |
| Median | 0.089 | 0.117 | 0.27 | 0.338 | 0.545 | 0.189 | 0.142 | Median |
| Lower quartile | 0.078 | 0.083 | 0.213 | 0.312 | 0.407 | 0.126 | 0.09 | Lower quartile |
| Minimum | 0.053 | 0.059 | 0.2 | 0.257 | 0.047 | 0.04 | 0.002 | Minimum |




| | PMZ1 1 | PMZ1 2 | PMZ1 3 | PMZ1 4 | PMZ1 5 | PMZ2 | SEDS | |
|---|---|---|---|---|---|---|---|---|
| Number of data | 5 | 6 | 4 | 19 | 1159 | 135 | 2782 | Number of data |
| Mean | 4.36 | 17.35 | 39.675 | 106.563 | 313.724 | 51.931 | 168.095 | Mean |
| Std. Dev. | 1.132 | 13.446 | 10.4 | 37.932 | 209.485 | 42.053 | 183.535 | Std. Dev. |
| Coef. of Var. | 0.26 | 0.775 | 0.262 | 0.356 | 0.668 | 0.81 | 1.092 | Coef. of Var. |
| Maximum | 6.6 | 47.3 | 51.6 | 174.7 | 1100.0 | 200.0 | 1500.0 | Maximum |
| Upper quartile | 4.65 | 13.4 | 50.0 | 142.2 | 426.7 | 70.55 | 245.1 | Upper quartile |
| Median | 3.9 | 11.65 | 39.25 | 100.0 | 280.0 | 41.0 | 110.75 | Median |
| Lower quartile | 3.725 | 10.5 | 29.35 | 74.25 | 169.225 | 19.55 | 32.5 | Lower quartile |
| Minimum | 3.5 | 9.6 | 28.6 | 47.7 | 4.0 | 6.2 | 1.0 | Minimum |

**Figure 25: Summary Statistics for Capped Copper and Molybdenum Composites (PMZ1 1 to PMZ1 4 not capped)**

## 13.8 Variography

SRK examined three different spatial metrics for the purpose of quantifying spatial continuity: traditional variogram, correlogram, and normal scores variograms. SRK calculated and modelled the variograms using capped composite data. The traditional variogram facilitates the identification of spatial structures in the composite data and was confirmed by modelling normal scores variograms and correlograms.

Variogram models were developed for each metal for the combined PMZ1 zone and sediment units in the Aguila deposit. No variograms were developed for the PMZ2 intrusive unit/zone as there are insufficient composites for analysis.

Two structure, anisotropic variogram models were generated for copper and molybdenum for the PMZ1 zone. . For the sedimentary zone a two structured anisotropic variograms were modeled for copper and a single structure anisotropic model were developed for molybdenum. Variogram model parameters are summarized in Table 6. Variogram models for copper and molybdenum for PMZ1 and the sedimentary zone are in Appendix F.

**Table 6: Summary of Variogram Model Parameters.**

| Zone | Variable | CAE Rotation | | | Variogram Model | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Z-Axis | X-Axis | Z-Axis | Nugget | Str. No. | Type | CC | X Range | Y Range | Z Range |
| PMZ1 | CU_CAP | 5 | -80 | 0 | 0.18 | 1 | Exponential | 0.18 | 80 | 170 | 70 |
| | | | | | | 2 | Spherical | 0.64 | 155 | 385 | 145 |
| PMZ1 | MO_CAP | 5 | 75 | 0 | 0.22 | 1 | Exponential | 0.18 | 55 | 90 | 100 |
| | | | | | | 2 | Spherical | 0.60 | 220 | 230 | 125 |
| Sedimentary units | CU_CAP | -75 | 90 | 0 | 0.14 | 1 | Exponential | 0.45 | 25 | 15 | 30 |
| | | | | | | 2 | Spherical | 0.41 | 125 | 55 | 140 |
| Sedimentary units | MO_CAP | -35 | -80 | 0 | 0.05 | 1 | Spherical | 0.95 | 160 | 260 | 185 |

## 13.9 Block Model and Grade Estimation

### 13.9.1 Block Model Definition

A sub-blocked model was generated for the Aguila deposit using CAE Studio 3. The block model coordinates are based on the local UTM grid (PSAD 56 datum, Zone 18). The parent block size is 12 metres by 12 metres by 12 metres. Sub-blocking was carried out to three levels in the X, Y and Z directions. The definition of the block model is presented in Table 7.

The block model is defined such that western boundary of the model coincides with the western boundary of the Duran Pasacancha 1 and El Halcon property boundaries.

**Table 7: CAE Block Model Definition**

| | Block Size [m] | Origin [m] | No. Blocks |
|---|---|---|---|
| **X** | 12 | 205,000 | 146 |
| **Y** | 12 | 9,050,000 | 84 |
| **Z** | 12 | 3,000 | 125 |

## 13.9.2 Grade Estimation

The estimation strategy for the deposit consisted of ordinary kriging (OK) estimates for copper and molybdenum using a constrained estimate for the two intrusive units and an unconstrained estimate for the sedimentary units. The variogram model for the PMZ1 zone was assumed for estimating the PMZ2 zone. Estimation parameters used for the Aguila deposit are summarized in Table 8.

**Table 8: Summary of Estimation Parameters**

| Variable | Estimator | Estimation Run | Min. | Max. | Octant Search | SVx [m] | SVy [m] | SVz [m] | Max Composites per Borehole |
|---|---|---|---|---|---|---|---|---|---|
| Cu PMZ1 | OK | 1 | 6 | 20 | 3,1,4 | 155 | 385 | 145 | 4 |
| | | 2 | 4 | 20 | 3,1,4 | 155 | 385 | 145 | 4 |
| Mo PMZ1 | OK | 1 | 6 | 20 | 3,1,4 | 220 | 230 | 125 | 4 |
| | | 2 | 4 | 20 | 3,1,4 | 220 | 230 | 125 | 4 |
| Cu PMZ2 | OK | 1 | 6 | 20 | 3,1,4 | 155 | 385 | 145 | 4 |
| | | 2 | 4 | 15 | 3,1,4 | 310 | 770 | 290 | 4 |
| | | 3 | 1 | 20 | 3,1,4 | 465 | 1155 | 148 | 4 |
| Mo PMZ2 | OK | 1 | 6 | 20 | 3,1,4 | 220 | 230 | 125 | 4 |
| | | 2 | 4 | 15 | 3,1,4 | 440 | 460 | 250 | 4 |
| | | 3 | 1 | 20 | 3,1,4 | 660 | 690 | 375 | 4 |
| Cu SEDS | OK | 1 | 6 | 15 | 3,1,4 | 125 | 55 | 140 | 4 |
| | | 2 | 4 | 15 | 3,1,4 | 120 | 185 | 139 | 4 |
| Mo SEDS | OK | 1 | 6 | 15 | 3,1,4 | 160 | 260 | 185 | 4 |
| | | 2 | 4 | 15 | 3.1.4 | 160 | 260 | 185 | 4 |

For the PMZ1 zone estimation, two estimation runs were completed using a minimum of six composites for a block estimate and a slightly relaxed, four composites for the second run estimate. All other estimation parameters remained the same for first and second run estimates. Each of the five subzones for the PMZ1 zone were estimated separately based on the respective composites data set. The PMZ2 zone was estimated based on one composite data set using three estimation runs, with the first estimation run search volume equal to the PMZ1 variogram ranges, the second run twice and the third run three times the variogram ranges. Unestimated blocks for the minor PMZ1 zones (Subzones 1 to 4) were removed from the respective models. Unestimated blocks for the main PMZ1 and PMZ2 zones were retained.

The unconstrained estimation strategy for the sedimentary unit is comprised of estimating all blocks that are outside of the PMZ1 (Subzone 5) and PMZ2 zones. Estimates for the sedimentary unit are comprised of two estimation runs for each metal - copper and molybdenum. Molybdenum was estimated using a minimum of six composites and a maximum of 15 composites for the first run, and a slight relaxation of minimum composites to four for the second estimation run. Both runs were estimated using a search volume equal to the variogram range for molybdenum. Similarly, copper was estimated with two estimation runs.

The first run was comprised a minimum of six composites and a maximum of 15 composites and a search volume equal to the maximum variogram model range. As the variogram ranges for copper are significantly smaller than the molybdenum ranges, a second copper estimation using the only the copper variogram ranges would leave a large portion of the block model without copper grades.

For the second copper estimation run, 75 percent of the molybdenum variogram ranges were assigned to the second run copper search volume ranges. This provided a more balanced estimate

with a larger proportion of the block model containing both copper and molybdenum estimates. As a conservative measure to limit the unconstrained estimate of molybdenum values, all blocks with only molybdenum estimates were removed from the sediment unit block model. In general, this removed all estimated blocks beyond about 150 metres from composites in the X and Y directions.

Only parent block values were estimated. Sub-blocks were all assigned parent block values.

SRK calculated a copper equivalent grade for all estimated blocks. This calculation was based on metal price assumptions of US$2.85 per pound copper and US$13.85 per pound molybdenum, and averaged recoveries for intrusive and sediment units of rocks of 87 percent for copper and 88 percent for molybdenum. A copper equivalent ratio of 4.95 was used to determine these values in the block model.

As noted in a Section 13.5, an average specific gravity of 2.78 was assigned to each block in the model.

## 13.10 Model Validation

Estimates were verified by conducting checks including visual examination of block grades to borehole composites, and comparing estimated grades at zero cut-off to nearest neighbour estimates, and declustered means for each zone. All validation checks confirm that the block estimates are appropriate and reasonably reflect the underlying borehole sampling data.

## 13.11 Mineral Resource Classification

Mineral resources for Aguila deposit have been classified according to CIM's *Definition Standards for Mineral Resources and Mineral Reserves* (December 2005) by G. David Keller, P. Geo. (APGO#1235), an independent Qualified Person as defined by National Instrument 43-101.

SRK classified the mineral resources into Indicated and Inferred categories based on the borehole spacing and copper estimation variance used to make a first run block estimate. Indicated categorization was based on areas where the borehole spacing is at about 100 metres or less, and has a copper estimation variance of less than 0.35. Further, the material classified as Indicated must form a contiguous minable unit in the deposit.

As the parameters are not uniformly distributed in the block model, a wireframe was used to outline blocks in the vicinity of these parameters to form one contiguous unit. Blocks within this wireframe solid were classified as Indicated as they represent block estimates made with a higher level of confidence. All other blocks represent estimates with a lower level of confidence and are, therefore, classified as Inferred.

Additional infill drilling and sampling is required to support a higher classification. It cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration.

## 13.12 Mineral Resource Statement

CIM's *Definition Standards for Mineral Resources and Mineral Reserves* (December 2005) define a mineral resource as:

*"[A] concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."*

The "reasonable prospects for economic extraction" requirement generally implies that quantity and grade estimates meet certain economic thresholds and that mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recovery.

SRK considers that the Aguila deposit is amenable for underground and open pit extraction. To assist with the preparation of the mineral resource statement and the selection of appropriate reporting cut-off grade, SRK developed used a pit optimizer to identify which portions of the block model can be reasonably expected to me extracted from an open pit. The material outside the resulting conceptual pit shell was then considered available for underground extraction. The following assumptions were used to pit optimization and selection of reporting cut-off grades:

- Metal prices of US$2.85 per pound for copper and US$13.85 per pound for molybdenum;
- Metallurgical recovery of 87 percent for copper and 88 percent for molybdenum;
- Metallurgical, general and administration cost of US$4.25 per tonne of feed;
- Open pit slope of 50 degrees, mining cost of US$1.25 per tonne mined; and
- Sublevel caving underground mining method with a mining cost of approximately $US10.00 per tonne mined.

Based on those assumptions, SRK considers that classified resource blocks with grades above 0.22 and 0.26 percent copper equivalent show reasonable prospect for economic extraction from open pit and underground, respectively.

Mineral resources were estimated in conformity with CIM's generally accepted *Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines*. The mineral resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent resource estimates. The mineral resources may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic and other factors.

The Mineral Resource Statement presented in Table 9 was prepared by G. David Keller, P.Geo. (APGO#1235), an independent Qualified Person as this term is defined in National Instrument 43-101. The effective date of the Mineral Resource Statement is March 8, 2012.

**Table 9: Mineral Resource Statement* for the Aguila Copper-Molybdenum Project, Peru, SRK Consulting (Canada) Inc., March 8, 2012**

| Category | Quantity | Grade | | | Contained Metal | |
|---|---|---|---|---|---|---|
| | [000' tonnes] | Cu [%] | Mo [%] | CuEq [%] | Cu [Million lb.] | Mo [Million lb.] |
| **Open Pit Resources** | | | | | | |
| Indicated | 27,750 | 0.612 | 0.036 | 0.791 | 374.5 | 22.0 |
| Inferred | 299,640 | 0.264 | 0.019 | 0.357 | 1,743.9 | 125.5 |
| **Underground Resources** | | | | | | |
| Inferred | 55,880 | 0.320 | 0.033 | 0.477 | 394.2 | 40.7. |
| **Total Resources** | | | | | | |
| Indicated | 27,750 | 0.612 | 0.036 | 0.791 | 374.5 | 22.0 |
| Inferred | 355,520 | 0.273 | 0.021 | 0.376 | 2,138.2 | 166.2 |

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.22 percent copper equivalent and underground mineral resources are reported at a cut-off grade of 0.26 percent copper equivalent. Copper equivalent grades are based on metallurgical recovery of 87 percent for copper and 88 percent for molybdenum and metal prices assumptions of US$2.85 per pound of copper and US$13.85 per pound of molybdenum.

A three dimensional view of the pit is presented in Figure 26. Vertical sections through the Aguila block model for are presented in Figure 27 and Figure 28.

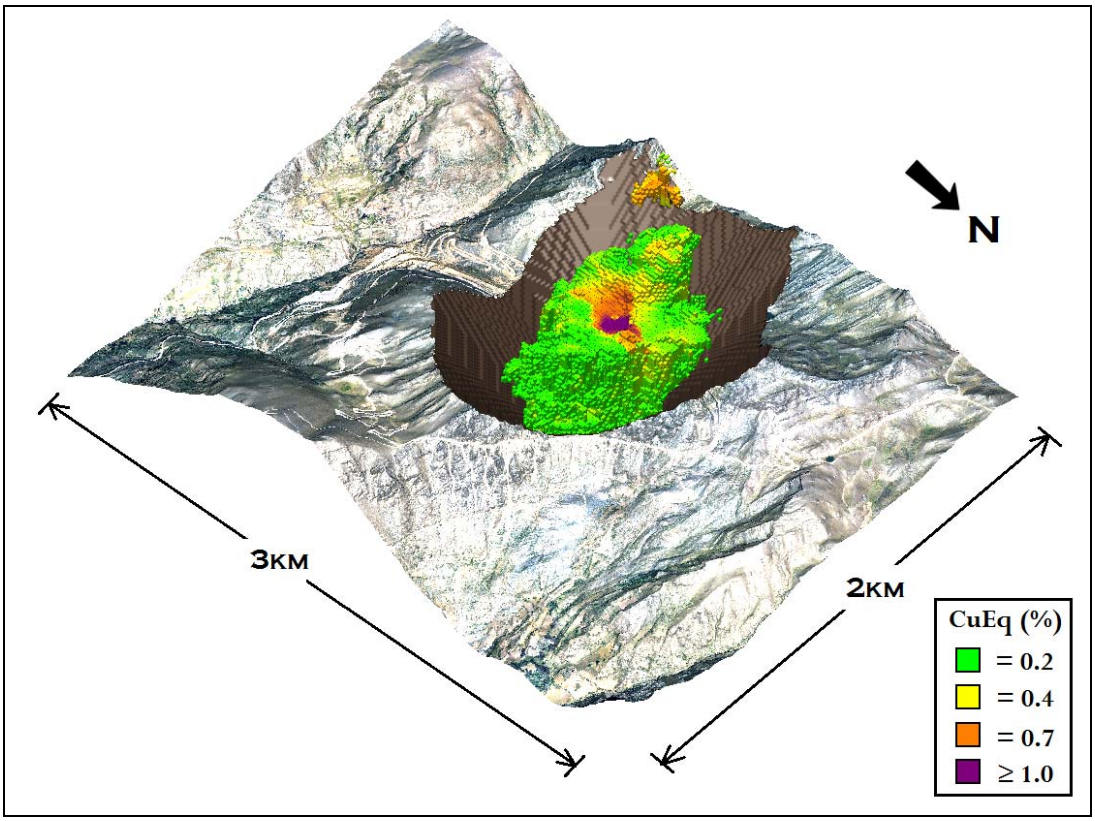



**Figure 26: Aguila Block Model and Conceptual Open Pit with Copper Grades**

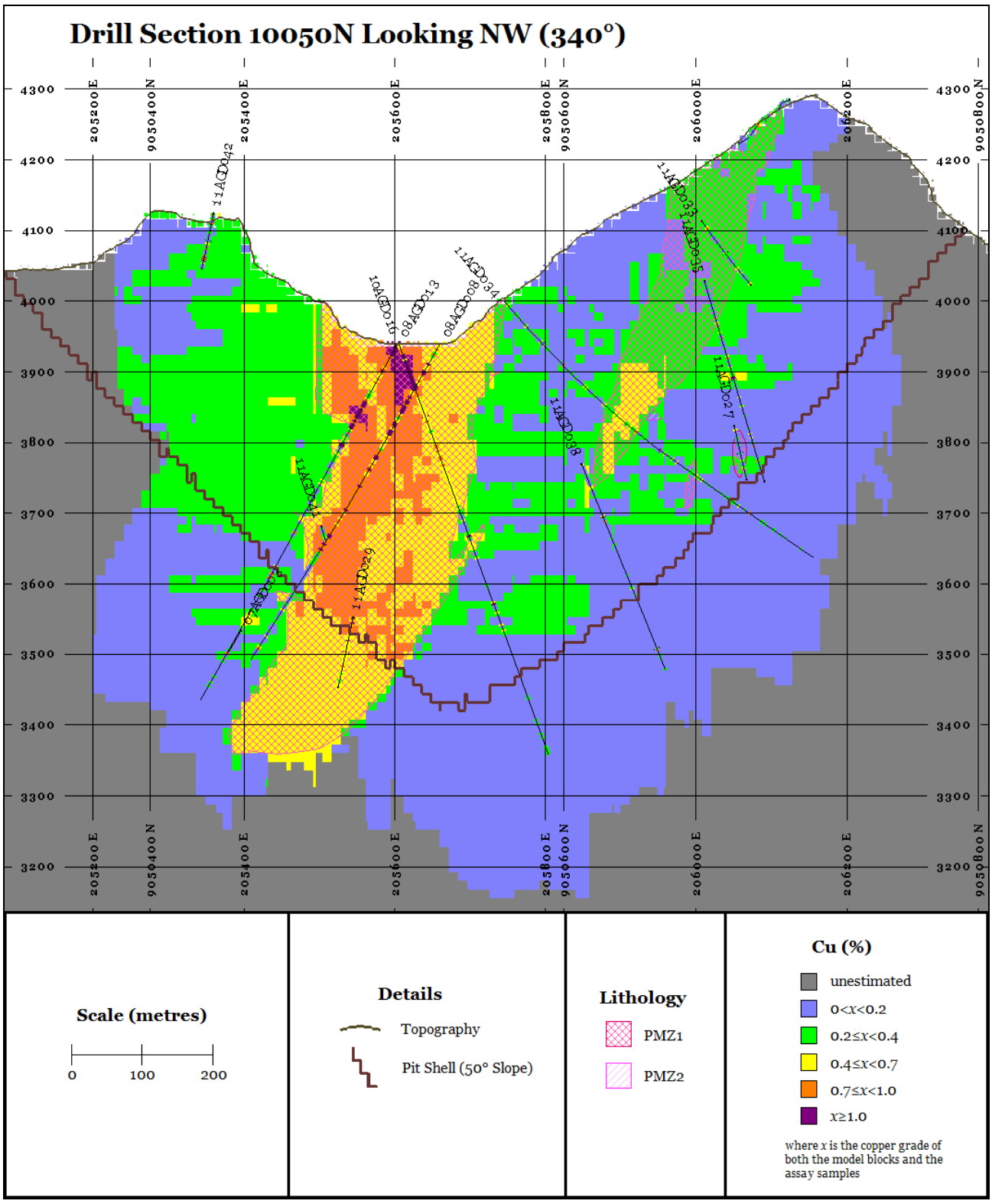



**Figure 27: Block Model Cross-Section 10050 North with Copper Grades**

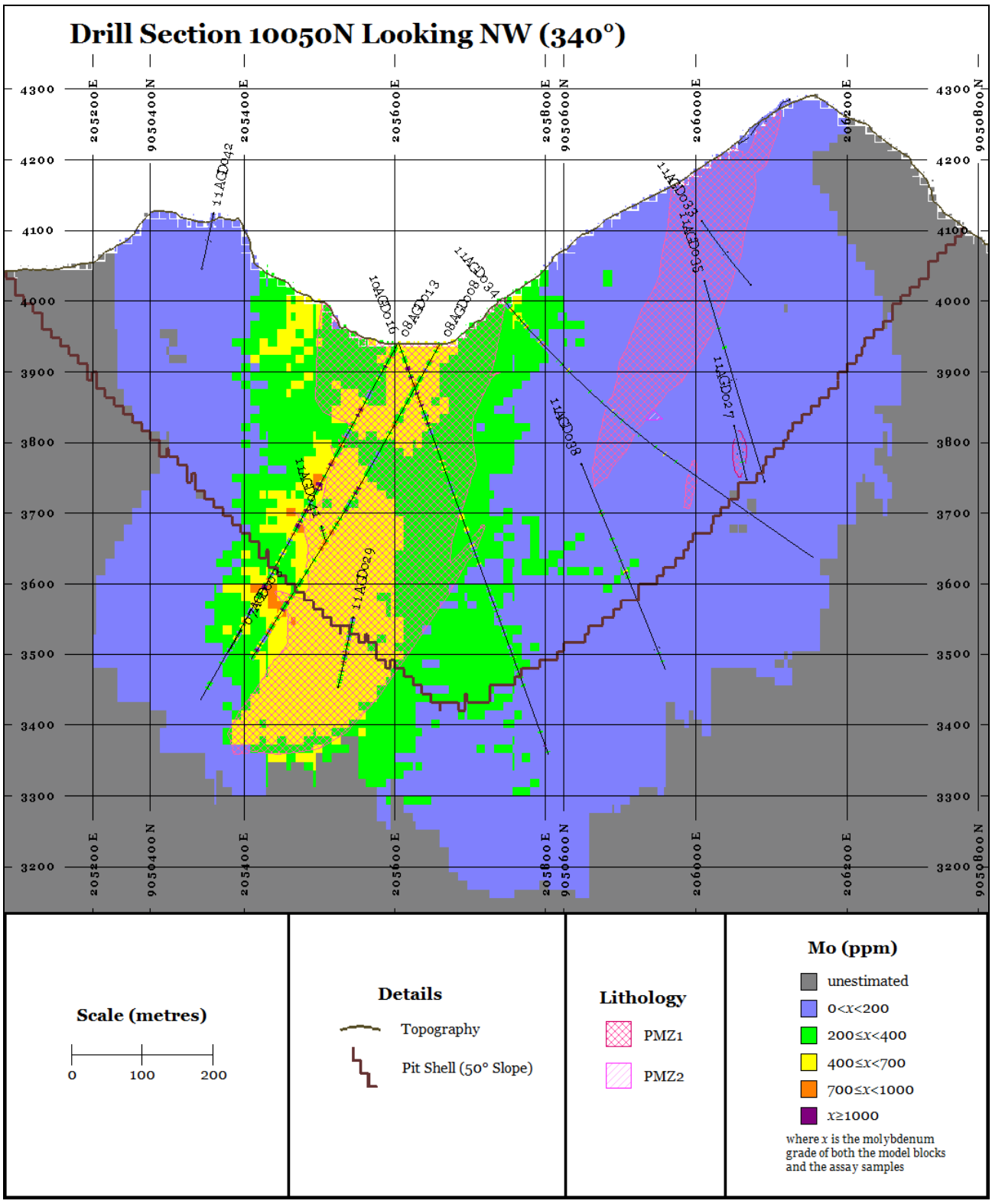



**Figure 28: Block Model Cross-Section 10050 North with Molybdenum Grades**

## 13.13 Grade Sensitivity Analysis

The block model constructed by SRK is significantly sensitive to the selection of cut-off grade. As a sensitivity analysis, the Indicated and Inferred quantities and grade estimates in the resource model are presented at different copper equivalent cut-off grades in Table 10 and Table 11, respectively. These sensitivities are also depicted as grade tonnage curves in Figure 29 and Figure 30.

The reader is cautioned that figures in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grades.

**Table 10: Indicated Model Quantities and Grade Estimates*, Aguila Project**

| Cut-Off Grade [CuEq%] | Quantity [000' tonnes] | Cu [%] | Mo [%] | CuEq [%] |
|---|---|---|---|---|
| 0.220 | 27,750 | 0.61 | 0.036 | 0.79 |
| 0.240 | 27.750 | 0.61 | 0.036 | 0.79 |
| 0.260 | 27.730 | 0.61 | 0.036 | 0.79 |
| 0.280 | 27,710 | 0.61 | 0.036 | 0.79 |
| 0.295 | 27,700 | 0.61 | 0.036 | 0.79 |
| 0.300 | 27.690 | 0.61 | 0.036 | 0.79 |
| 0.325 | 27.580 | 0.62 | 0.036 | 0.79 |
| 0.340 | 27,470 | 0.62 | 0.036 | 0.80 |
| 0.360 | 27,280 | 0.62 | 0.036 | 0.80 |
| 0.400 | 26,970 | 0.62 | 0.036 | 0.80 |

* The reader is cautioned that the figures in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

**Table 11: Inferred Model Quantities and Grade Estimates*, Aguila Project**

| Cut-Off Grade [CuEq%] | Quantity [000' tonnes] | Cu [%] | Mo [%] | CuEq [%] |
|---|---|---|---|---|
| 0.150 | 616,110 | 0.22 | 0.016 | 0.30 |
| 0.200 | 425,210 | 0.25 | 0.019 | 0.35 |
| 0.220 | 382,550 | 0.27 | 0.021 | 0.37 |
| 0.240 | 327,600 | 0.28 | 0.022 | 0.39 |
| 0.260 | 278,850 | 0.30 | 0.024 | 0.42 |
| 0.280 | 237,140 | 0.32 | 0.025 | 0.44 |
| 0.295 | 210,500 | 0.33 | 0.026 | 0.46 |
| 0.300 | 201,950 | 0.34 | 0.027 | 0.47 |
| 0.325 | 164,700 | 0.36 | 0.028 | 0.50 |
| 0.340 | 146,560 | 0.38 | 0.030 | 0.52 |
| 0.360 | 126,540 | 0.40 | 0.031 | 0.55 |
| 0.400 | 97,290 | 0.44 | 0.033 | 0.60 |

* The reader is cautioned that the figures in this table should not be misconstrued as a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.

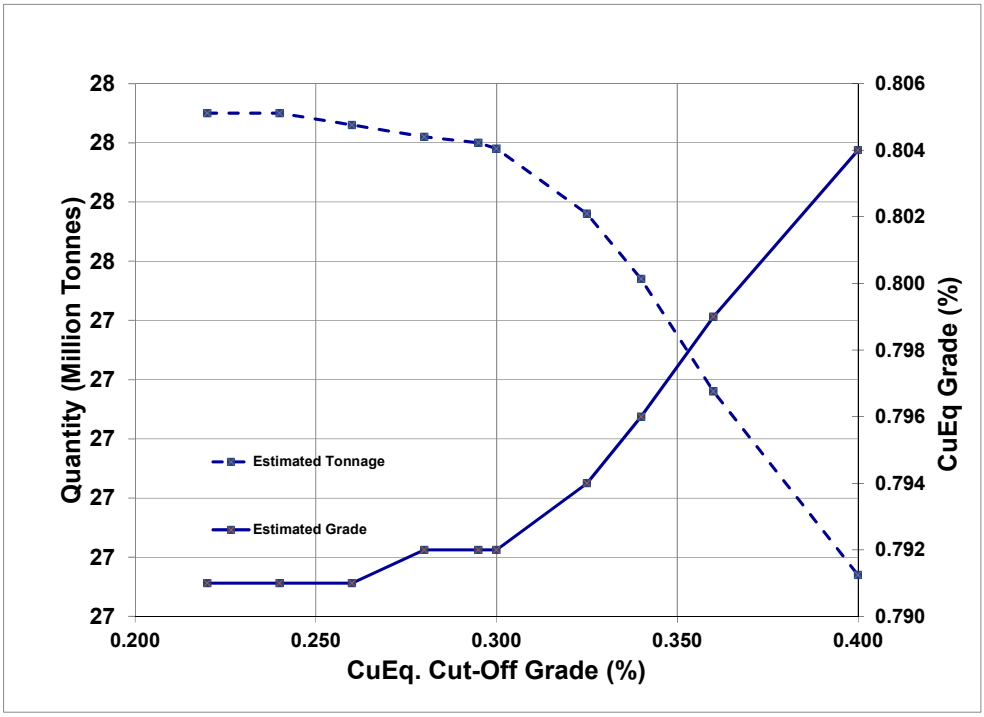



**Figure 29: Indicated Grade Tonnage Curves for the Aguila Project**

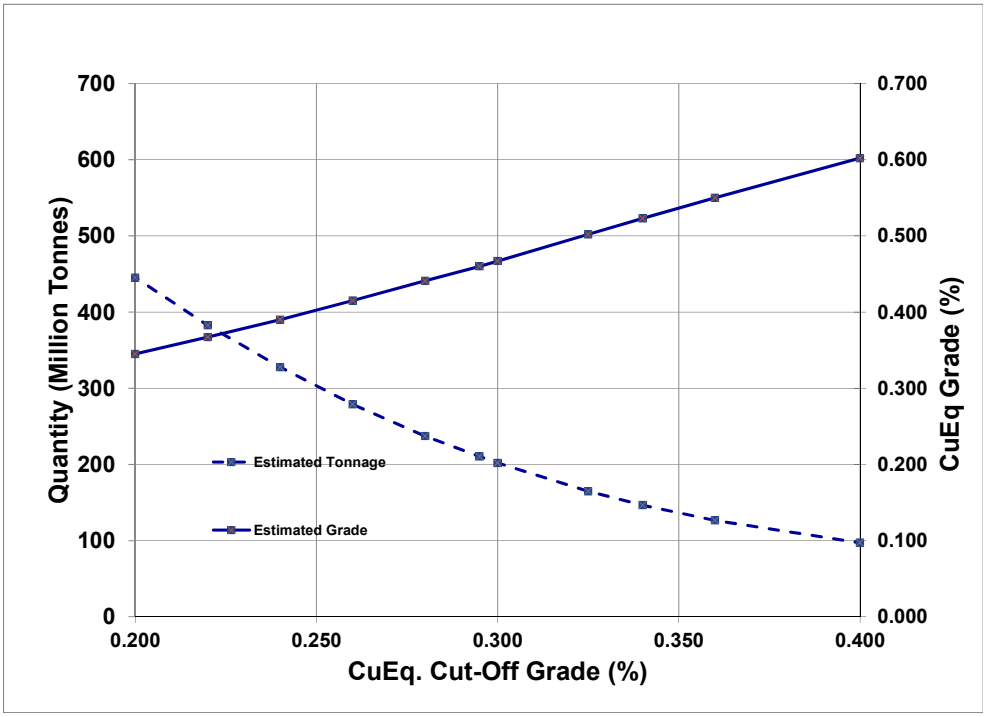



**Figure 30: Inferred Grade Tonnage Curves for the Aguila Project**

## 13.14 Previous Mineral Resource Estimates

The mineral resource statement presented herein is the first mineral resource evaluation prepared for the Aguila project.

# 14 Adjacent Properties

There are no adjacent properties that are considered relevant to this technical report.

# 15 Other Relevant Data and Information

There is no other relevant data available about the Aquila Project.

# 16 Interpretation and Conclusions

Exploration work by Duran is professionally managed and uses procedures that meet or exceed generally accepted industry best practices. After review, SRK is of the opinion that the exploration data collected by Duran are sufficiently reliable to interpret with confidence the boundaries of the copper and gold mineralization for the Aguila deposit.

Mineral resources estimated and classified by SRK for the deposit are in accordance with CIM's generally accepted Estimation of Mineral Resource and Mineral Reserve Best Practices and Definition Standards for Mineral Resources and Mineral Reserves Guidelines.

The Aguila porphyry deposits is a porphyry copper – molybdenum deposits with two mineralized intrusive bodies identified as PMZ1 and PMZ2 zones. Mineralization also occurs in the sedimentary country rock surrounding the intrusive bodies. Resources have been estimated for each of the intrusive units and an unconstrained estimate for mineralized sedimentary rocks into a block model. The estimates were made using an ordinary kriging estimator using composited copper and molybdenum assays, capped where appropriate. An average specific gravity of 2.78 was used to estimate block model mass or tonnage.

The Mineral Resource Statement includes open pit and underground mineral resources reported at a copper equivalent cut-off grade of 0.22 percent and 0.26 percent, respectively. These cut-offs are based on metal price of US$2.85 per pound for copper and US$13.85 per pound for molybdenum.

SRK draws the following conclusions regarding the Aquila Project:

- Mineral resources can be expanded by step out drilling at depth at a drilling spacing of 50 to 100 metres. The drill spacing is largely dependent on the confidence in the distribution of the felsic intrusions hosting the copper-molybdenum mineralization;
- Mineral resources can also be expanded by exploration drilling in the Aguila East area and to the west;
- The confidence in the classification of the mineral resources can be improved with infill drilling; and
- The Aguila Project also contains the Pasacancha silver-lead occurrences and several other untested geophysical IP targets. Additional exploration is warranted to investigate those targets by drilling.

# 17 Recommendations

Exploration procedures and protocols used by Duran meet or exceed industry best practices. Duran should continue implementing these procedures as the project moves forward. SRK recommends the following exploration work be undertaken:

- Exploration drilling over Aguila and Aguila East Expansion area and closing off mineralization to the west of the Aguila area (8,000 metres);
- Exploration drilling on Pasacancha property targeting down dip silver-zinc-lead mineralization and geophysical IP targets (2,500 to 3,000 metres);
- Exploration drilling targeting geophysical IP targets other than above (1,000 metres);
- Revision to the geology and mineral resource models to consider new drilling information;
- Upon completion of the proposed drilling program and the preparation of a revised mineral resource model, Duran should consider completing engineering studies required to evaluate the economic viability of a mine at a scoping level and the preparation of a Preliminary Economic Assessment; and
- Commissioning environmental and social impact baseline studies.

The approximate cost of the recommended exploration program is estimated at approximately US$5.45 million as detailed in Table 12.

**Table 12: Estimated Cost for the Exploration Program Proposed for the Aguila Project**

| Description | Cost (US$) |
|---|---|
| Diamond Drilling (12,500m) | $2,200,000 |
| Analytical Costs | $200,000 |
| General Labour Costs | $300,000 |
| Surface Rights, applications and renewal | $350,000 |
| Transportation | $900,000 |
| Geological modeling, engineering, environmental and social studies and Preparation of a Preliminary Economic Assessment | $1,000,000 |
| Contingency | $500,000 |
| **Total** | **$5,450,000** |

SRK is unaware of any other significant factors and risks that may affect access, title, or the right or ability to perform the exploration work recommended for the Aguila Project.

# 18 References

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Fairhurst, M., 2012: Quality Control Review: Final Report of Holes 18 through 44. Prepared for Duran Ventures Inc., Smee and Associates Consulting Ltd., February 2012.

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Lunceford, R.A., 2007: Technical report and Summary of Field Examination, Aguila Cu-Mo Property, Department of Ancash, Peru. 43-101 Report Prepared for Duran Ventures Inc., p. 37.

McCallum, N.G., 2011: Technical Report on the Aguila Property, Ancash Region Northern Peru; prepared for Duran Ventures Inc. by Dahrouge Geological Consulting Ltd., May 27, 2011.

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Ordez, 1974: Informe Tecnico Mina Melchora, Provicia de Sihuas – Departmento de Ancash: Ministerio de Energia y Minas, Direccion General de Mineria Servicio de Geologia y Mineria Lima – Peru, INGEMMET Archivo Tecnico codigo A1345, Fecha 9/7/99.

Ross, K.V.,2011: Panterra Geoservices Inc. Petrographic Report on the Aguila Cu-Mo Porphyry Project, Northern Ancash, Peru. Prepared for Duran Ventures Inc., June 23, 2011.

# APPENDIX A

## Aquila Project Land Title Opinion (dated March 20, 2012)

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

## LEGAL TITLE OPINION

To: Duran Ventures Inc.
Re: MINERA AGUILA DE ORO S.A.C. ( The Corporation)
Date: March 20, 2012.

We have been requested by Duran Ventures Inc. to act as their legal counsel in Peru regarding the incorporation of Minera Aguila de Oro S.A.C. and the status of its mining concessions.

In this context we have examined the articles of incorporation, bylaws, amendment to the bylaws and the Corporation Registry of the Public Registry of Lima and the Public Registry of Mining and have concluded that **the company is an on going concern and that the legal representative has the power to sign agreements regarding the assets**. In doing so we have also reviewed the files of the Corporation Registry of the Public Registry of Lima copies of which we enclose.

1. Minera Aguila de Oro Sociedad Anonima Cerrada, a closed Peruvian corporation was incorporated in Lima Peru by public deed dated 31 May 2006 with a paid in capital of S/16,250.00 (equivalent to US $5,000.00 of that date) being its shareholders Dra Ana Teresa García Perez who paid S/16,000.00 and Dr Alfonso Javier Alvarez-Calderon Yrigoyen who paid S/250.00.

   Both shareholders acted as trustees for Duran Ventures Inc and MacMillan Gold Corp and executed trust agreements to this respect.

   The term of the company is indefinite; the address is the city of Lima. The bylaws have been drafted in accordance to the General Corporations Law and as a closed corporation.

2. By general shareholders meeting of April 25, 2006 the above mentioned shareholders named three persons, Glenn O' Gorman, George Andrew Brown y David Alexander Bending to sign checks of the company.

3. By general shareholders meeting of 29 August 2006 the above mentioned shareholders transferred their shares as follows: 812 shares to Mac Millan Gold Corp. who paid S/.8,120.00 813 shares to Duran Ventures Inc who paid S/.8,130.00. By general shareholders meeting of 7 June 2007 Duran Ventures Inc transferred one share to Dr. Alfonso Javier Alvarez- Calderon Yrigoyen who paid S/.10.00 and Duran Ventures Inc remained with 812 shares having paid S/.8,120.00. By General Shareholders meeting

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

of June 7, 2007. The approved topics were: transfer of the 1 share of the Duran Ventures Inc. to Alfonso Alvarez Calderón Yrigoyen.

4. On 31 March 2008, a general shareholders meeting took place amending the bylaws with regard to the number of board of directors which is now made up of 5 directors. The following individuals were named in the new board o directors: Cary Pothorin as President, Jeffrey James Reeder as Vice President, George R. Brown as Secretary and Glen O'Gorman and David Alexander Bending as directors at large. We have been informed that Mr Glen O Gorman resigned as Director of the company from Duran Ventures Inc but still remains as Director of Minera Aguila de Oro SAC. We would like to point out that in 2009 we sent the Directors the minutes of the meetings of board of directors of Minera Aguila de Oro SAC which was signed by George Brown.

5. By General Shareholders meeting of April,10, 2008 the approved topics were the resignation of Carlos Humberto Portella Minaya as General Manager, and the appointment of Dr. Juan José Ari Huanca as new General Manager.

6. By General Shareholders meeting of April 10, 2008 Shally Mitsui Rodriguez Fernandez y Edgar León Choque were granted powers of attorney to sign checks and other bank operations always with a director or the General Manager.

7. By General Shareholders meeting of December,10, 2009 the approved topics were:

   a) Cancellation of the powers of attorney granted to George Andrew Brown, Glenn Robert O'Gorman, David Alexander Bending, Fabiola Iris Suarez Calderón and Edgar León Choque.
   b) To grant of power of attorney to Jackelin Lucy Ormeño Vásquez and Johnny Coronel Bueno to make bank operations.
   c) To grant of power of attorney to Mr Juan José Ari Huanca to celebrate and sign agreements of transfers, option of mining rights and joint ventures regarding mining concessions.

8. By general shareholders meeting of March 1°, 2010, the shareholders approved the amendment of the bylaws eliminating the Board of Directors and thereby the board of directors was cancelled

9. By general shareholders meeting of October 15, 2010 the shareholders approved the transfer of the 1 share from Dr. Alfonso Alvarez Calderon Yrigoyen to Hatum Minas SAC. and the transfer the shares of the company in Laramarca Exploraciones SAC to Duran Ventures Inc.

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

As a result of these transfers the current shareholders of MADOSAC are Duran Ventures Inc and Hatum Minas SAC.

10. With regard to the mining concessions we have examined the files of the concessions at the Ministry of Energy and Mines where the mining concessions are granted.

We would like to clarify that initially the Public Registry of Mines operated in the Minister of Energy and Mines and when a petitioner staked a claim it obtained the title through a Head Resolution and was duly registered at the Public Register of Mines. Thereafter, the Public Register of Mines was transferred to the premises of the Public Register and is now part of the Public Registers and is independent of the Minister of Energy and Mines and therefore when the holder of a mining concession wishes to transfer or assign or do any legal action it must prior register the concession at the Public Register of Mines. The National Institute of Cadastre and Mining Concessions - INACC took over the authority to issue titles and last year it was also replaced by INGEMMET both part of the Ministry of Energy and Mines who now issues Presidential Resolutions.

With regard to the superficial rights Minera Aguila de Oro S.A.C. has executed an agreement with the Pasacancha Peasant Community in the year 2008 for right of use that was renewed for 3 years which will mature in 2011. This agreement contemplated certain obligations that Minera Aguila de Oro SAC had to performing a series of works in favor of the Pasacancha Peasant Community which have been complied. Minera Aguila de Oro on December 2010 signed a new agreement with the Pasacancha Peasant Community that will mature in December 2012

MINING CONCESSIONS OF AGUILA PROJECT.

1. EL HALCON: Code 010382797 of 100 Has located in District of Cashapampa Province of Sihuas and Department of Ancash. This mining concession was staked by RTZ Mining and Exploration Limited Sucursal del Perú (RIOMINEX PERUANA) at the National Institute of Cadastre and Mining Concessions - INACC of the Ministry of Energy and Mine an on 18 May 1998 who issued Head Resolution No. 2204-98-RPM granting title to this mining concession and was later registered in Entry 02031422 of the Public Registry of Mining. By public deed of 29 March 2000 RIOMINEX transferred this concession to MacMillan Gold Corporation Sucursal del Perú. By public deed of 24 April 2001 MacMillan Gold Corporation Sucursal del Perú transferred this concession to Dr. Alfonso J. Alvarez Calderón Yrigoyen and his wife, and finally by public deed of 26 July 2006, Dr. Alfonso J. Alvarez Calderón Yrigoyen and his wife transferred this concession to Minera Aguila de Oro SAC.

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

2. PASACANCHA 1: Code 010238293 of 1,000 Has located in District of Cashapampa Province of Sihuas and Department of Ancash. This mining concession right has been filed originally by Hector Dionisio Montoya Neyra at the National Institute of Cadastre and Mining Concessions of the Ministry of Energy and Mines who issued on 30 January 1998 Head Resolution No. 00304-98 RPM granting title of mining concession in favor of Hector Dionisio Montoya Neyra and was registered in Entry 02030974 of the Public Registry of Mining. Mr Hector Dionisio Montoya Neyra transferred this concession to The Peru Syndicate SA by public deed of 20 December 1994. By general shareholders meeting of 18 October 1995 The Peru Syndicate SA changed its name to Inca Pacific SA who by public deed of 21 July 2006 transferred this concession over to Minera Aguila de Oro SAC.

3. PASACANCHA 2: Code 010471706 of 400 Has located in District of Sihuas/Cashapampa Province of Sihuas and Department of Ancash. This mining concession right has been filed by Minera Aguila de Oro SAC at the National Institute of Cadastre and Mining Concessions of the Ministry of Energy and Mines. On 31 January 2007 Head Resolution No.0139-2007-INACC/J was issued granting the title of mining concession in favor of Minera Aguila de Oro SAC and is registered in Entry 12068342 of the Public Registry of Mining.

4. PASACANCHA 3: Code 010174607 of 600 Has located in District of Cashapampa/Sihuas/Ragash Province of Sihuas and Department of Ancash. This mining concession right has been filed by Minera Aguila de Oro SAC at INGEMMET of the Ministry of Energy and Mines on 9 March 2007. On 31 July 2007 Presidential Resolution No. 0179-2007-INGEMMET/PCD/PM was issued granting the title of mining concession in favor of Minera Aguila de Oro SAC and is registered in Entry 12068045 of the Public Registry of Mining.

5. PASACANCHA 4 Code 010323907 of 400 has located in the District of Cashapampa/San Juan, Province of Sihuas, Department of Ancash. Title was granted on 7 March 2008 and was registered in Entry 12161956 of the Public Registry of Mining.

6. PASACANCHA 5 Code 010508907 of 1,000 has located in the District of Cashapampa/San Juan, Province of Sihuas, Department of Ancash. Title was granted on 7 March 2008 and was registered in Entry 12161914 of the Public Registry of Mining.

7 PASACANCHA 6 Code 010509007 of 1,000 has located in the District of Cashapampa/San Juan, Province of Sihuas, Department of Ancash. Title was granted on 21April 2008 and was registered in Entry 12192262 of the Public Registry of Mining.

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

8. PASACANCHA 7 with code 010509207 of 600 has located in the District of San Juan/Sicsibamba, Province of Sihuas, Department of Ancash. Title was granted on 7 March 2008 and was registered in Entry 12161977 of the Public Registry of Mining.

9. PASACANCHA 8 Code 010509107 of 300 has located in the District of Cusca/San Juan, Province of Corongo/Sihuas, Department of Ancash. Title was granted on 7 March 2008 and was registered in Entry 12162091 of the Public Registry of Mining.

10. PASACANCHA 10 Code 010651307 of 100 has located in the District of Cashapampa/San Juan, Province of Sihuas, Department of Ancash. Title was granted on May 12,2008 and was registered in Entry 12192631 of the Public Registry of Mining.

11. PASACANCHA 11 Code 010651207 of 200 has located in the District of Cusca, Province of Corongo, Department of Ancash. Title was granted on May 12, 2008 and was registered in Entry 12192641 of the Public Registry of Mining.

12. PASACANCHA 12 Code 010651107 of 600 has located in the District of Cusca/San Juan, Province of Corongo/Sihuas, Department of Ancash. The claim was staked on 14 December 2007. Title was granted on May 12, 2008 and was registered in Entry 12192646 of the Public Registry of Mining.

13. PASACANCHA 17 Code 010126008 of 300 has located in the District of Cusca/San Juan, Province of Corongo/Sihuas, Department of Ancash. Title was granted on August 28,2008 and was registered in Entry 12223294 of the Public Registry of Mining.

14. PASACANCHA 18 Code 010125908 of 500 has located in the District of San Juan, Province of Sihuas, Department of Ancash. Title was granted on May 29,2008 and was registered in Entry 12192268 of the Public Registry of Mining.

15. PASACANCHA 24 Code 010682008 of 200 has located in the District of San Juan, Province of Sihuas, Department of Ancash. Title was granted on July 10,2009 and was registered in Entry 12381973 of the Public Registry of Mining.

16. PASACANCHA 25 Code 010109010 of 200 has located in the District of San Juan, Province of Sihuas, Department of Ancash. Title was granted on 20 September 2010 and was registered in Entry 12604242 of the Public Registry of Mining.

17. CORONGO 1 2007 Code 030003107 of 700 has located in the District of San Juan, Province of Sihuas, Department of Ancash. The mining concession was transferred by SMRL Casablanca 1 to Minera Aguila de Oro SAC by Public Deed on date August 13, 2008 and is registered in Entry 11082737 of the Public Registry of Mining Registry Zone V based in Trujillo.

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

18. PASACANCHA 27 Code 010135011 of 100 has located in the District of San Juan de Chullín, Province of Sihuas, Department of Ancash. Title was granted on August 3, 2011 and was registered in Entry 12741663 of the Public Registry of Mining.

19. PASACANCHA 28 Code 010135111 of 500 has located in the District of San Juan de Chullín, Province of Sihuas, Department of Ancash. Title was granted on June 17, 2011 and was registered in Entry 12713283 of the Public Registry of Mining.

20. PASACANCHA 29 Code 010135211 of 200 has located in the District of San Juan de Chullín, Province of Sihuas, Department of Ancash. Title was granted on June 17, 2011 and was registered in Entry 12713689 of the Public Registry of Mining.

21. PASACANCHA 30 Code 010135311 of 6.00 has located in the District of San Juan de Chullín, Province of Sihuas, Department of Ancash. Title was granted on July 25, 2011 and was registered in Entry 12731853 of the Public Registry of Mining.

MINING CONCESSIONS OF CORONGO PROJECT. Minera Aguila de Oro SAC is also title holder of following concessions which are included in an assignment with Corongo Exploraciones SAC.

1. KFC: Code 010266196 of 200 Has located in District of Cashapampa, Province of Sihuas and Department of Ancash. This mining concession right was staked by MacMillan Gold Corporation Sucursal Perú at the Public Registry of Mining that at that time was part of the Ministry of Energy and Mine who issued Head Resolution No.04619-97-RPM and was registered in Entry 02030256 of the Public Registry of Mining. By public deed of 24 April 2001, MacMillan Gold Corporation Sucursal del Perú trasnferred this concession to Dr. Alfonso J. Alvarez Calderón Yrigoyen and his wife. By public deed of 26 July 2006 Dr. Alfonso J. Alvarez Calderón Yrigoyen and his wife transferred this concession in favor to Minera Aguila de Oro SAC.

2. PASACANCHA 9 Code 010599707 of 300 has located in the District of Cusca/Ragash, Province of Corongo/Sihuas, Department of Ancash. Title was granting on May 5, 2008 and was registered in Entry 12192628 of the Public Registry of Mining.

3. PASACANCHA 13 Code 010126408 of 200 has located in the District of Cusca, Province of Corongo, Department of Ancash. Title was granted on August 11, 2008 and was registered in Entry 12223309 of the Public Registry of Mining.

4. PASACANCHA 14 Code 010126308 of 600 has located in the District of Cusca, Province of Corongo, Department of Ancash. The claim was staked on 1 February 2008. Title was

ESTUDIO ALVAREZ CALDERON
Abogados
Av. Santa Cruz 937 Miraflores
Lima 18 Perú
Phone 511 4458134 Fax 511 4458134
E-mail: ajacy@alvarezcalderon.com

granted on June 19, 2008 and was registered in Entry 12221223 of the Public Registry of Mining.

5. PASACANCHA 15 Code 010126208 of 100 has located in the District of Cusca, Province of Corongo, Department of Ancash. Title was granted on May 29,2008 and was registered in Entry 12192702 of the Public Registry of Mining.

6. PASACANCHA 16 Code 010126108 of 600 has located in the District of Cusca/Ragash, Province of Corongo/Sihuas, Department of Ancash. Title was granted on June 27,2008 and was registered in Entry 12221230 of the Public Registry of Mining.

7. PASACANCHA 19 Code 0103705008 of 200 has located in the District of San Juan, Province of Sihuas, Department of Ancash. Title was granted on June 11,2009 and was registered in Entry 12381980 of the Public Registry of Mining.

8. PASACANCHA 20 Code 010663408 of 400 has located in the District of Cusca, Province of Sihuas, Department of Ancash. Title was granted on September 24,2009 and was registered in Entry 12406684 of the Public Registry of Mining.

9. PASACANCHA 21 Code 010663508 of 100 has located in the District of Cusca, Province of Corongo, Department of Ancash. The claim was staked on November 28,2008. Title was granted on June 11,2009 and was registered in Entry 12318272 of the Public Registry of Mining.

10. PASACANCHA 22 Code 010663608 of 300 has located in the District of Cusca, Province of Corongo, Department of Ancash. The claim was staked on November 28,2008. Title was granted on August 31,2009 and was registered in Entry 12318224 of the Public Registry of Mining.

11. PASACANCHA 23 Code 010663708 of 100 has located in the District of Cusca, Province of Corongo, Department of Ancash. Title was granted on March 6,2009 and was registered in Entry 12406690 of the Public Registry of Mining.

# APPENDIX B

## Aguila Mining Concessions

Aguila / Pasacancha Concessions (Duran 100%)

| Concession | Mining Code | Hectares |
|---|---|---|
| El Halcon | 010382797 | 100 |
| Pasacancha 1 | 010238293 | 1,000 |
| Pasacancha 2 | 010471706 | 40 |
| Pasacancha 3 | 010474607 | 600 |
| Pasacancha 4 | 010323907 | 400 |
| Pasacancha 5 | 010508907 | 1,000 |
| Pasacancha 6 | 010509007 | 1,000 |
| Pasacancha 7 | 010509207 | 600 |
| Pasacancha 8 | 010509107 | 300 |
| Pasacancha 10 | 010651307 | 100 |
| Pasacancha 11 | 010651207 | 200 |
| Pasacancha 12 | 010651107 | 600 |
| Pasacancha 17 | 010126008 | 300 |
| Pasacancha 18 | 010125908 | 500 |
| Pasacancha 24 | 010682808 | 200 |
| Pasacancha 25 | 010109010 | 200 |
| Corongo1 | 030003107 | 700 |
| Pasacancha 27 | 010135011 | 100 |
| Pasacancha 28 | 010135111 | 500 |
| Pasacancha 29 | 010135211 | 200 |
| Pasacancha 30 | 010135311 | 6 |

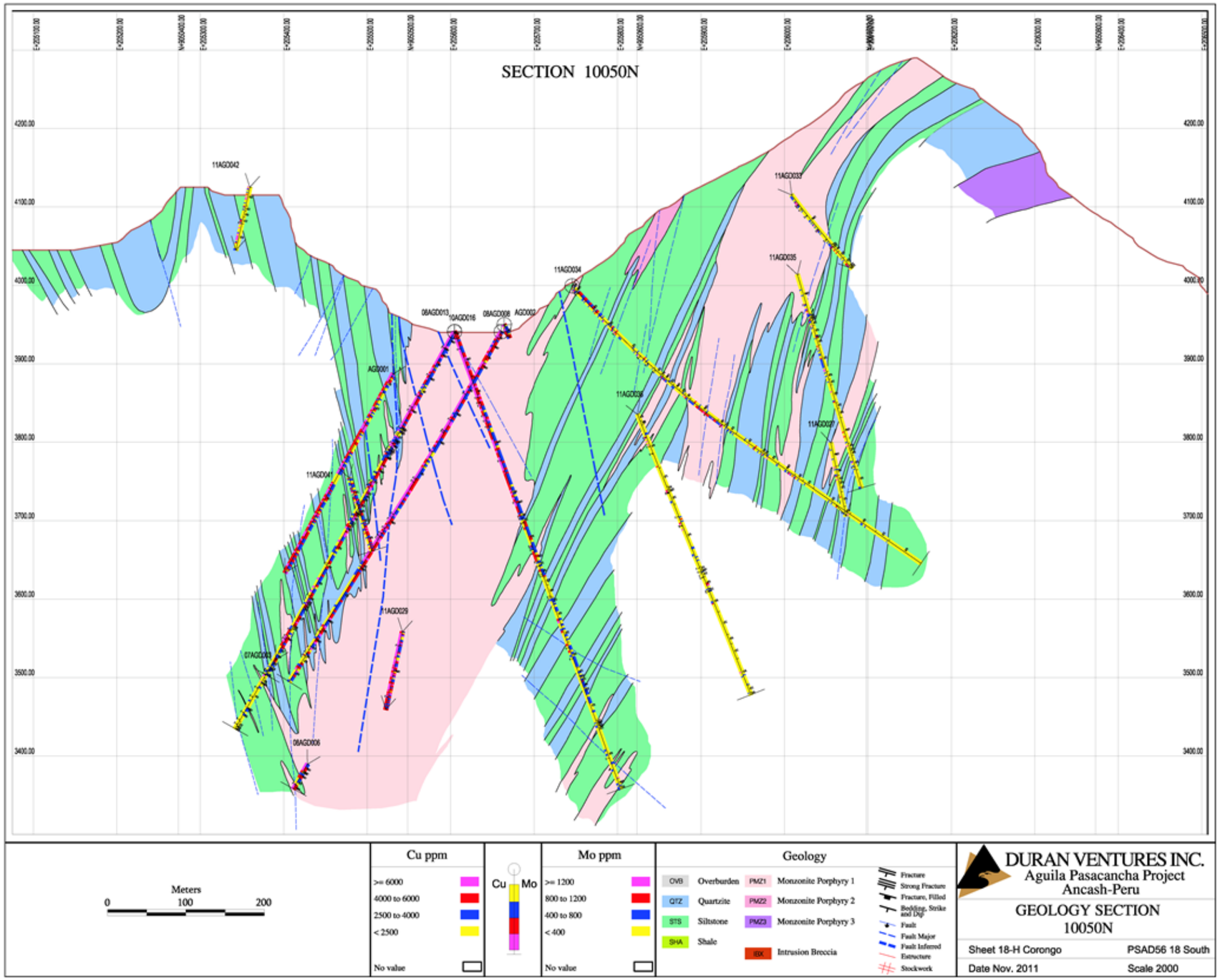
Corongo Concessions (Duran 50%)

| Concession | Mining Code | Hectares |
|---|---|---|
| KFC | 10266196 | 200 |
| Pasacancha 9 | 10599707 | 300 |
| Pasacancha 13 | 10126408 | 200 |
| Pasacancha 14 | 10126308 | 600 |
| Pasacancha 15 | 10126208 | 100 |
| Pasacancha 16 | 10126108 | 600 |
| Pasacancha 19 | 10375008 | 200 |
| Pasacancha 20 | 10663408 | 400 |
| Pasacancha 21 | 10663508 | 100 |
| Pasacancha 22 | 10663608 | 300 |
| Pasacancha 23 | 10663708 | 100 |

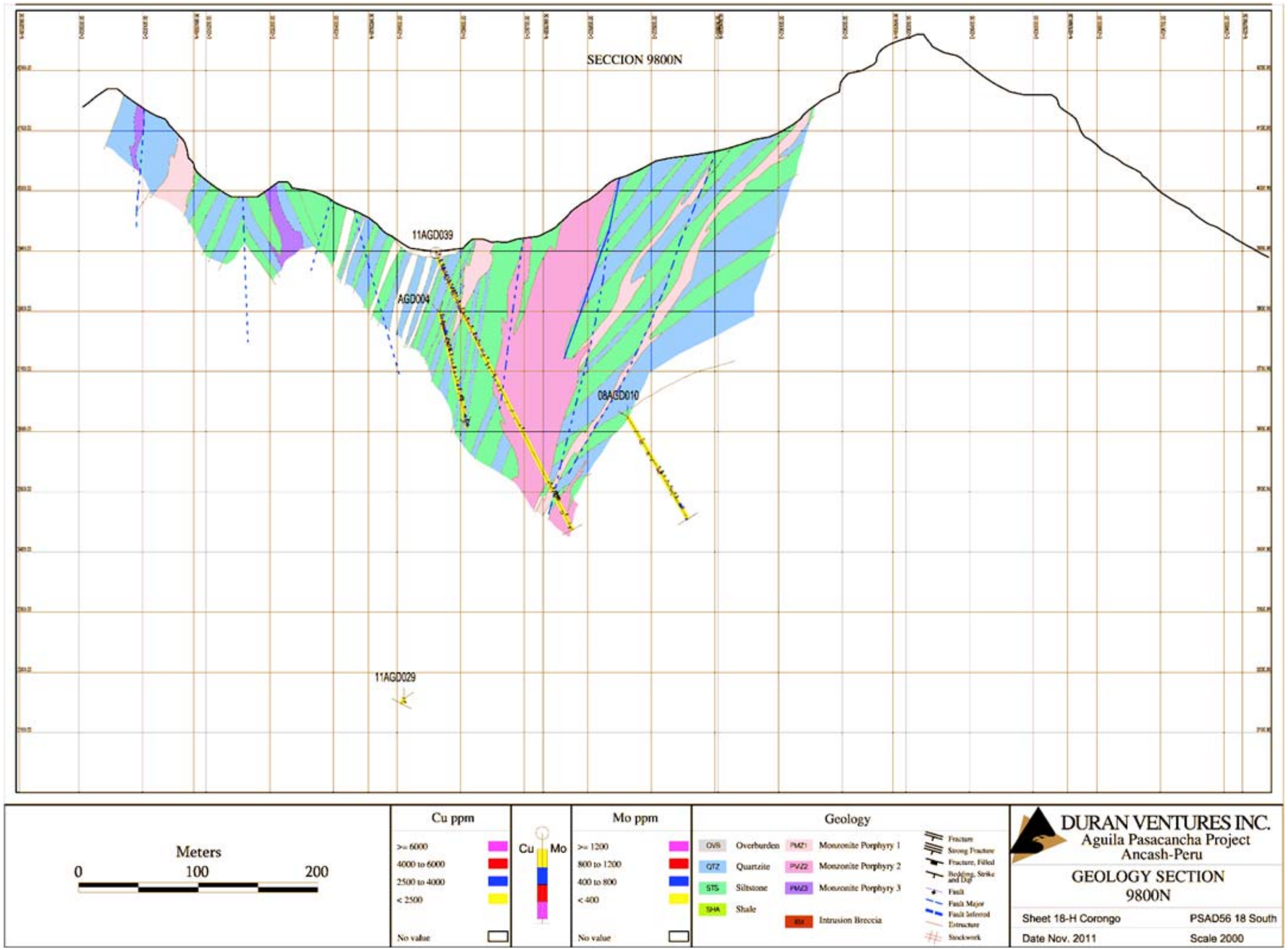
# APPENDIX C

## Geology Cross-sections

Geology Section on 10050N



Geology Section on 9800N



# APPENDIX D

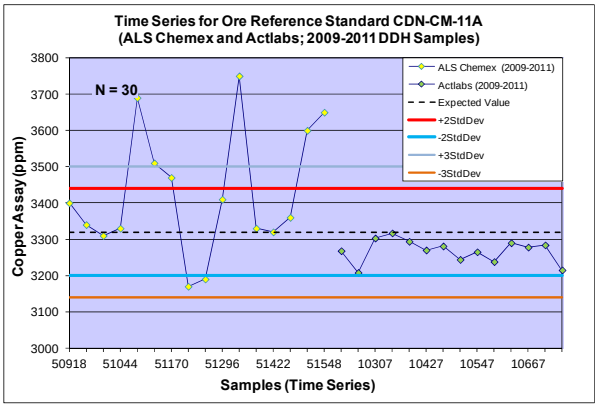
## Analytical Quality Control Data and Relative Precision Charts

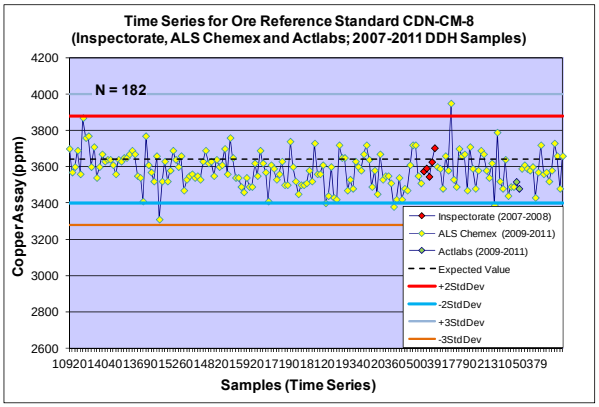
Time series plots for Blank and Certified Standard Samples Assayed by Inspectorate, ALS Minerals and Actlabs during 2007 to 2011 – Copper

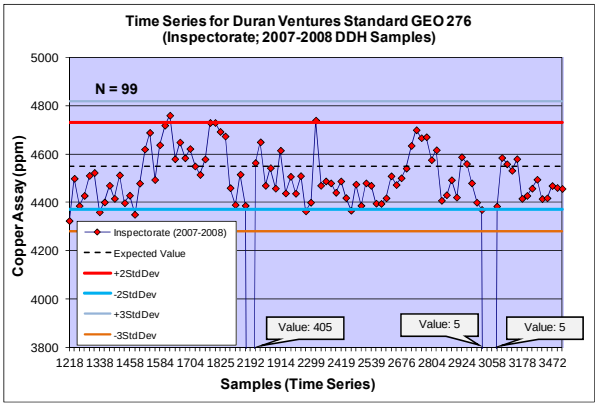
srk consulting

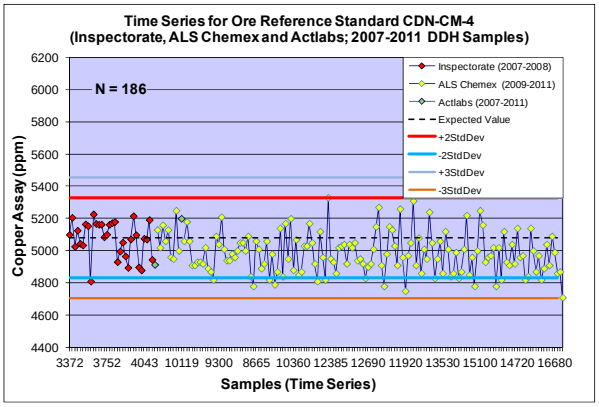
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2007-2011 Assay Standards |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Laboratory** | Inspectorate, ALS Chemex & Actlabs |
| **Analytical Method** | AqR Digest-AA, 4 Acid Digest-AAS |
| **Detection Limit** | 10ppm, 2ppm |

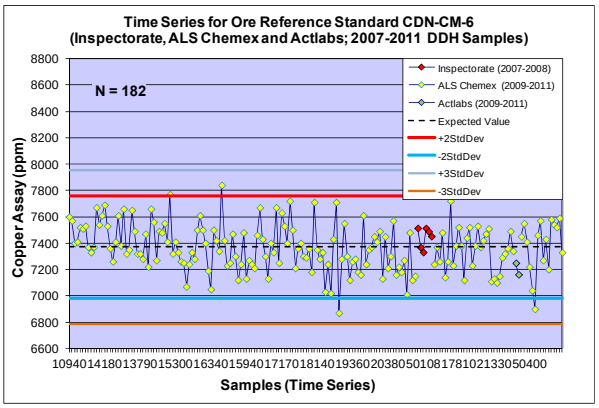
| Statistics | CM-11A | CM-8 | GEO 276 | CM-4 | CM-6 |
|---|---|---|---|---|---|
| **Sample Count** | 30 | 182 | 99 | 186 | 182 |
| **Expected Value** | 3,320 | 3,640 | 4,550 | 5,080 | 7,370 |
| **Standard Deviation** | 60 | 120 | 90 | 125 | 195 |
| **Mean** | 3,353 | 3,583 | 4,374 | 5,000 | 7,370 |
| **Outside 2StdDev** | 26.7% | 2.2% | 10.1% | 8.1% | 2.2% |
| **Below 2StdDev** | 2 | 3 | 8 | 15 | 2 |
| **Above 2StdDev** | 6 | 1 | 2 | 0 | 2 |



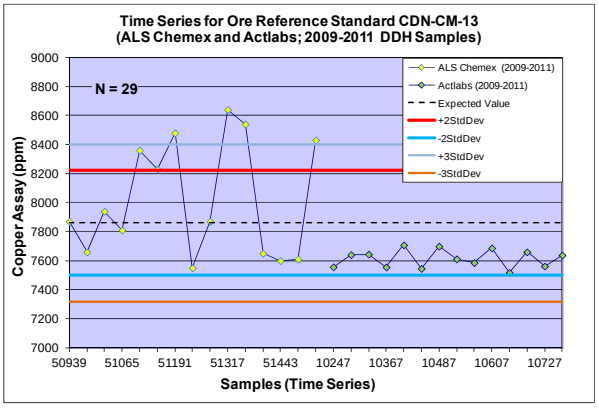



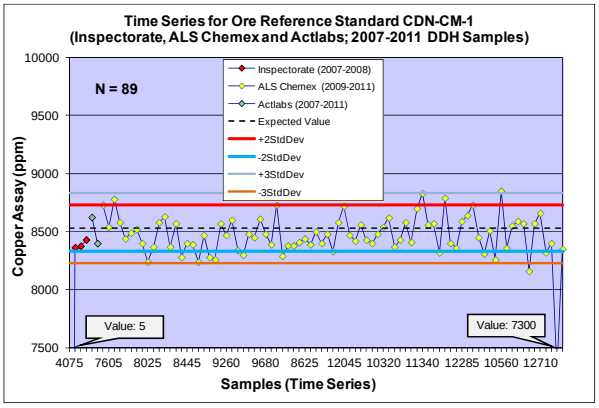
Time series plots for Blank and Certified Standard Samples Assayed by Inspectorate, ALS Minerals and Actlabs during 2007 to 2011 – Copper

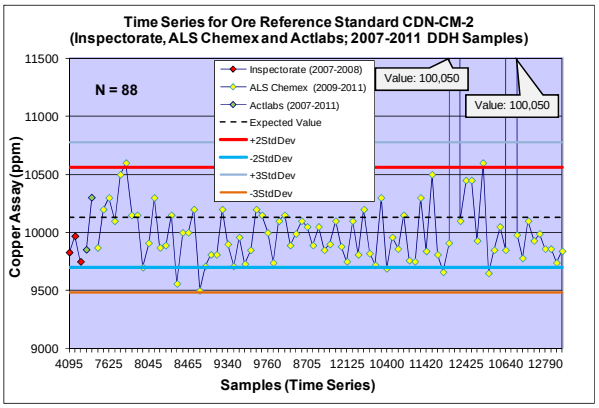
srk consulting

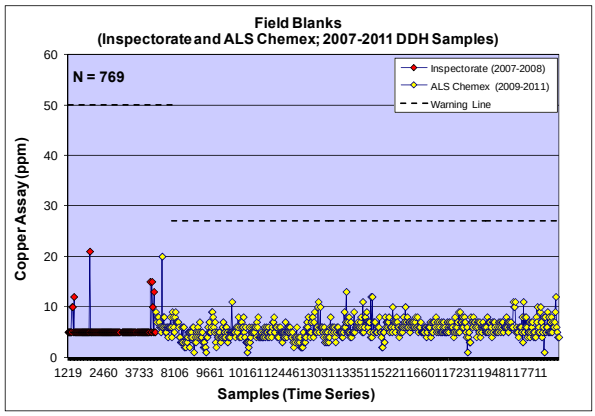
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2007-2011 Assay Standards & Blanks |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Laboratory** | Inspectorate, ALS Chemex & Actlabs |
| **Analytical Method** | AqR Digest-AA, 4 Acid Digest-AAS |
| **Detection Limit** | 10ppm, 2ppm |

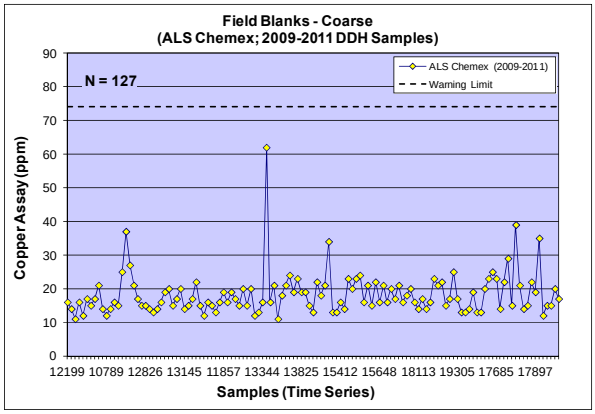
| Statistics | CM-13 | CM-1 | CM-2 | Blank | Coarse |
|---|---|---|---|---|---|
| **Sample Count** | 29 | 87 | 88 | 769 | 127 |
| **Expected Value** | 7,860 | 8,530 | 10,130 | - | - |
| **Standard Deviation** | 180 | 100 | 215 | - | - |
| **Mean** | 7,823 | 8,478 | 12,027 | 6 | 18 |
| **Outside 2StdDev** | 20.7% | 18.4% | 10.2% | - | - |
| **Below 2StdDev** | 0 | 12 | 5 | - | - |
| **Above 2StdDev** | 6 | 4 | 4 | - | - |



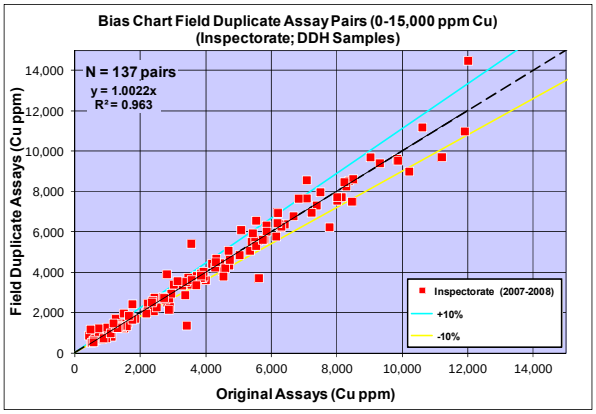



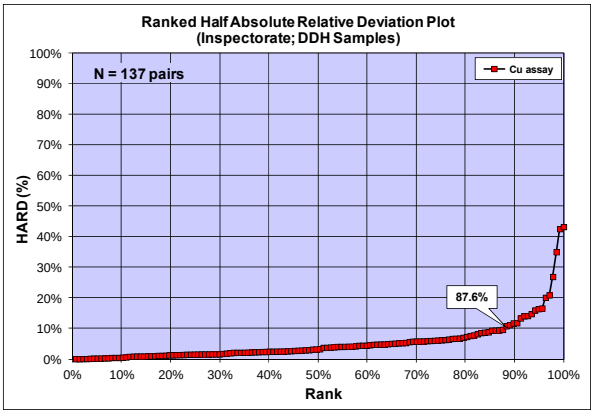
Bias Charts and Precision Plots for Original versus Field Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Copper

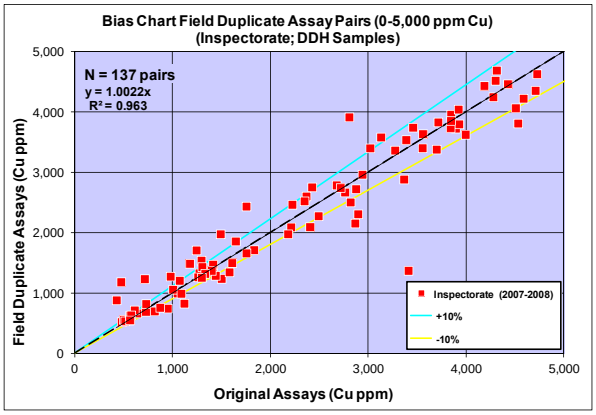
srk consulting

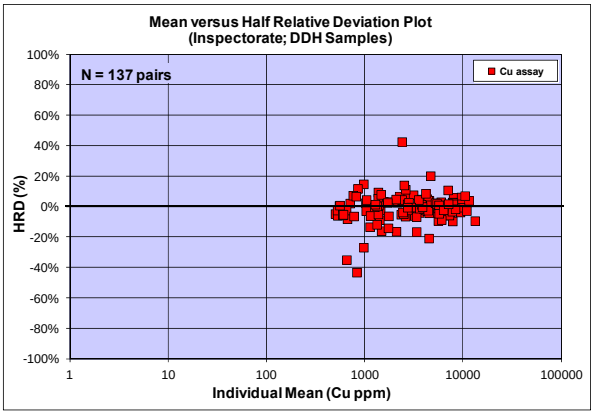
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 10 ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Field Duplicate Assays |

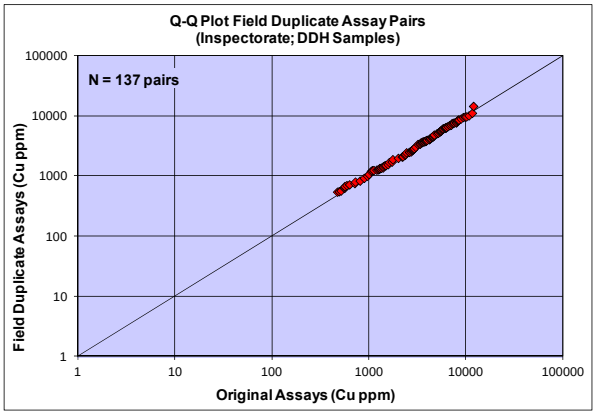
| Statistics | Original | Field Duplicate |
|---|---|---|
| **Sample Count** | 137 | 137 |
| **Minimum Value** | 426 | 526 |
| **Maximum Value** | 12,000 | 14,500 |
| **Mean** | 3,988 | 4,020 |
| **Median** | 3,548 | 3,625 |
| **Standard Error** | 244 | 246 |
| **Standard Deviation** | 2,854 | 2,881 |
| **Correlation Coefficient** | 0.9814 | |
| **Pairs ≤ 10% HARD** | 87.6% | |

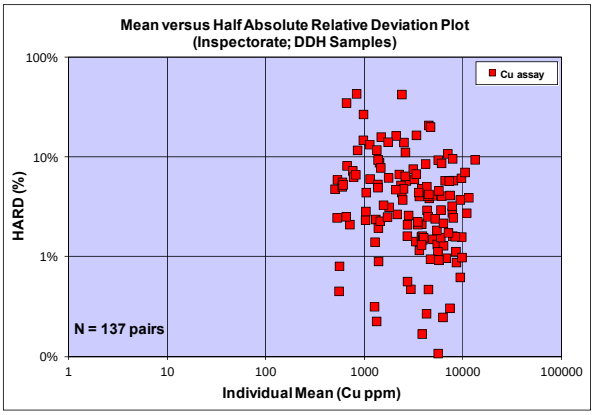


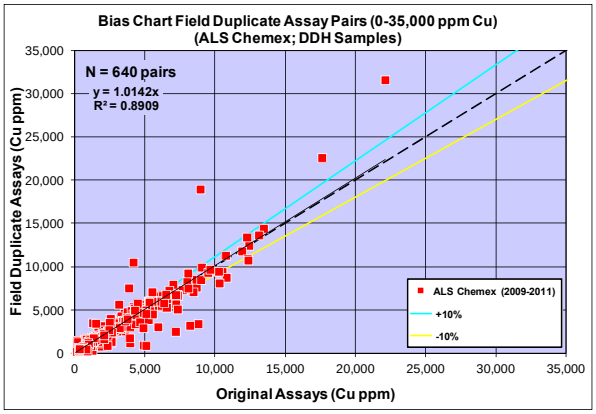



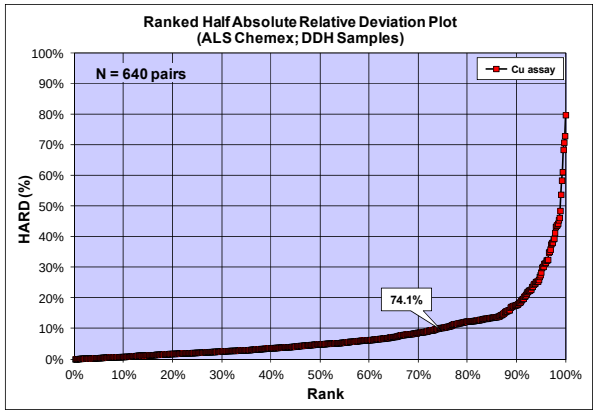
# Bias Charts and Precision Plots for Original versus Field Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Copper

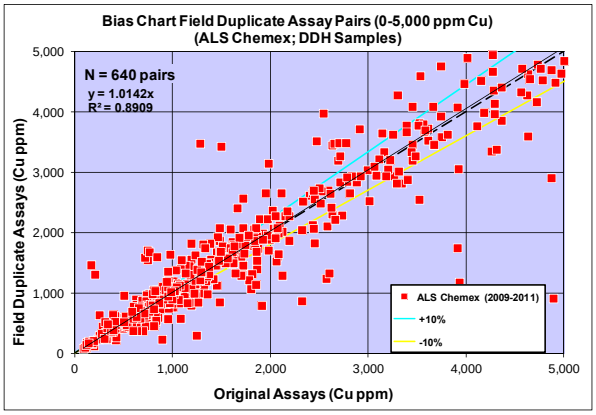
srk consulting

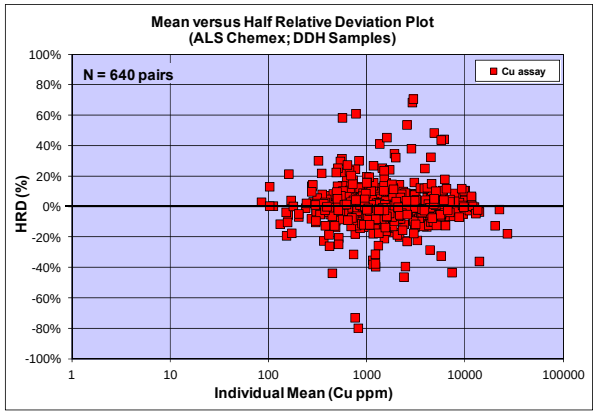
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2 ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Field Duplicate Assays |

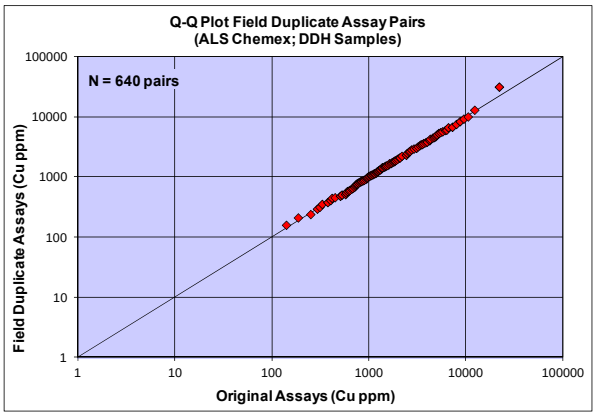
| Statistics | Original | Field Duplicate |
|---|---|---|
| **Sample Count** | 640 | 640 |
| **Minimum Value** | 87 | 82 |
| **Maximum Value** | 22,100 | 31,600 |
| **Mean** | 2,482 | 2,484 |
| **Median** | 1,375 | 1,435 |
| **Standard Error** | 108 | 116 |
| **Standard Deviation** | 2,739 | 2,929 |
| **Correlation Coefficient** | 0.9497 | |
| **Pairs ≤ 10% HARD** | 74.1% | |

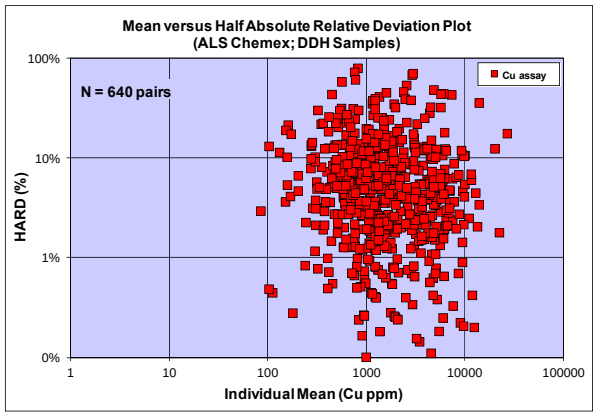


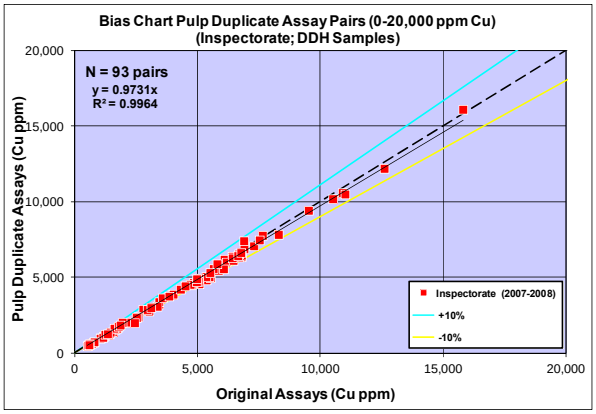



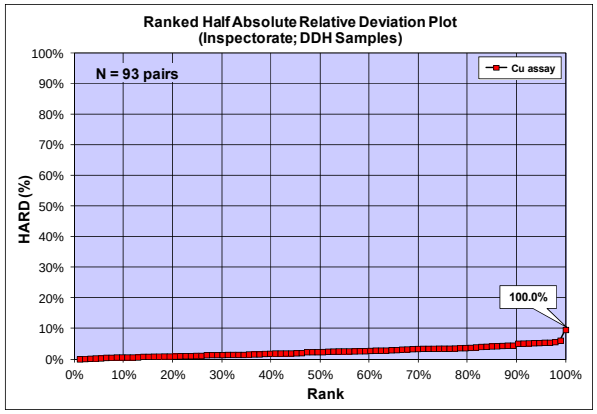
Bias Charts and Precision Plots for Original versus Pulp Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Copper

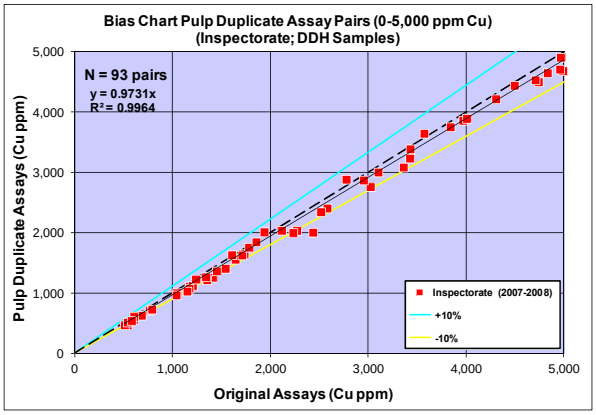
srk consulting

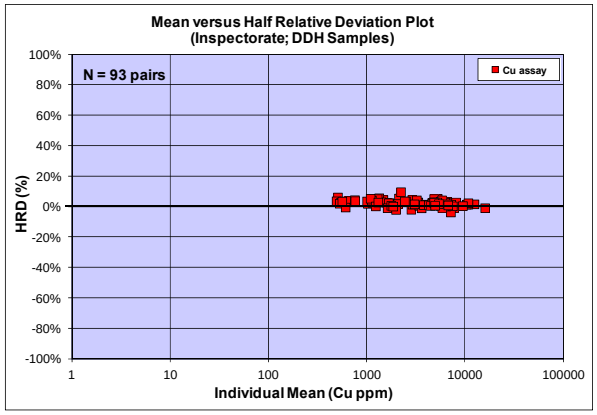
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 10ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Pulp Duplicate Assays |

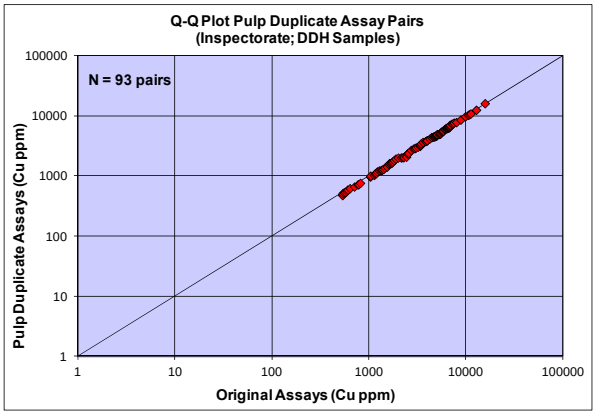
| Statistics | Original | Pulp Duplicate |
|---|---|---|
| **Sample Count** | 93 | 93 |
| **Minimum Value** | 509 | 473 |
| **Maximum Value** | 15,800 | 16,100 |
| **Mean** | 4,204 | 4,063 |
| **Median** | 3,968 | 3,859 |
| **Standard Error** | 313 | 309 |
| **Standard Deviation** | 3,017 | 2,981 |
| **Correlation Coefficient** | 0.9984 | |
| **Pairs ≤ 10% HARD** | 100.0% | |

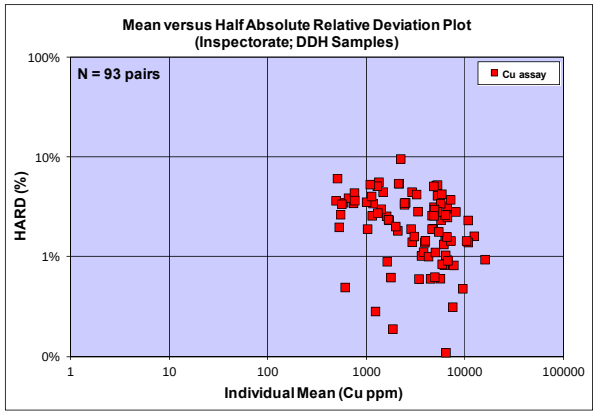


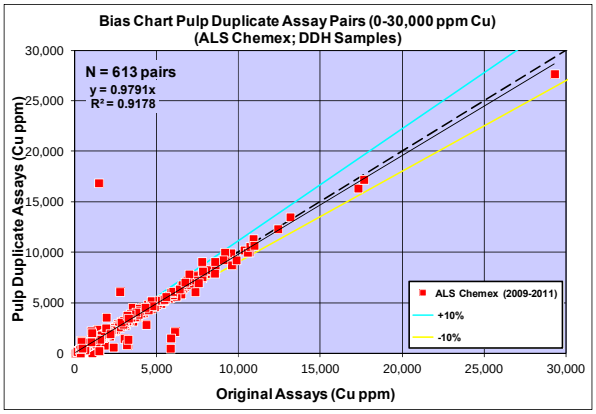



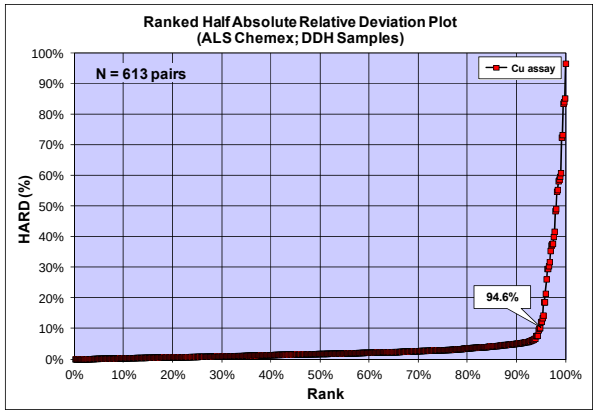
# Bias Charts and Precision Plots for Original versus Pulp Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Copper

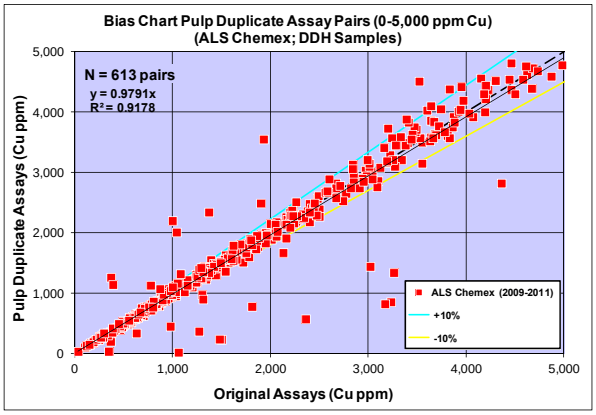
srk consulting

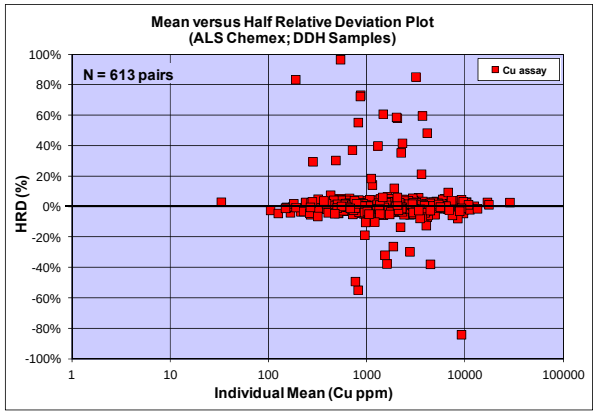
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Pulp Duplicate Assays |

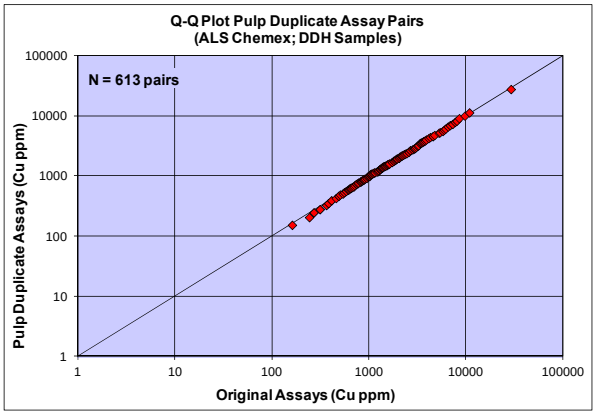
| Statistics | Original | Pulp Duplicate |
|---|---|---|
| **Sample Count** | 613 | 613 |
| **Minimum Value** | 34 | 18 |
| **Maximum Value** | 29,300 | 27,690 |
| **Mean** | 2,470 | 2,458 |
| **Median** | 1,450 | 1,440 |
| **Standard Error** | 109 | 109 |
| **Standard Deviation** | 2,687 | 2,707 |
| **Correlation Coefficient** | 0.9583 | |
| **Pairs ≤ 10% HARD** | 94.6% | |

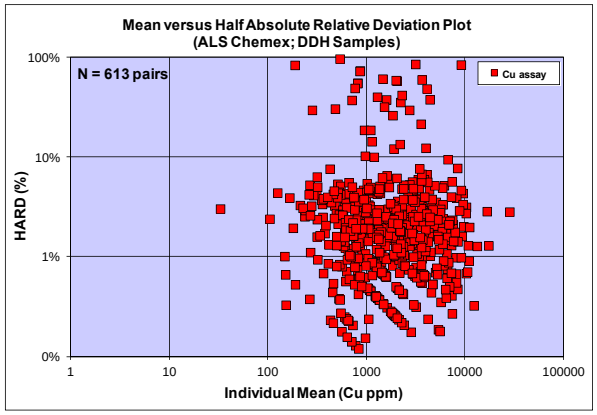


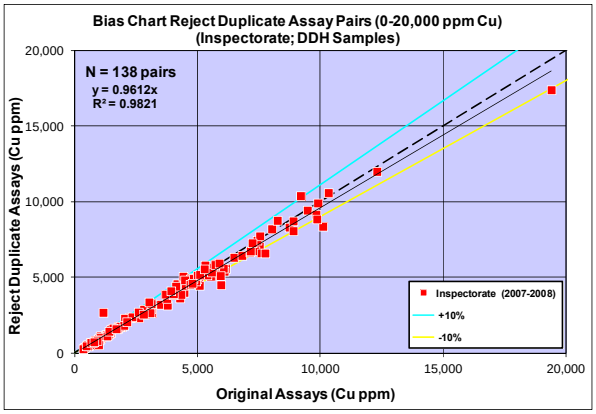



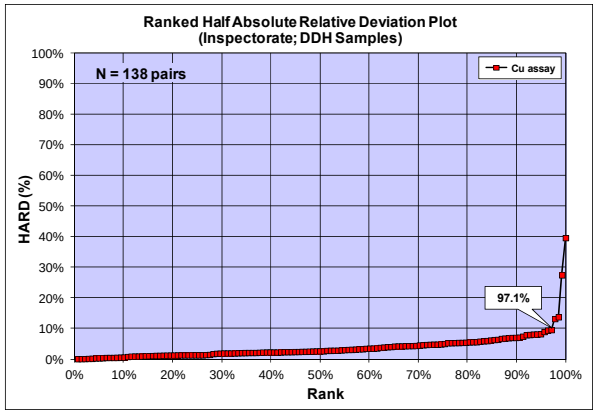
Bias Charts and Precision Plots for Original versus Reject Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Copper

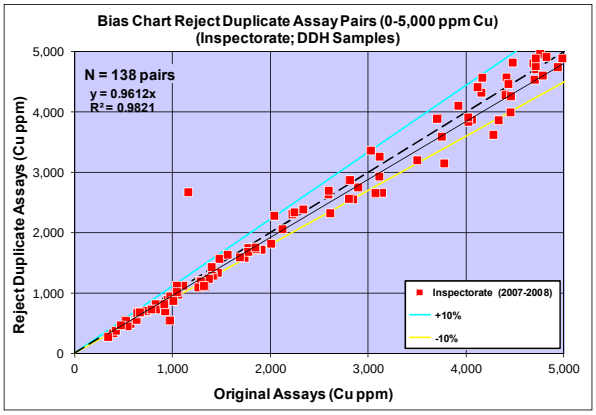
srk consulting

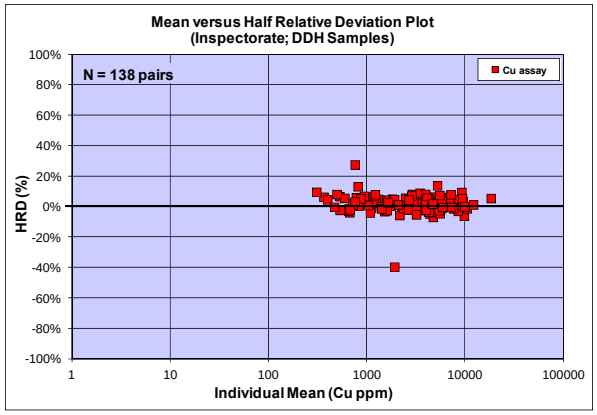
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 10ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Reject Duplicate Assays |

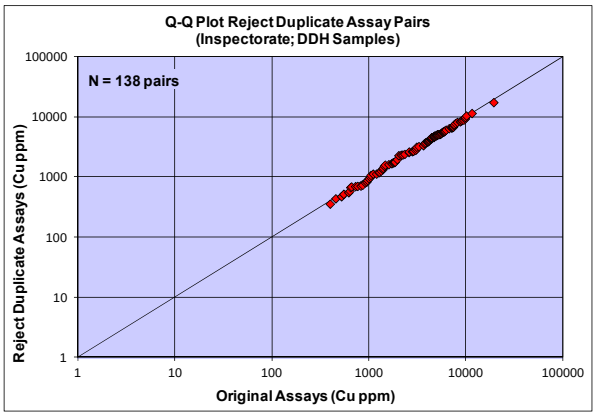
| Statistics | Original | Reject Duplicate |
|---|---|---|
| **Sample Count** | 138 | 138 |
| **Minimum Value** | 338 | 279 |
| **Maximum Value** | 19,400 | 17,400 |
| **Mean** | 4,005 | 3,884 |
| **Median** | 3,846 | 3,736 |
| **Standard Error** | 259 | 247 |
| **Standard Deviation** | 3,041 | 2,902 |
| **Correlation Coefficient** | 0.9912 | |
| **Pairs ≤ 10% HARD** | 97.1% | |

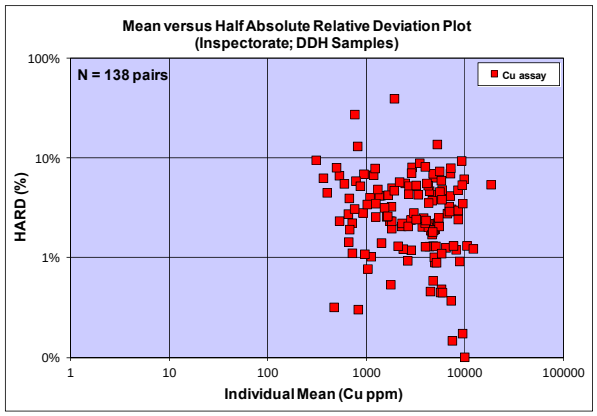


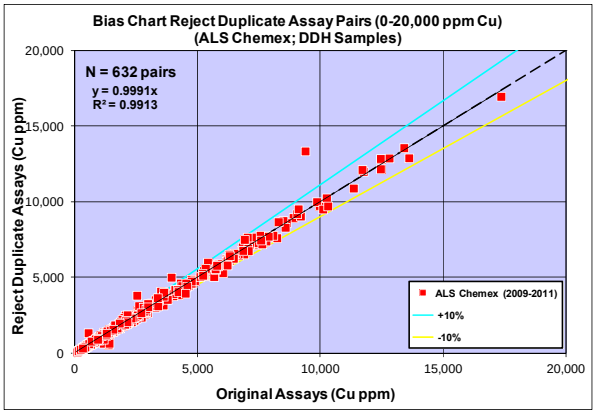



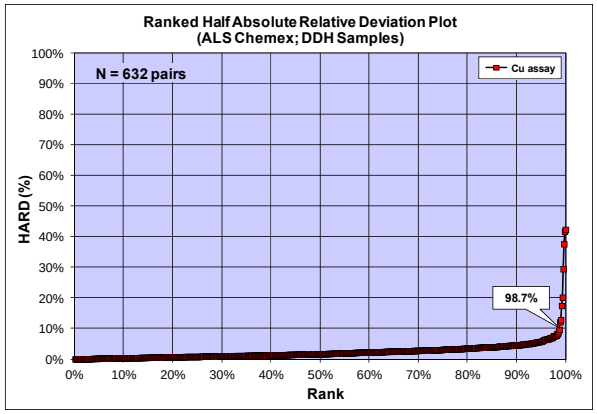
Bias Charts and Precision Plots for Original versus Reject Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Copper

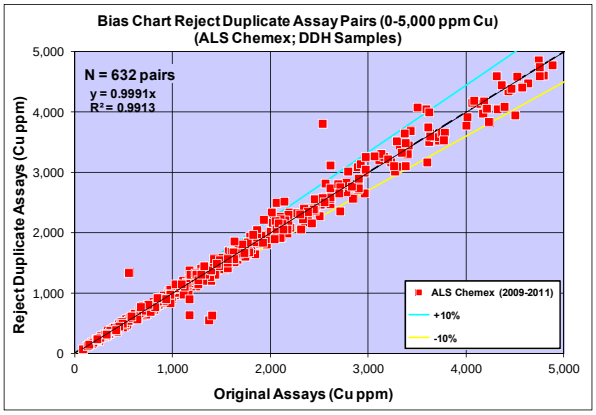
srk consulting

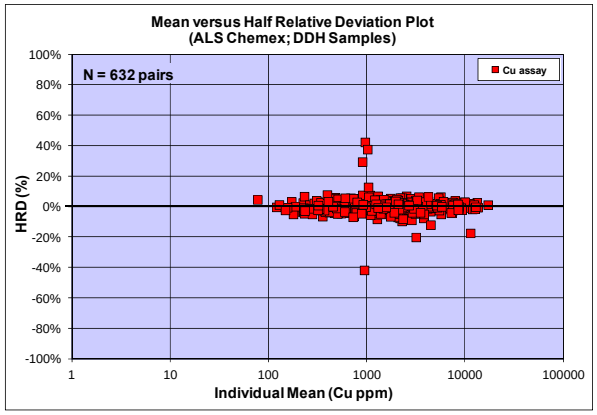
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Reject Duplicate Assays |

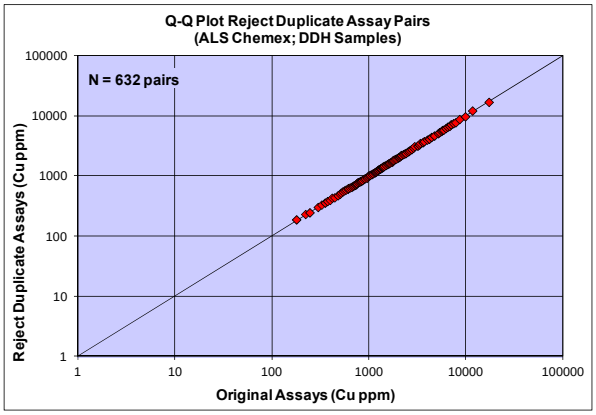
| Statistics | Original | Reject Duplicate |
|---|---|---|
| **Sample Count** | 632 | 632 |
| **Minimum Value** | 81 | 74 |
| **Maximum Value** | 17,350 | 16,960 |
| **Mean** | 2,366 | 2,365 |
| **Median** | 1,415 | 1,420 |
| **Standard Error** | 98 | 99 |
| **Standard Deviation** | 2,476 | 2,483 |
| **Correlation Coefficient** | 0.9956 | |
| **Pairs ≤ 10% HARD** | 98.7% | |

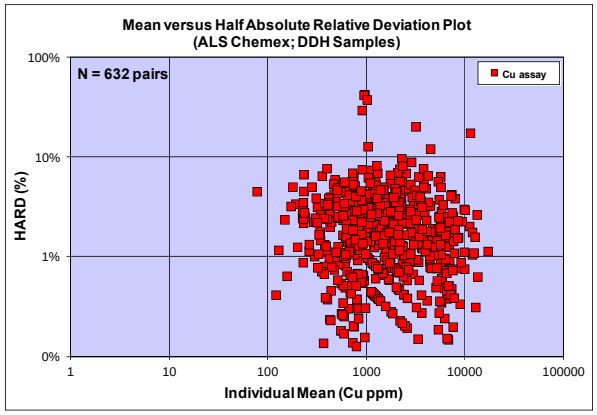


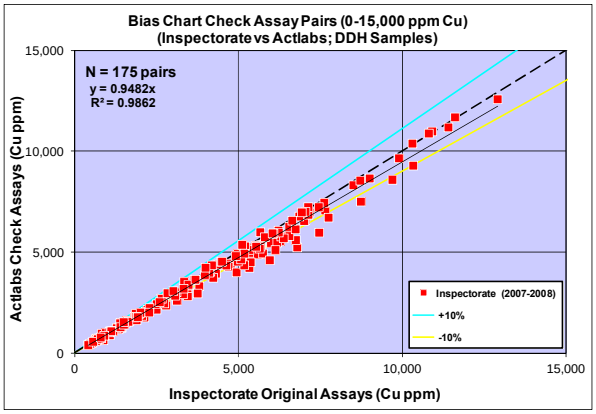



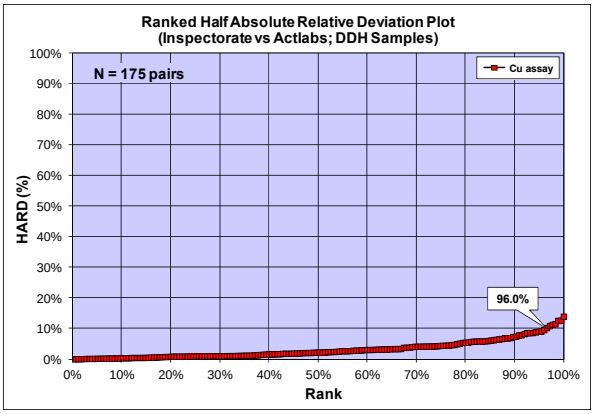
Bias Charts and Precision Plots for Original Inspectorate Samples versus Check Assay Actlabs Samples during 2007 to 2008 – Copper

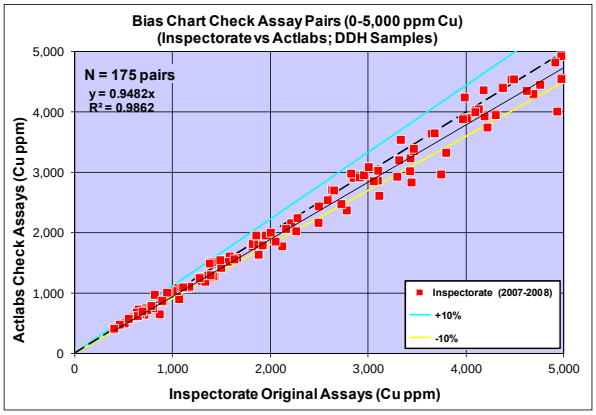
srk consulting

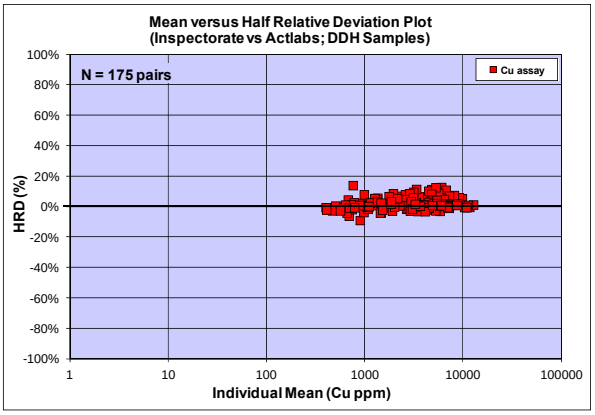
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | Aqua Regia Digestion & AA(S) Finish |
| **Detection Limit** | 10ppm vs 2ppm |
| **Original Dataset** | Inspectorate Original Assays |
| **Paired Dataset** | Actlabs Check Assays |

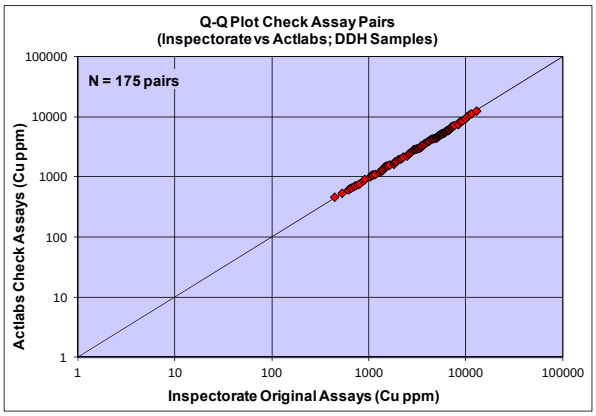
| Statistics | Inspectorate | Actlabs |
|---|---|---|
| **Sample Count** | 175 | 175 |
| **Minimum Value** | 399 | 404 |
| **Maximum Value** | 12,900 | 12,600 |
| **Mean** | 4,076 | 3,865 |
| **Median** | 3,741 | 3,645 |
| **Standard Error** | 207 | 198 |
| **Standard Deviation** | 2,740 | 2,615 |
| **Correlation Coefficient** | 0.9931 | |
| **Pairs ≤ 10% HARD** | 96.0% | |

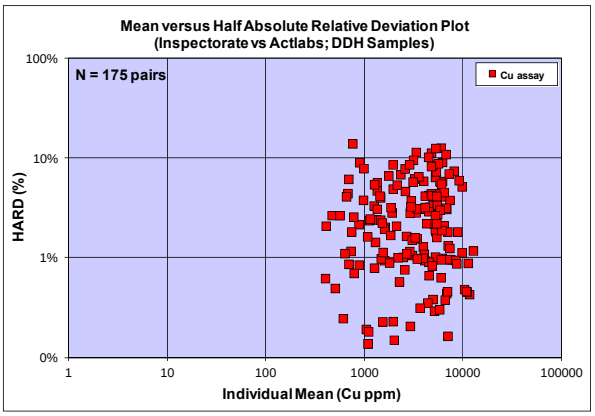


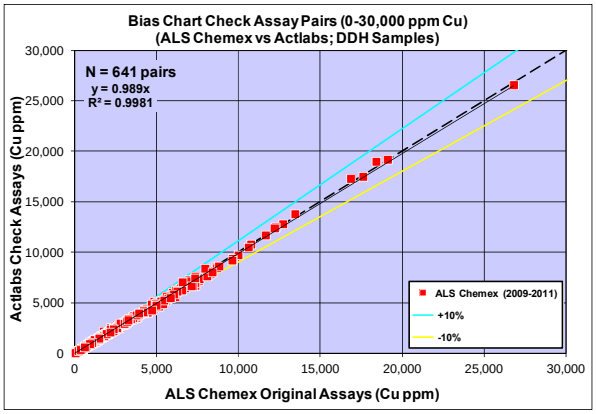



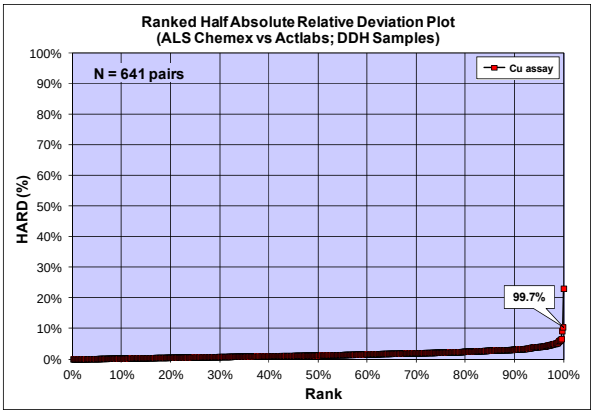
Bias Charts and Precision Plots for Original ALS Minerals Samples versus Check Assay Actlabs Samples during 2009 to 2011 – Copper

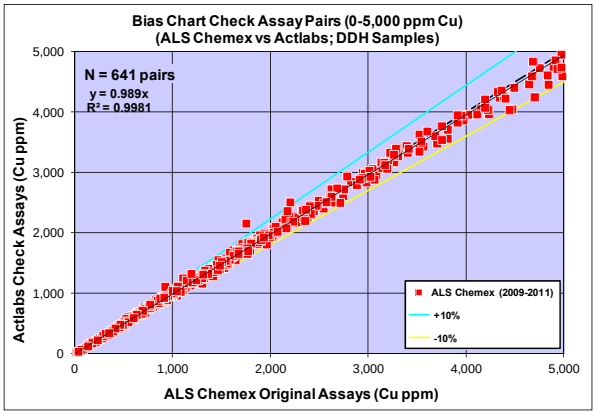
srk consulting

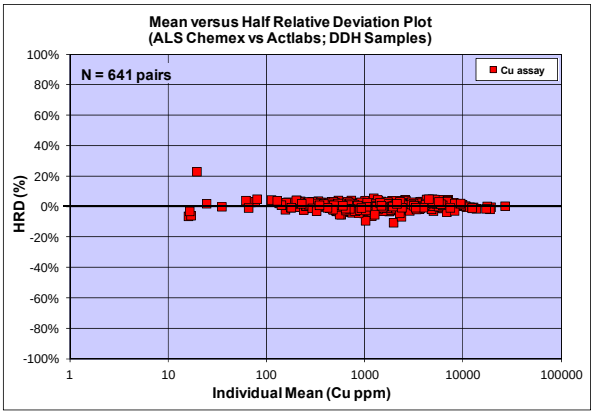
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Cu in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm |
| **Original Dataset** | ALS Chemex Original Assays |
| **Paired Dataset** | Actlabs Check Assays |

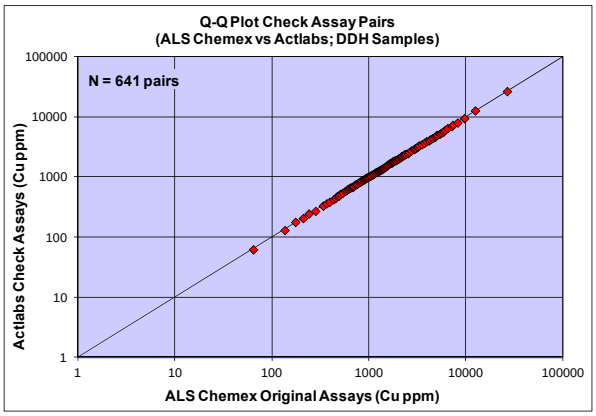
| Statistics | ALS Chemex | Actlabs |
|---|---|---|
| **Sample Count** | 641 | 641 |
| **Minimum Value** | 15 | 15 |
| **Maximum Value** | 26,800 | 26,600 |
| **Mean** | 2,299 | 2,269 |
| **Median** | 1,410 | 1,389 |
| **Standard Error** | 106 | 105 |
| **Standard Deviation** | 2,673 | 2,649 |
| **Correlation Coefficient** | 0.9990 | |
| **Pairs ≤ 10% HARD** | 99.7% | |

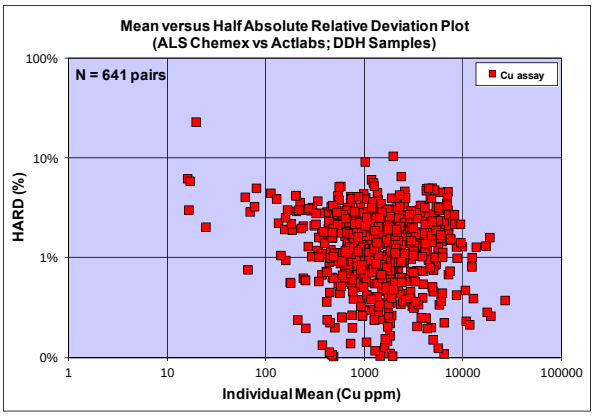


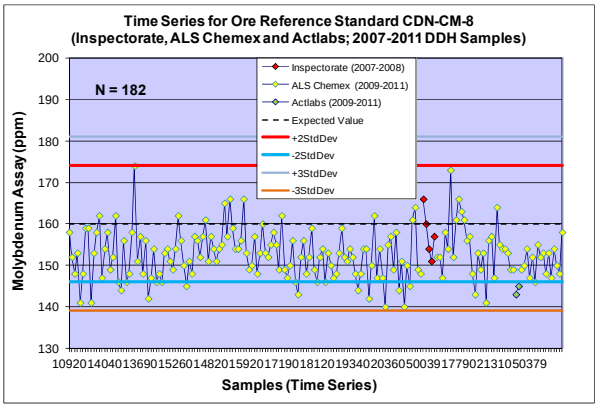



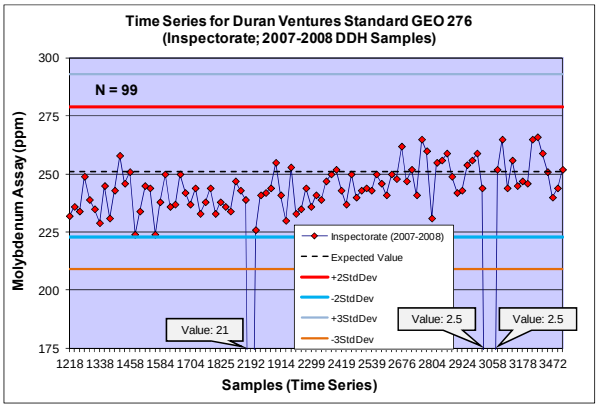
Time series plots for Blank and Certified Standard Samples Assayed by Inspectorate, ALS Minerals and Actlabs during 2007 to 2011 – Molybdenum

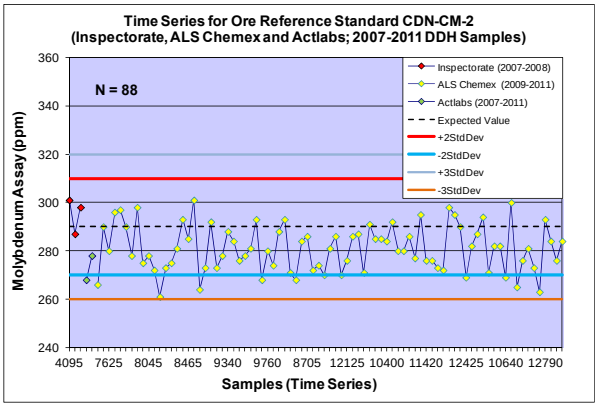
srk consulting

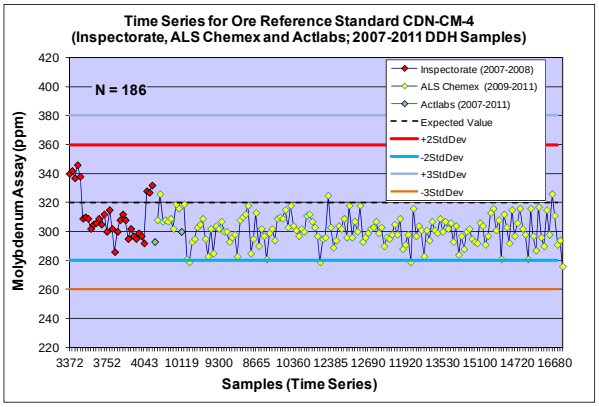
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2007-2011 Assay Standards |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Laboratory** | Inspectorate, ALS Chemex & Actlabs |
| **Analytical Method** | AqR Digest-AA, 4 Acid Digest-AAS |
| **Detection Limit** | 5 ppm, 2ppm and 3ppm |

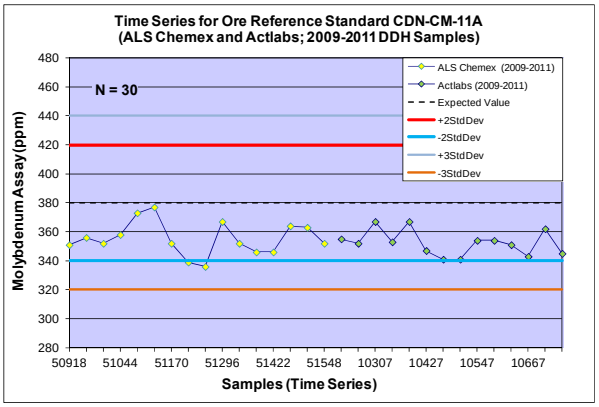
| | GEO | | | | |
|---|---|---|---|---|---|
| **Statistics** | **CM-8** | **276** | **CM-2** | **CM-4** | **CM-11A** |
| **Sample Count** | 182 | 99 | 88 | 186 | 30 |
| **Expected Value** | 160 | 251 | 290 | 320 | 380 |
| **Standard Deviation** | 7 | 14 | 10 | 20 | 20 |
| **Mean** | 153 | 237 | 281 | 303 | 354 |
| **Outside 2StdDev** | 8.8% | 3.0% | 11.4% | 2.2% | 6.7% |
| **Below 2StdDev** | 16 | 3 | 10 | 4 | 2 |
| **Above 2StdDev** | 0 | 0 | 0 | 0 | 0 |



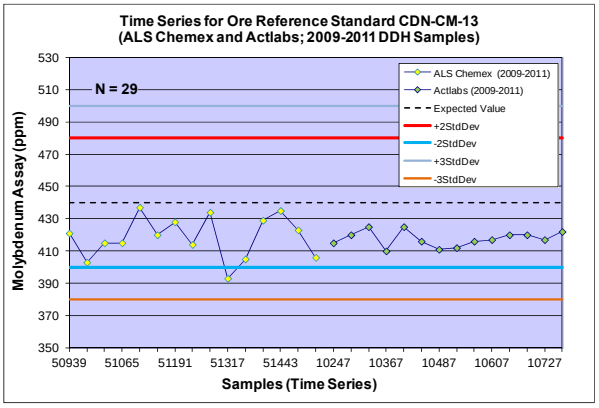



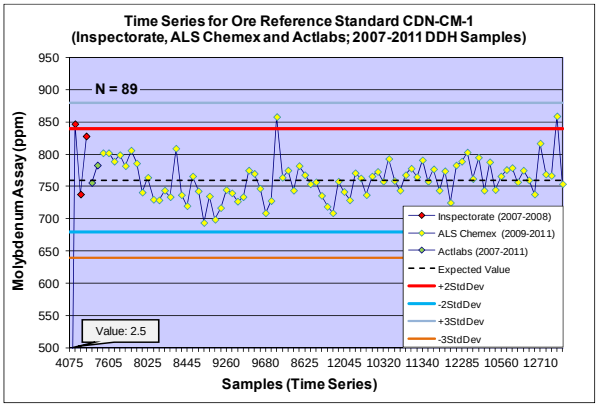
Time series plots for Blank and Certified Standard Samples Assayed by Inspectorate, ALS Minerals and Actlabs during 2007 to 2011 – Molybdenum

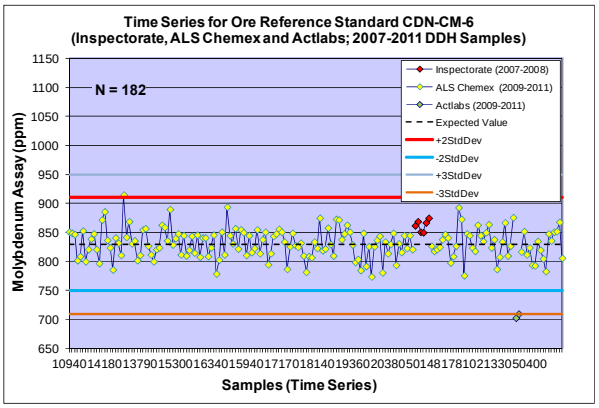
srk consulting

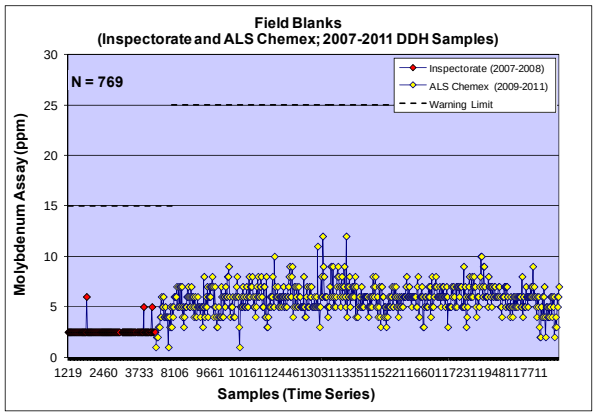
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2007-2011 Assay Standards & Blanks |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Laboratory** | Inspectorate, ALS Chemex & Actlabs |
| **Analytical Method** | AqR Digest-AA, 4 Acid Digest-AAS & |
| **Detection Limit** | 5ppm, 2ppm and 3ppm |

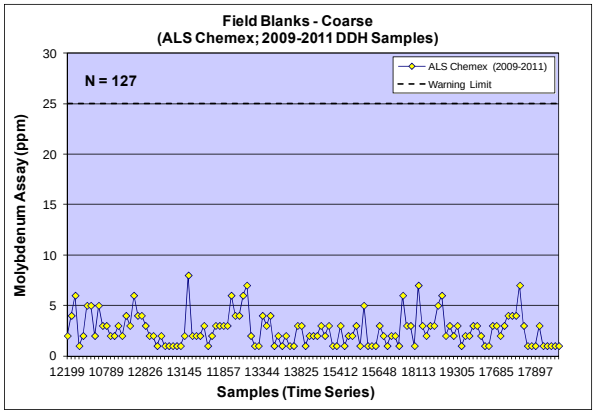
| Statistics | CM-13 | CM-1 | CM-6 | Blank | Coarse |
|---|---|---|---|---|---|
| **Sample Count** | 29 | 89 | 182 | 769 | 127 |
| **Expected Value** | 440 | 760 | 830 | - | - |
| **Standard Deviation** | 20 | 40 | 40 | - | - |
| **Mean** | 418 | 754 | 831 | 5 | 3 |
| **Outside 2StdDev** | 3.4% | 4.5% | 1.6% | - | - |
| **Below 2StdDev** | 1 | 1 | 2 | - | - |
| **Above 2StdDev** | 0 | 3 | 1 | - | - |



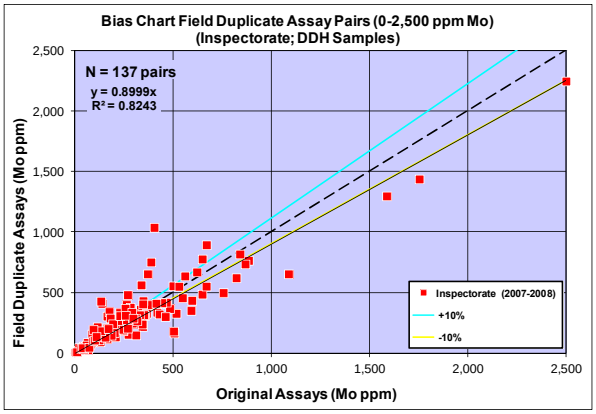



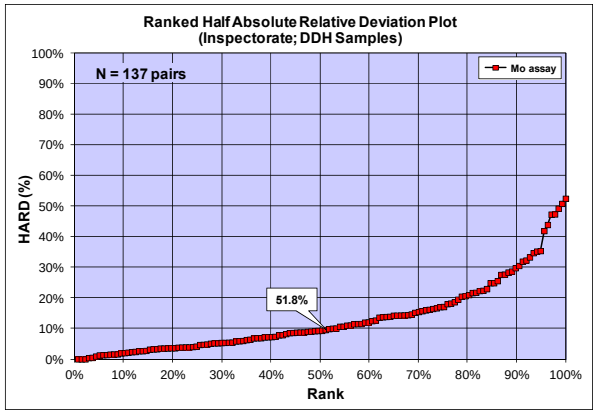
Bias Charts and Precision Plots for Original versus Field Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Molybdenum

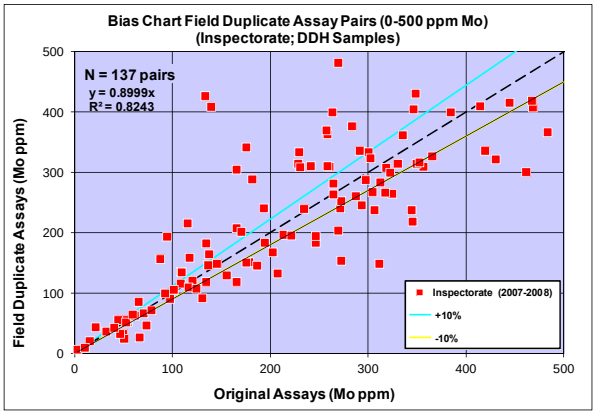
srk consulting

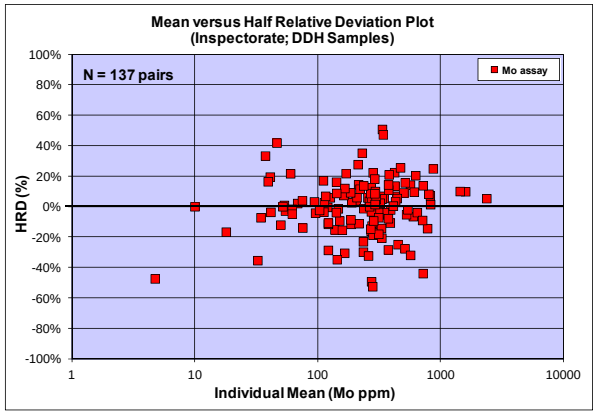
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 5 ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Field Duplicate Assays |

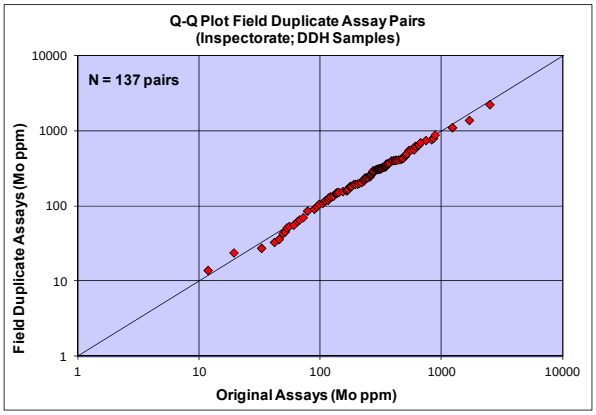
| Statistics | Original | Field Duplicate |
|---|---|---|
| **Sample Count** | 137 | 137 |
| **Minimum Value** | 3 | 7 |
| **Maximum Value** | 2,500 | 2,246 |
| **Mean** | 320 | 314 |
| **Median** | 263 | 265 |
| **Standard Error** | 28 | 25 |
| **Standard Deviation** | 324 | 290 |
| **Correlation Coefficient** | 0.9164 | |
| **Pairs ≤ 10% HARD** | 51.8% | |

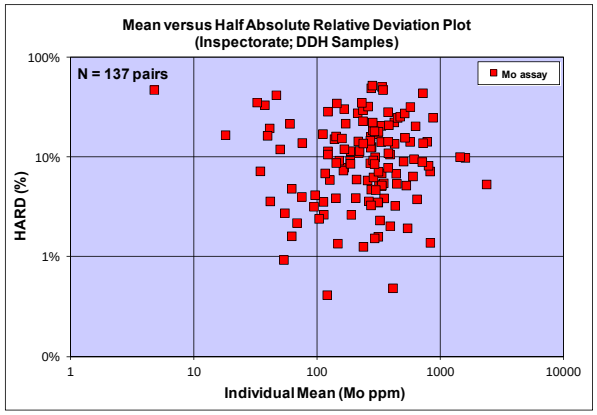


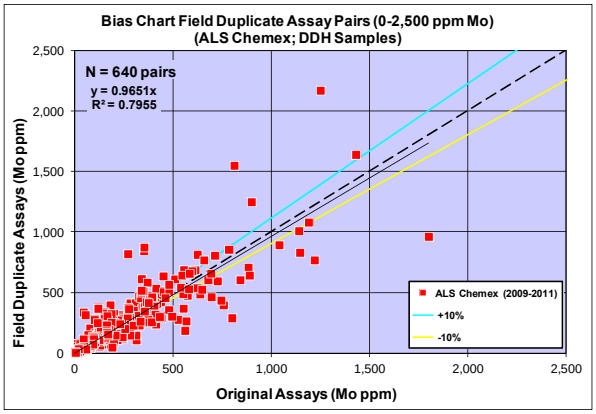



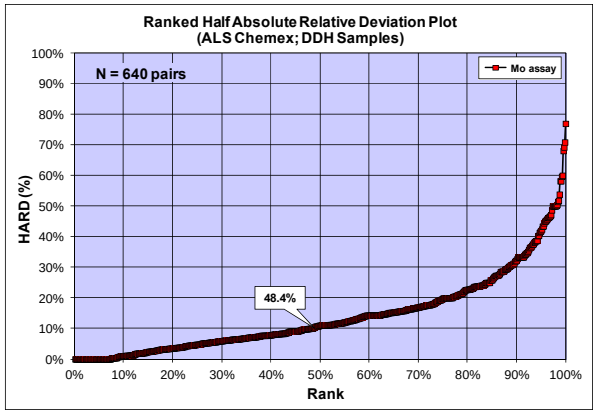
# Bias Charts and Precision Plots for Original versus Field Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Molybdenum

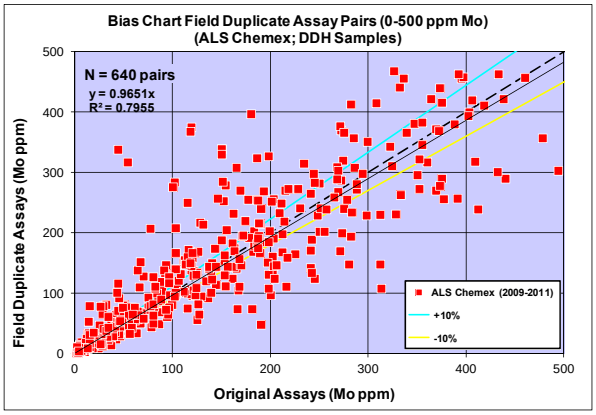
srk consulting

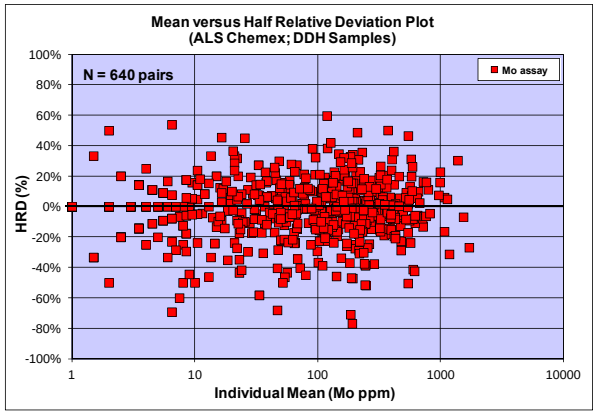
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2 ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Field Duplicate Assays |

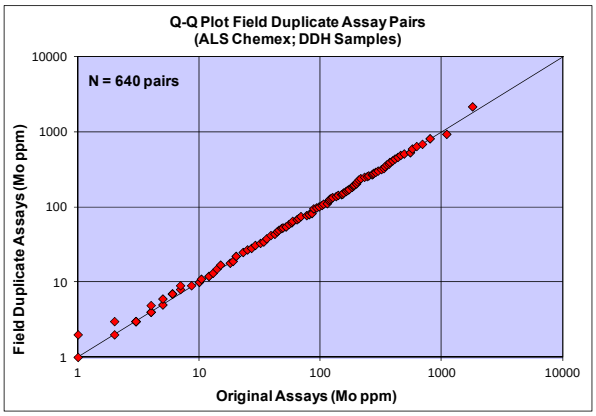
| Statistics | Original | Field Duplicate |
|---|---|---|
| **Sample Count** | 640 | 640 |
| **Minimum Value** | 1 | 1 |
| **Maximum Value** | 1,800 | 2,170 |
| **Mean** | 166 | 171 |
| **Median** | 88 | 95 |
| **Standard Error** | 9 | 9 |
| **Standard Deviation** | 217 | 224 |
| **Correlation Coefficient** | 0.8945 | |
| **Pairs ≤ 10% HARD** | 48.4% | |

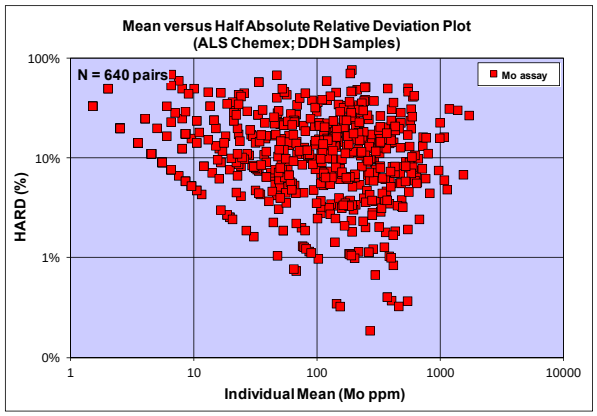


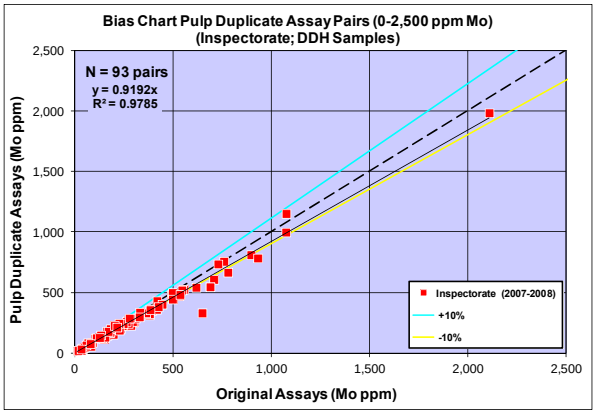



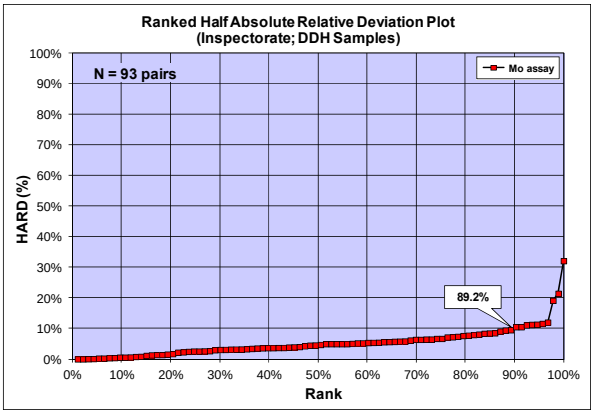
Bias Charts and Precision Plots for Original versus Pulp Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Molybdenum

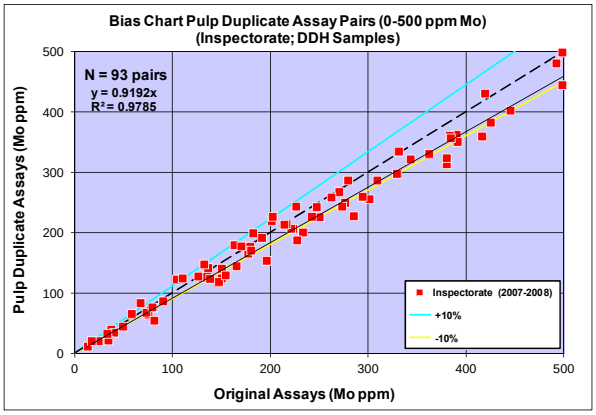
srk consulting

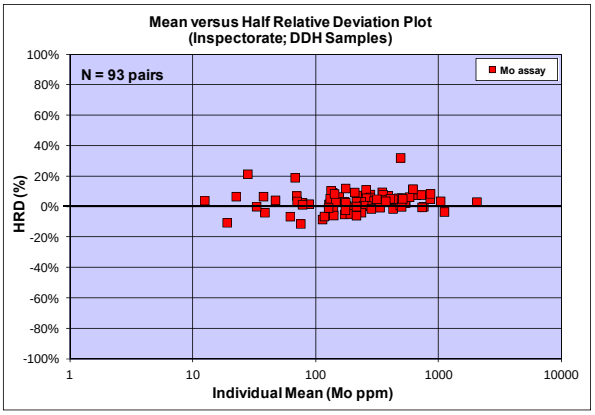
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 5ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Pulp Duplicate Assays |

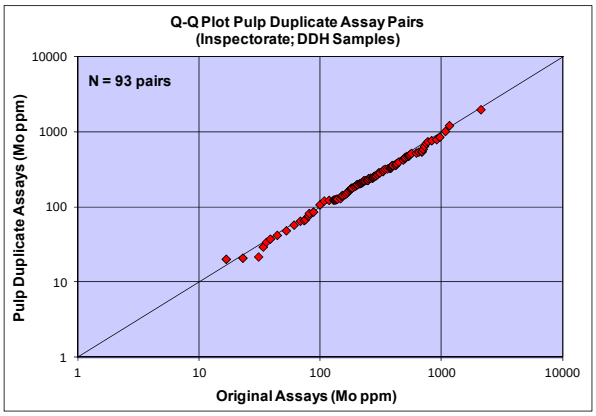
| Statistics | Original | Pulp Duplicate |
|---|---|---|
| **Sample Count** | 93 | 93 |
| **Minimum Value** | 13 | 12 |
| **Maximum Value** | 2,109 | 1,984 |
| **Mean** | 329 | 303 |
| **Median** | 242 | 227 |
| **Standard Error** | 32 | 29 |
| **Standard Deviation** | 304 | 282 |
| **Correlation Coefficient** | 0.9892 | |
| **Pairs ≤ 10% HARD** | 89.2% | |

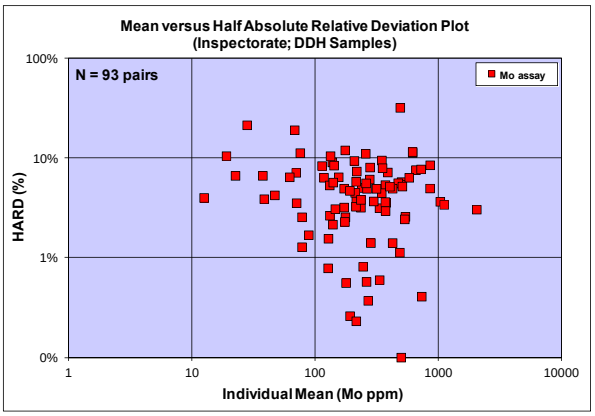


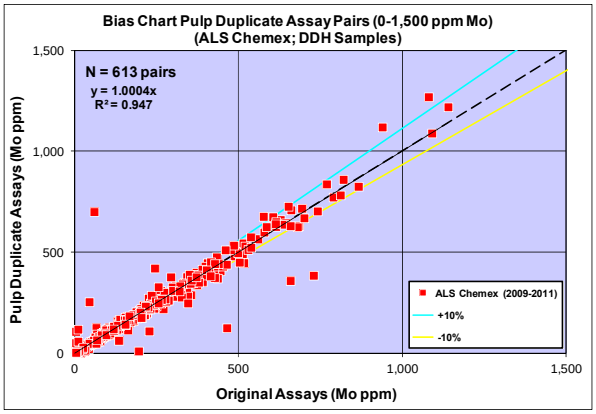



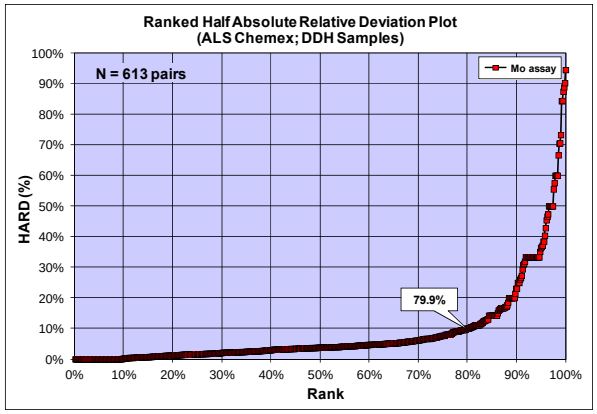
# Bias Charts and Precision Plots for Original versus Pulp Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Molybdenum

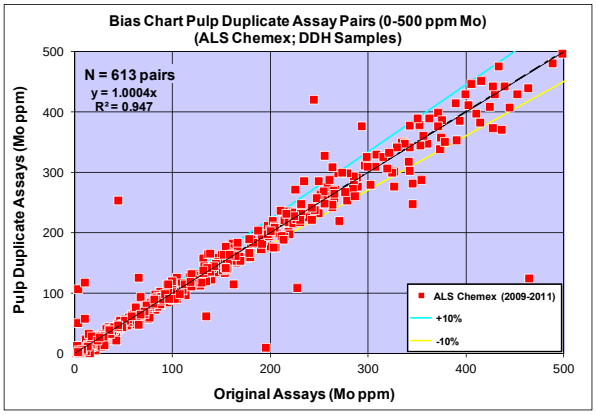
srk consulting

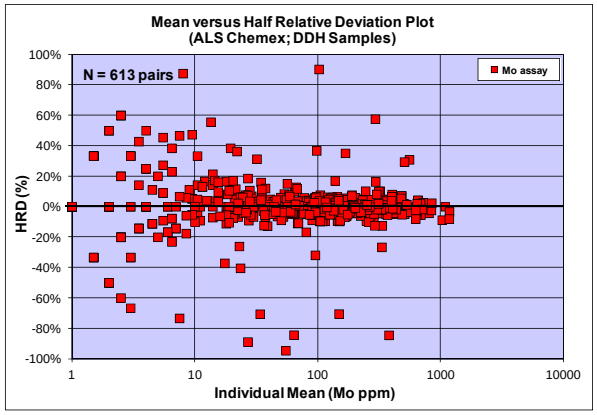
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Pulp Duplicate Assays |

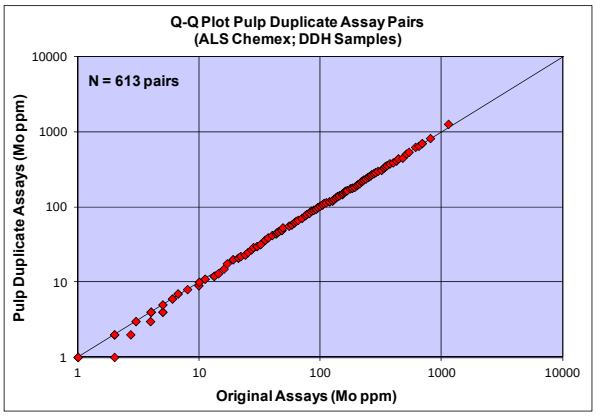
| Statistics | Original | Pulp Duplicate |
|---|---|---|
| **Sample Count** | 613 | 613 |
| **Minimum Value** | 1 | 1 |
| **Maximum Value** | 1,140 | 1,270 |
| **Mean** | 155 | 156 |
| **Median** | 88 | 91 |
| **Standard Error** | 7 | 8 |
| **Standard Deviation** | 185 | 189 |
| **Correlation Coefficient** | 0.9732 | |
| **Pairs ≤ 10% HARD** | 79.9% | |

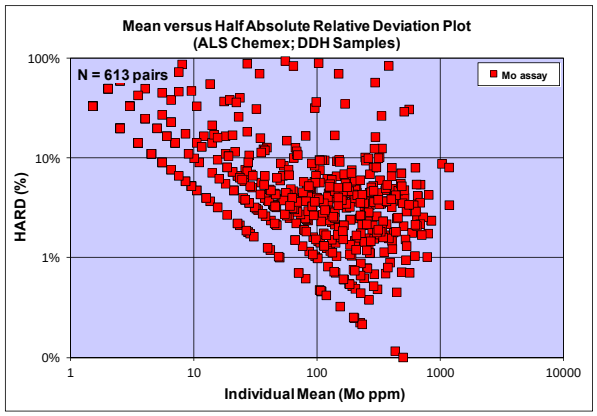


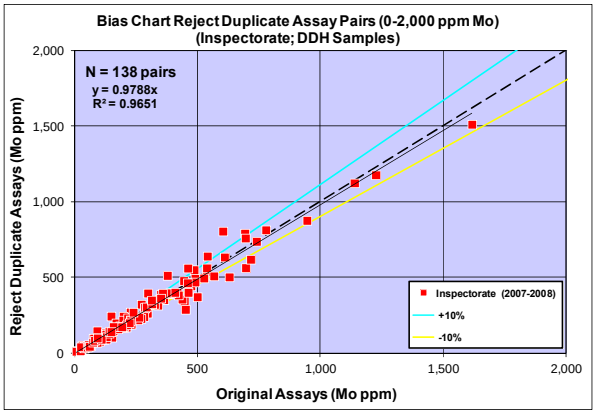



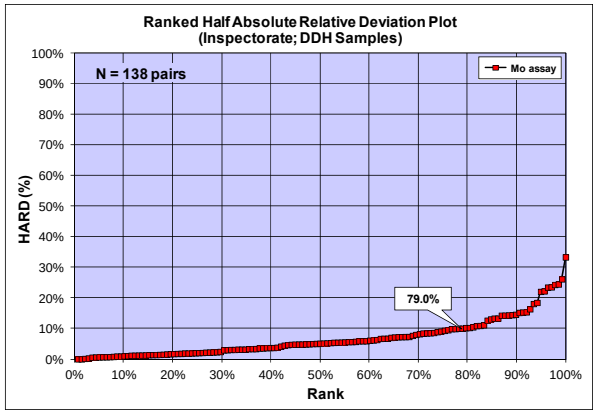
# Bias Charts and Precision Plots for Original versus Reject Duplicate Samples Assayed by Inspectorate during 2007 to 2008 – Molybdenum

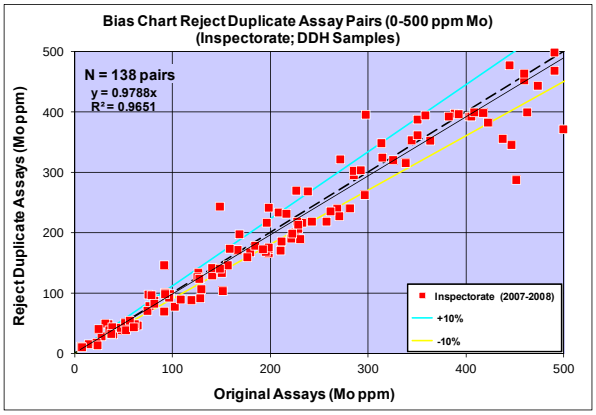
srk consulting

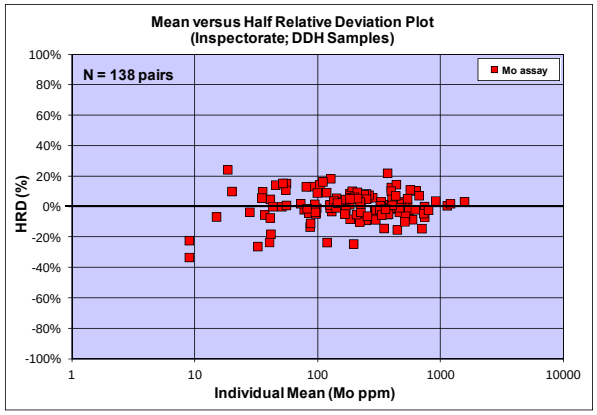
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | Aqua Regia Digestion with AA Finish |
| **Detection Limit** | 5ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Reject Duplicate Assays |

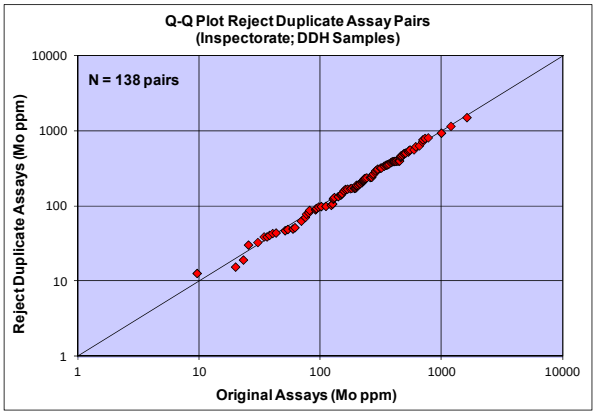
| Statistics | Original | Reject Duplicate |
|---|---|---|
| **Sample Count** | 138 | 138 |
| **Minimum Value** | 6 | 11 |
| **Maximum Value** | 1,617 | 1,512 |
| **Mean** | 286 | 282 |
| **Median** | 224 | 217 |
| **Standard Error** | 21 | 21 |
| **Standard Deviation** | 250 | 247 |
| **Correlation Coefficient** | 0.9824 | |
| **Pairs ≤ 10% HARD** | 79.0% | |

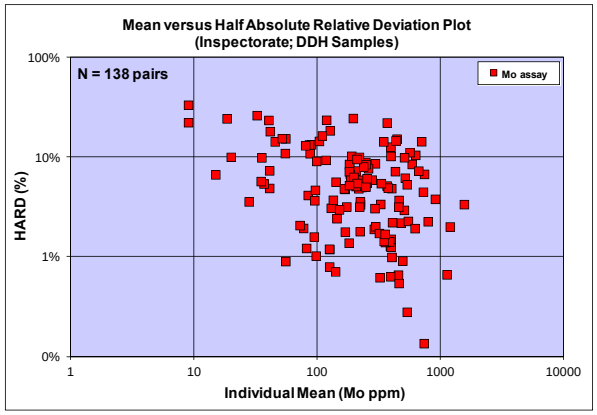


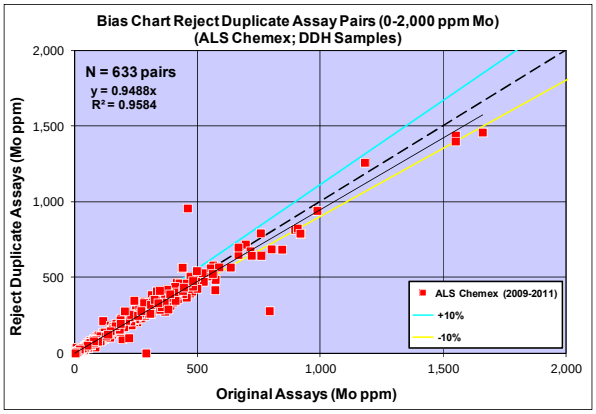



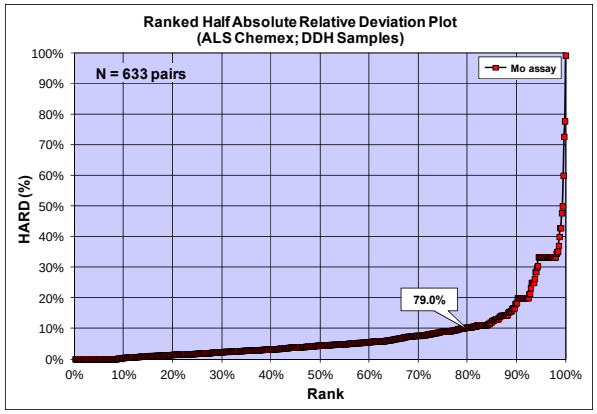
# Bias Charts and Precision Plots for Original versus Reject Duplicate Samples Assayed by ALS Minerals during 2009 to 2011 – Molybdenum

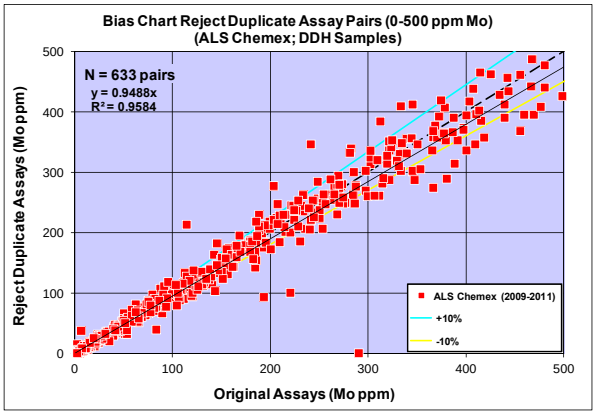
srk consulting

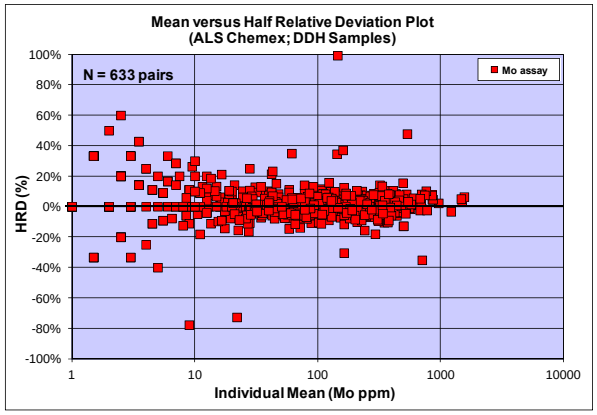
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm |
| **Original Dataset** | Original Assays |
| **Paired Dataset** | Reject Duplicate Assays |

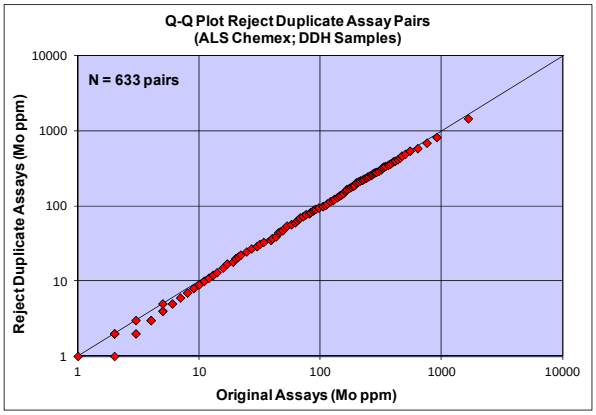
| Statistics | Original | Reject Duplicate |
|---|---|---|
| **Sample Count** | 633 | 633 |
| **Minimum Value** | 1 | 1 |
| **Maximum Value** | 1,660 | 1,460 |
| **Mean** | 164 | 159 |
| **Median** | 89 | 89 |
| **Standard Error** | 8 | 8 |
| **Standard Deviation** | 204 | 195 |
| **Correlation Coefficient** | 0.9793 | |
| **Pairs ≤ 10% HARD** | 79.0% | |

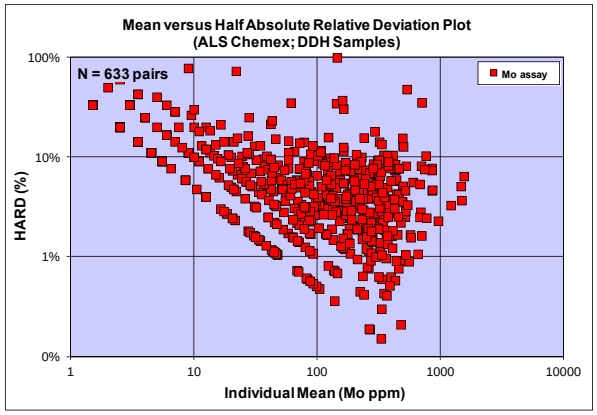


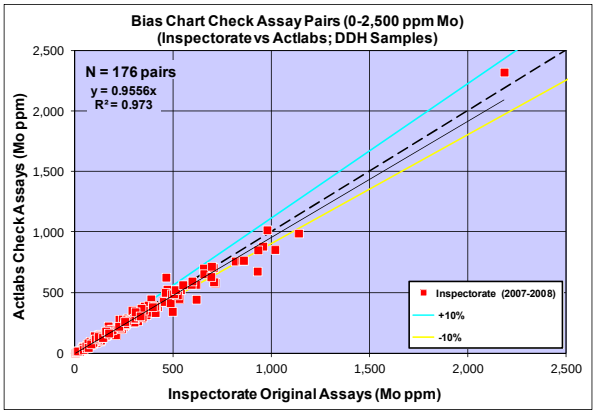



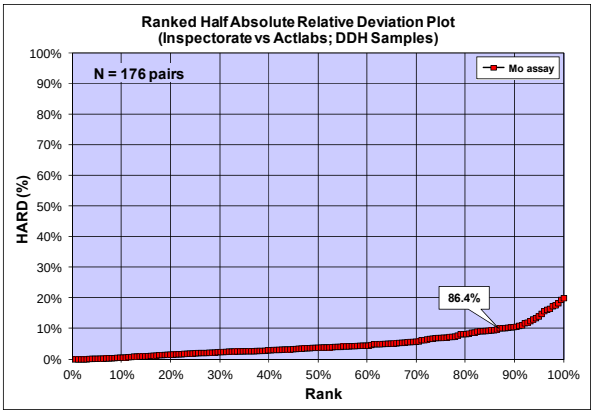
# Bias Charts and Precision Plots for Original Inspectorate Samples versus Check Assay Actlabs Samples during 2007 to 2008 – Molybdenum

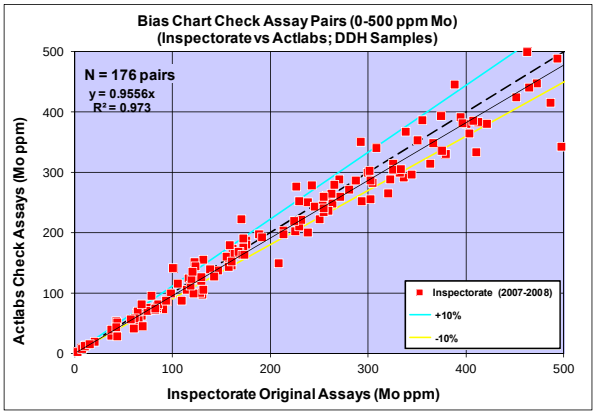
srk consulting

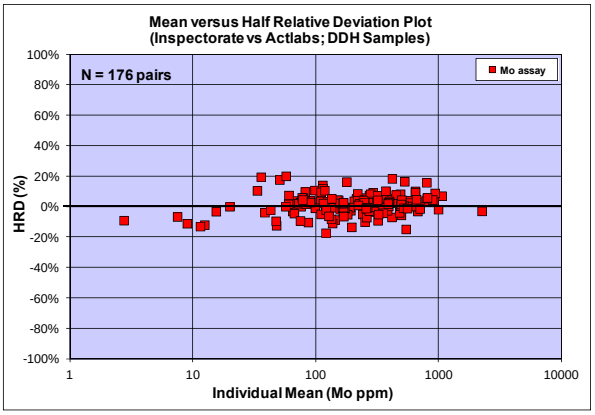
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | Inspectorate (2007-2008) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | Aqua Regia Digestion & AA(S) Finish |
| **Detection Limit** | 5ppm vs 3ppm |
| **Original Dataset** | Inspectorate Original Assays |
| **Paired Dataset** | Actlabs Check Assays |

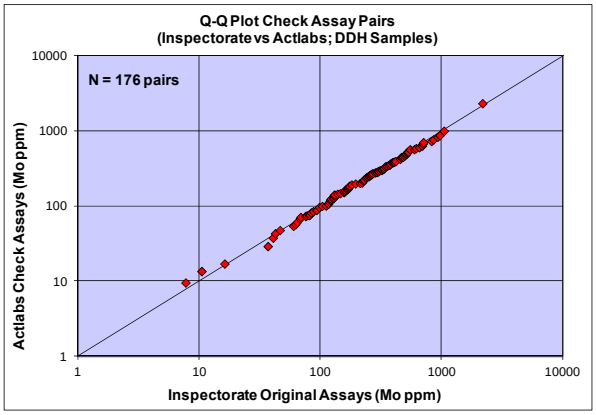
| Statistics | Inspectorate | Actlabs |
|---|---|---|
| **Sample Count** | 176 | 176 |
| **Minimum Value** | 3 | 3 |
| **Maximum Value** | 2,185 | 2,320 |
| **Mean** | 304 | 291 |
| **Median** | 244 | 243 |
| **Standard Error** | 20 | 20 |
| **Standard Deviation** | 272 | 262 |
| **Correlation Coefficient** | 0.9864 | |
| **Pairs ≤ 10% HARD** | 86.4% | |

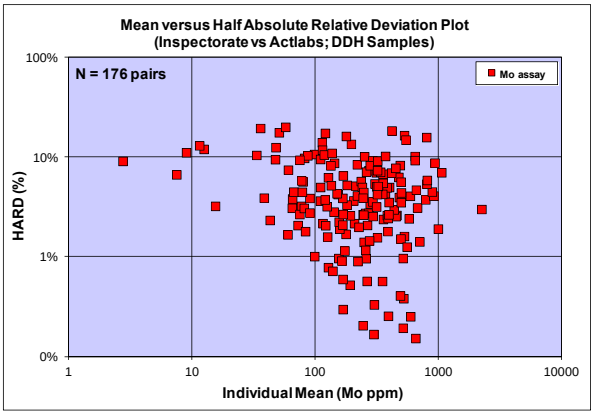


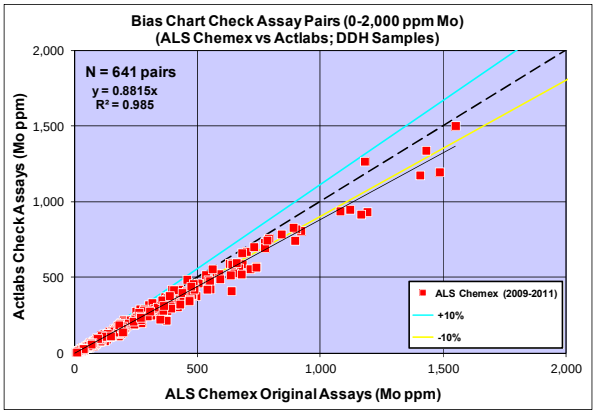



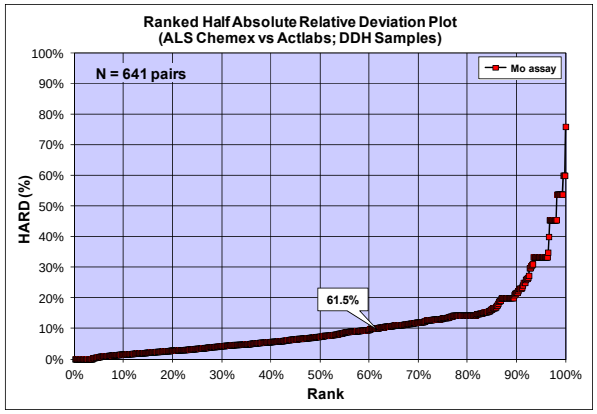
# Bias Charts and Precision Plots for Original ALS Minerals Samples versus Check Assay Actlabs Samples during 2009 to 2011 – Molybdenum

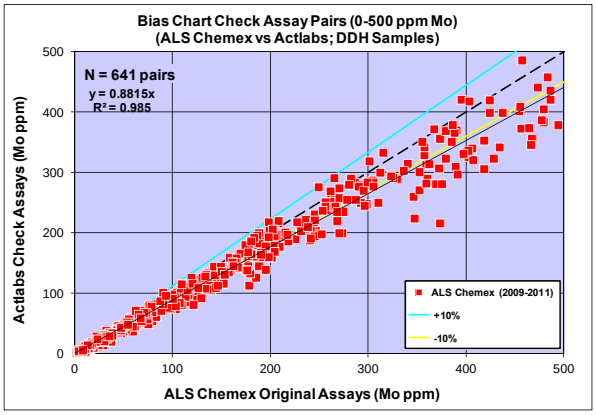
srk consulting

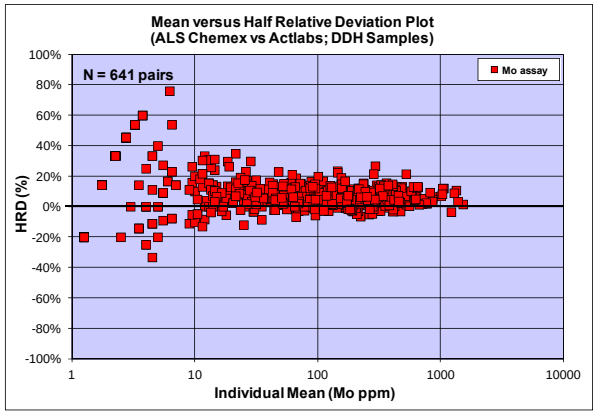
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | ALS Chemex (2009-2011) |
| **Data Type** | DDH Samples |
| **Commodity** | Mo in ppm |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2ppm vs 3ppm |
| **Original Dataset** | ALS Chemex Original Assays |
| **Paired Dataset** | Actlabs Check Assays |

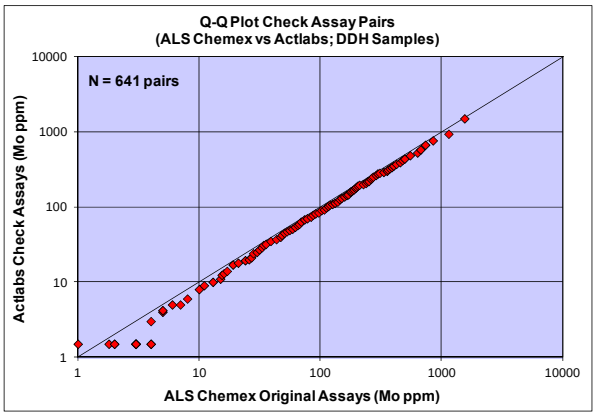
| Statistics | ALS Chemex | Actlabs |
|---|---|---|
| **Sample Count** | 641 | 641 |
| **Minimum Value** | 1 | 2 |
| **Maximum Value** | 1,550 | 1,503 |
| **Mean** | 170 | 150 |
| **Median** | 87 | 78 |
| **Standard Error** | 9 | 8 |
| **Standard Deviation** | 225 | 200 |
| **Correlation Coefficient** | 0.9924 | |
| **Pairs ≤ 10% HARD** | 61.5% | |

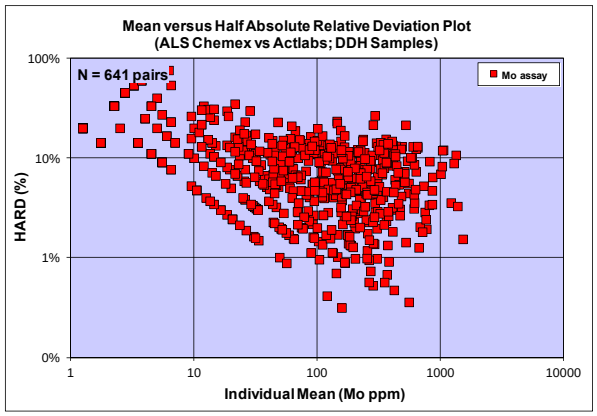


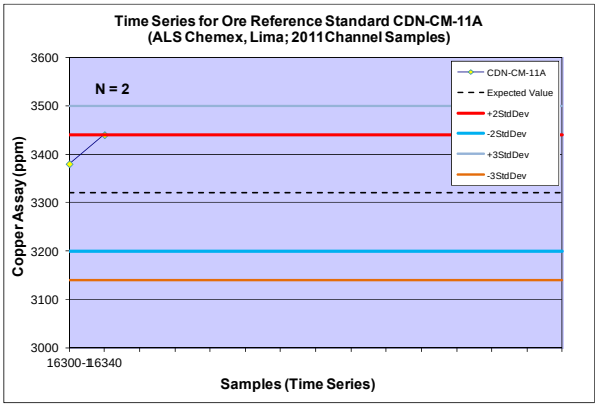



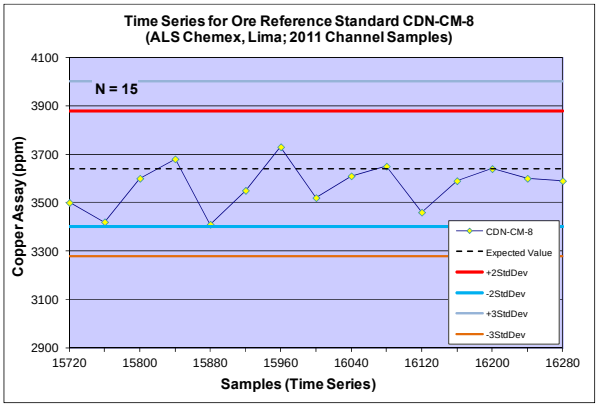
Time series plots for Blank and Certified Standard Samples Assayed by ALS Minerals during 2011 – Channel Samples

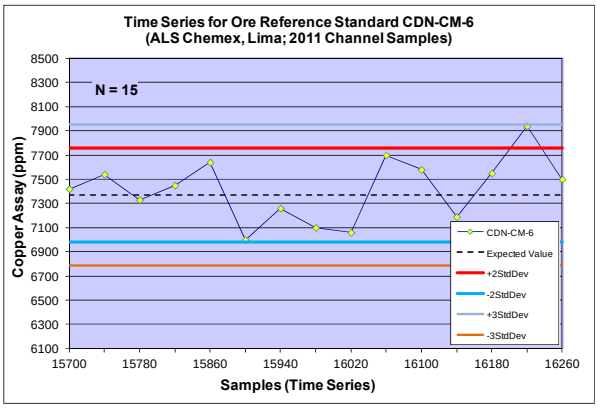
srk consulting

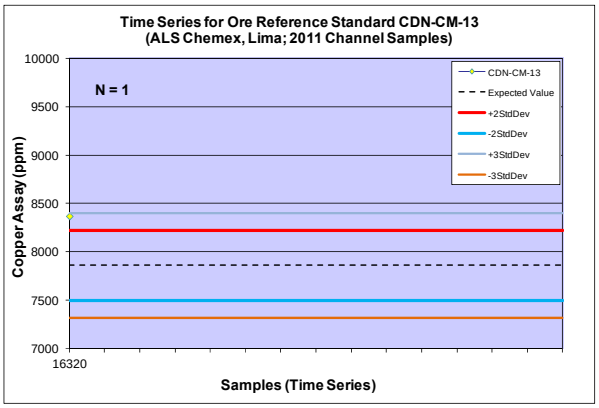
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2011 Standards and Blanks |
| **Data Type** | Channel Samples |
| **Commodity** | Cu in ppm |
| **Laboratory** | ALS Chemex, Lima |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2 ppm |

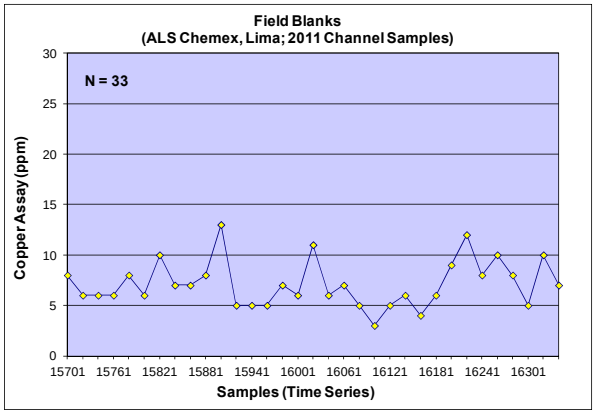
| Statistics | CM-11A | CM-8 | CM-6 | CM-13 | Blank |
|---|---|---|---|---|---|
| **Sample Count** | 2 | 15 | 15 | 1 | 33 |
| **Expected Value** | 3,320 | 3,640 | 7,370 | 7,860 | - |
| **Standard Deviation** | 60 | 120 | 195 | 180 | - |
| **Mean** | 3,410 | 3,570 | 7,417 | 8,370 | 7 |
| **Outside 2StdDev** | 0.0% | 0.0% | 6.7% | 100% | - |
| **Below 2StdDev** | 0 | 0 | 0 | 0 | - |
| **Above 2StdDev** | 0 | 0 | 1 | 1 | - |



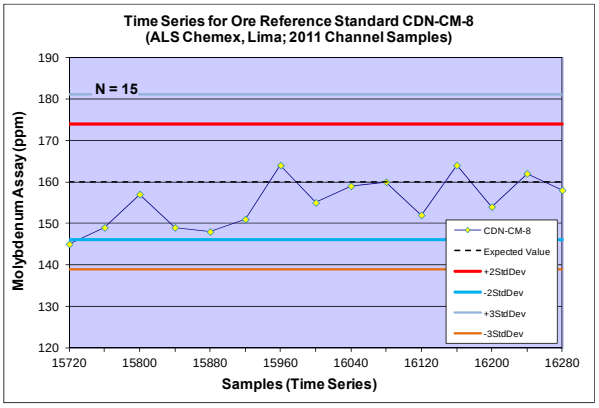



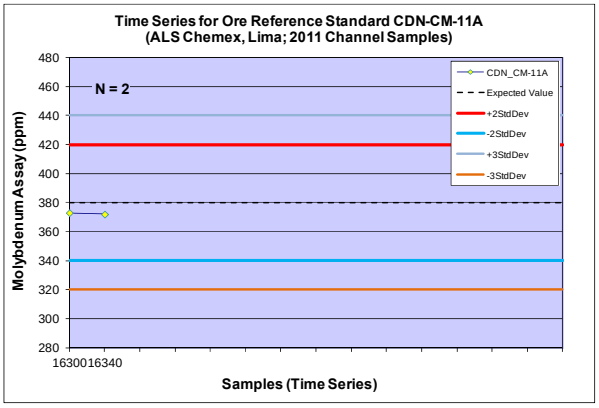
Time series plots for Blank and Certified Standard Samples Assayed by ALS Minerals during 2011 – Channel Samples

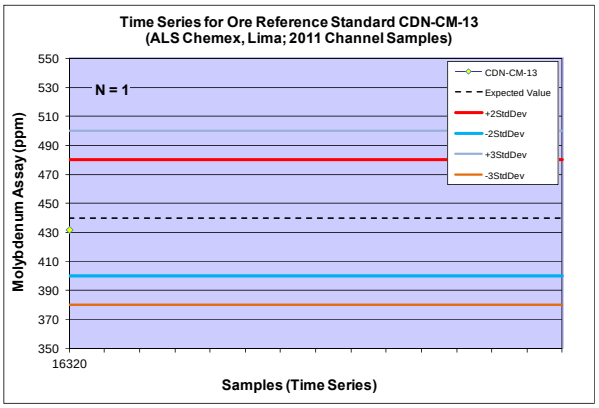
srk consulting

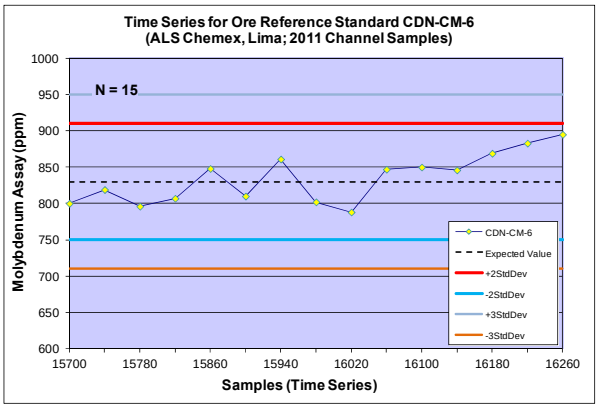
| | |
|---|---|
| **Project** | Aguila Cu-Mo |
| **Data Series** | 2011 Standards and Blanks |
| **Data Type** | Channel Samples |
| **Commodity** | Mo in ppm |
| **Laboratory** | ALS Chemex, Lima |
| **Analytical Method** | 4 Acid Digestion with AAS Finish |
| **Detection Limit** | 2 ppm |

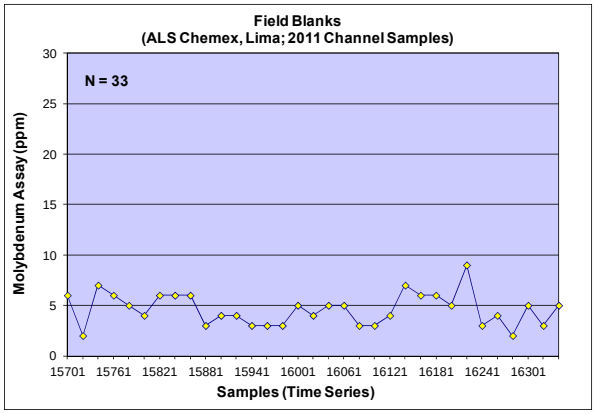
| Statistics | CM-8 | CM-11A | CM-13 | CM-6 | Blank |
|---|---|---|---|---|---|
| **Sample Count** | 15 | 2 | 1 | 15 | 33 |
| **Expected Value** | 160 | 380 | 440 | 830 | - |
| **Standard Deviation** | 7 | 20 | 20 | 40 | - |
| **Mean** | 155 | 373 | 432 | 835 | 5 |
| **Outside 2StdDev** | 6.7% | 0.0% | 0% | 0% | - |
| **Below 2StdDev** | 1 | 0 | 0 | 0 | - |
| **Above 2StdDev** | 0 | 0 | 0 | 0 | - |



# APPENDIX E

## Analytical Results
## For SRK Verification Samples

Acme Analytical Laboratories (Chile) S.A.
Av. Claudio Arrau 7152 Pudahuel Región Metropolitana de Santiago Chile

www.acmelab.com

**Client:** **SRK Consulting**
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Submitted By: David Keller
Receiving Lab: Chile-Santiago
Received: July 05, 2011
Report Date: July 20, 2011
Page: 1 of 2

# CERTIFICATE OF ANALYSIS SAN11001247.1

## CLIENT JOB INFORMATION

Project: 3CD011.000
Shipment ID:
P.O. Number SIN REFERENCIA
Number of Samples: 2

## SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

## SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

| Method Code | Number of Samples | Code Description | Test Wgt (g) | Report Status | Lab |
|---|---|---|---|---|---|
| R200-250 | 2 | Crush, split and pulverize 250 g rock to 200 mesh | | | SAN |
| G6 | 2 | Lead Collection Fire - Assay Fusion - AAS Finish | 30 | Completed | SAN |
| 1E | 2 | 4 Acid digestion ICP-ES analysis | 0.25 | Completed | SAN |

## ADDITIONAL COMMENTS

Invoice To: SRK Consulting
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1
Canadá

CC: Cary Pothorin

KELLY OCANA
Manager, Geochemical Lab

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

Acme Analytical Laboratories (Chile) S.A.
Av. Claudio Arrau 7152 Pudahuel Región Metropolitana de Santiago Chile
Phone 011-56-2-7486771 Fax 011-56-2-7486772
www.acmelab.com

**Client:** **SRK Consulting**
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Project: 3CD011.000
Report Date: July 20, 2011

Page: 2 of 2 Part 1

## CERTIFICATE OF ANALYSIS SAN11001247.1

| | Method | WGHT | G6 | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Analyte | Wgt | Au | Ag | Al | As | Au | Ba | Be | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | La | Mg | Mn | Mo |
| | Unit | kg | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | % | % | ppm | % | ppm | ppm |
| | MDL | 0.01 | 0.005 | 0.5 | 0.01 | 5 | 4 | 1 | 1 | 5 | 0.01 | 0.4 | 2 | 2 | 2 | 0.01 | 0.01 | 2 | 0.01 | 5 | 2 |
| SRKAG1 | Rock | 2.42 | 0.010 | 0.7 | 7.82 | <5 | <4 | 415 | 3 | <5 | 0.13 | <0.4 | 14 | 81 | 787 | 3.73 | 2.16 | 17 | 0.47 | 144 | 321 |
| SRKAG2 | Rock | 4.66 | 0.011 | 0.5 | 4.67 | <5 | <4 | 374 | 2 | <5 | 0.07 | <0.4 | 4 | 45 | 420 | 1.86 | 2.00 | 22 | 0.26 | 57 | 259 |

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

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Av. Claudio Arrau 7152 Pudahuel Región Metropolitana de Santiago Chile

www.acmelab.com

**Client:** **SRK Consulting**
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Submitted By: David Keller
Receiving Lab: Chile-Santiago
Received: July 05, 2011
Report Date: July 20, 2011
Page: 1 of 2

# CERTIFICATE OF ANALYSIS SAN11001247.1

## CLIENT JOB INFORMATION

Project: 3CD011.000
Shipment ID:
P.O. Number SIN REFERENCIA
Number of Samples: 2

## SAMPLE DISPOSAL

DISP-PLP Dispose of Pulp After 90 days
DISP-RJT Dispose of Reject After 90 days

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

## SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

| Method Code | Number of Samples | Code Description | Test Wgt (g) | Report Status | Lab |
|---|---|---|---|---|---|
| R200-250 | 2 | Crush, split and pulverize 250 g rock to 200 mesh | | | SAN |
| G6 | 2 | Lead Collection Fire - Assay Fusion - AAS Finish | 30 | Completed | SAN |
| 1E | 2 | 4 Acid digestion ICP-ES analysis | 0.25 | Completed | SAN |

## ADDITIONAL COMMENTS

Invoice To: SRK Consulting
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1
Canadá

CC: Cary Pothorin

KELLY OCANA
Manager, Geochemical Lab

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All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.
"*" asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.

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Av. Claudio Arrau 7152 Pudahuel Región Metropolitana de Santiago Chile
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www.acmelab.com

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Toronto Ontario M5C 3A1 Canadá

Project: 3CD011.000
Report Date: July 20, 2011



## CERTIFICATE OF ANALYSIS SAN11001247.1

| | Method | WGHT | G6 | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Analyte | Wgt | Au | Ag | Al | As | Au | Ba | Be | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | La | Mg | Mn | Mo |
| | Unit | kg | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | % | % | ppm | % | ppm | ppm |
| | MDL | 0.01 | 0.005 | 0.5 | 0.01 | 5 | 4 | 1 | 1 | 5 | 0.01 | 0.4 | 2 | 2 | 2 | 0.01 | 0.01 | 2 | 0.01 | 5 | 2 |
| SRKAG1 | Rock | 2.42 | 0.010 | 0.7 | 7.82 | <5 | <4 | 415 | 3 | <5 | 0.13 | <0.4 | 14 | 81 | 787 | 3.73 | 2.16 | 17 | 0.47 | 144 | 321 |
| SRKAG2 | Rock | 4.66 | 0.011 | 0.5 | 4.67 | <5 | <4 | 374 | 2 | <5 | 0.07 | <0.4 | 4 | 45 | 420 | 1.86 | 2.00 | 22 | 0.26 | 57 | 259 |

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Phone 011-56-2-7486771 Fax 011-56-2-7486772
www.acmelab.com

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Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Project: 3CD011.000
Report Date: July 20, 2011



# CERTIFICATE OF ANALYSIS SAN11001247.1

| | | Method | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Analyte | Na | Nb | Ni | P | Pb | S | Sb | Sc | Sn | Sr | Th | Ti | U | V | W | Y | Zn | Zr |
| | | Unit | % | ppm | ppm | % | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | ppm |
| | | MDL | 0.01 | 2 | 2 | 0.002 | 5 | 0.1 | 5 | 1 | 2 | 2 | 2 | 0.01 | 20 | 2 | 4 | 2 | 2 | 2 |
| SRKAG1 | Rock | | 1.01 | 14 | 36 | 0.091 | 7 | 0.7 | <5 | 14 | 3 | 40 | 9 | 0.51 | <20 | 145 | 7 | 6 | 27 | <2 |
| SRKAG2 | Rock | | 0.88 | 5 | 12 | 0.029 | 9 | 0.3 | <5 | 6 | <2 | 44 | 9 | 0.16 | <20 | 55 | <4 | 4 | 19 | <2 |

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

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www.acmelab.com

**Client:** **SRK Consulting**
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Project: 3CD011.000
Report Date: July 20, 2011



# QUALITY CONTROL REPORT SAN11001247.1

| | | Method | WGHT | G6 | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Analyte | Wgt | Au | Ag | Al | As | Au | Ba | Be | Bi | Ca | Cd | Co | Cr | Cu | Fe | K | La | Mg | Mn | Mo |
| | | Unit | kg | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | % | % | ppm | % | ppm | ppm |
| | | MDL | 0.01 | 0.005 | 0.5 | 0.01 | 5 | 4 | 1 | 1 | 5 | 0.01 | 0.4 | 2 | 2 | 2 | 0.01 | 0.01 | 2 | 0.01 | 5 | 2 |
| Reference Materials | | | | | | | | | | | | | | | | | | | | | | |
| STD AMIS0175 | Standard | | | 0.511 | | | | | | | | | | | | | | | | | | |
| STD OREAS24P | Standard | | | | <0.5 | 7.54 | <5 | <4 | 279 | 1 | <5 | 5.44 | 0.8 | 43 | 199 | 46 | 7.66 | 0.73 | 21 | 4.17 | 1078 | <2 |
| STD OREAS45P | Standard | | | | 1.1 | 6.28 | 13 | <4 | 278 | <1 | <5 | 0.29 | <0.4 | 110 | 1000 | 706 | 17.74 | 0.35 | 24 | 0.20 | 1189 | <2 |
| STD SL51 | Standard | | | 6.037 | | | | | | | | | | | | | | | | | | |
| STD SL51 Expected | | | | 5.909 | | | | | | | | | | | | | | | | | | |
| STD AMIS0175 Expected | | | | 0.5 | | | | | | | | | | | | | | | | | | |
| STD OREAS24P Expected | | | | | 0.06 | 7.66 | 1.2 | | 285 | | | 5.83 | 0.15 | 44 | 196 | 52 | 7.53 | 0.7 | 17.4 | 4.13 | 1100 | 1.5 |
| STD OREAS45P Expected | | | | | 0.32 | 6.82 | 12 | 0.055 | 296 | | 0.21 | 0.3 | 0.2 | 120 | 1089 | 749 | 19.22 | 0.35 | 24.8 | 0.1962 | 1338 | 2.1 |
| BLK | Blank | | | <0.005 | | | | | | | | | | | | | | | | | | |
| BLK | Blank | | | | <0.5 | <0.01 | <5 | <4 | <1 | <1 | <5 | <0.01 | <0.4 | <2 | <2 | <2 | <0.01 | <0.01 | <2 | <0.01 | <5 | <2 |
| Prep Wash | | | | | | | | | | | | | | | | | | | | | | |
| QUARTZ_S | Prep Blank | | | <0.005 | <0.5 | 0.08 | <5 | <4 | 8 | <1 | <5 | <0.01 | <0.4 | <2 | 2 | 5 | 0.64 | 0.05 | <2 | <0.01 | 67 | <2 |

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

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www.acmelab.com

**Client:** **SRK Consulting**
Suite 1000 - 25 Adelaide St. East
Toronto Ontario M5C 3A1 Canadá

Project: 3CD011.000
Report Date: July 20, 2011



## QUALITY CONTROL REPORT SAN11001247.1

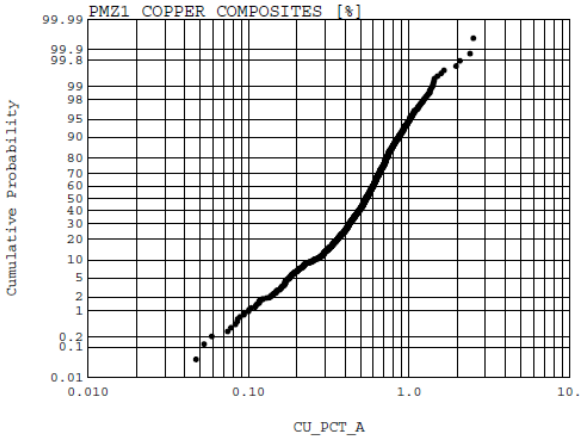
| | | Method | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E | 1E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Analyte | Na | Nb | Ni | P | Pb | S | Sb | Sc | Sn | Sr | Th | Ti | U | V | W | Y | Zn | Zr |
| | | Unit | % | ppm | ppm | % | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm | ppm | ppm | ppm | ppm | ppm |
| | | MDL | 0.01 | 2 | 2 | 0.002 | 5 | 0.1 | 5 | 1 | 2 | 2 | 2 | 0.01 | 20 | 2 | 4 | 2 | 2 | 2 |
| Reference Materials | | | | | | | | | | | | | | | | | | | | |
| STD AMIS0175 | Standard | | | | | | | | | | | | | | | | | | | |
| STD OREAS24P | Standard | 2.53 | 22 | 143 | 0.138 | <5 | <0.1 | <5 | 20 | <2 | 387 | 12 | 0.93 | <20 | 161 | <4 | 21 | 103 | 126 | |
| STD OREAS45P | Standard | 0.09 | 18 | 358 | 0.042 | 26 | <0.1 | <5 | 63 | 4 | 32 | 12 | 0.86 | <20 | 255 | <4 | 12 | 127 | 128 | |
| STD SL51 | Standard | | | | | | | | | | | | | | | | | | | |
| STD SL51 Expected | | | | | | | | | | | | | | | | | | | | |
| STD AMIS0175 Expected | | | | | | | | | | | | | | | | | | | | |
| STD OREAS24P Expected | | 2.34 | 21 | 141 | 0.136 | 2.9 | | 0.09 | 20 | 1.6 | 403 | 2.85 | 1.1 | 0.75 | 158 | 0.5 | 21.3 | 119 | 141 | |
| STD OREAS45P Expected | | 0.081 | 21.6 | 385 | 0.047 | 22 | 0.03 | 0.82 | 67 | 2.5 | 32.6 | 9.8 | 1.037 | 2.2 | 267 | 1.1 | 13 | 141 | 154 | |
| BLK | Blank | | | | | | | | | | | | | | | | | | | |
| BLK | Blank | <0.01 | <2 | <2 | <0.002 | <5 | <0.1 | <5 | <1 | <2 | <2 | <2 | <0.01 | <20 | <2 | <4 | <2 | <2 | <2 | |
| Prep Wash | | | | | | | | | | | | | | | | | | | | |
| QUARTZ_S | Prep Blank | 0.03 | <2 | <2 | <0.002 | <5 | <0.1 | <5 | <1 | <2 | <2 | <2 | <0.01 | <20 | <2 | <4 | <2 | 6 | <2 | |

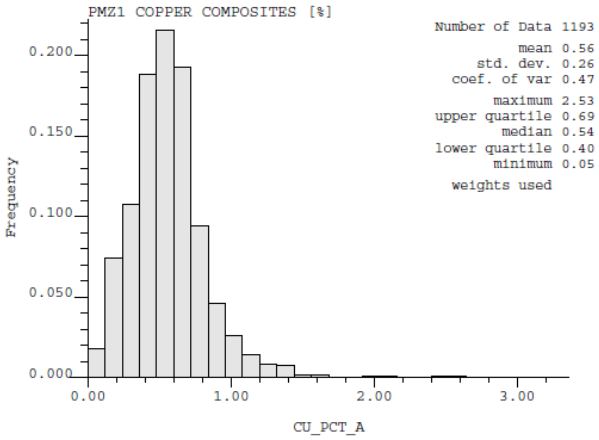
This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

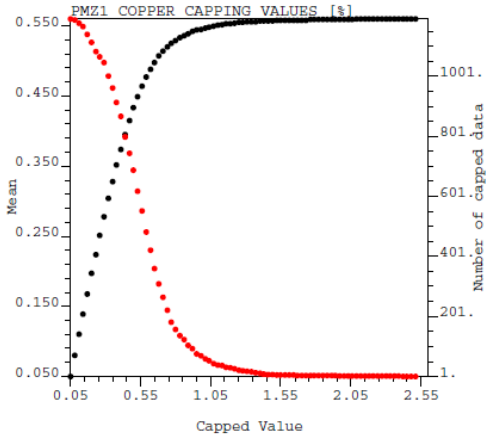
# APPENDIX F

## Summary of Capping Analyses and Variography

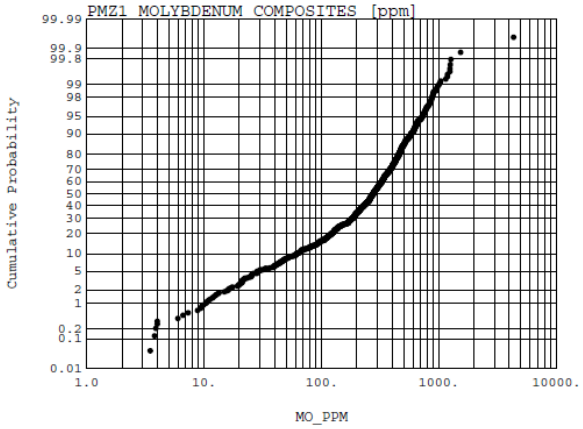
# PMZ1 ZONE COPPER COMPOSITES

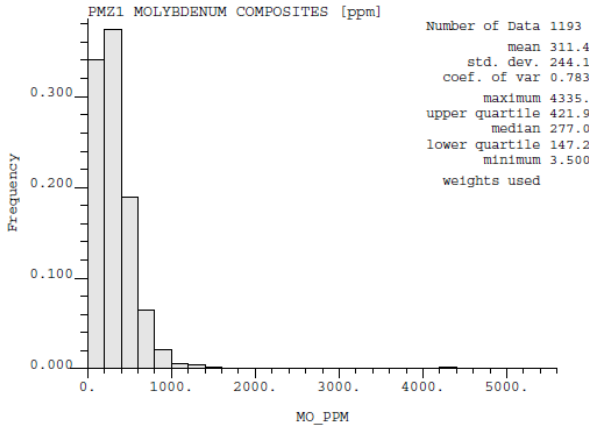


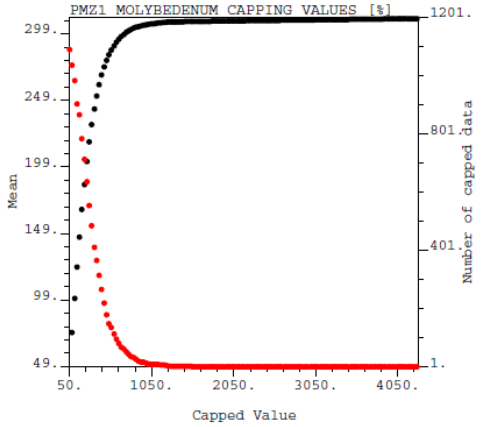



# PMZ1 ZONE MOLY COMPOSITES



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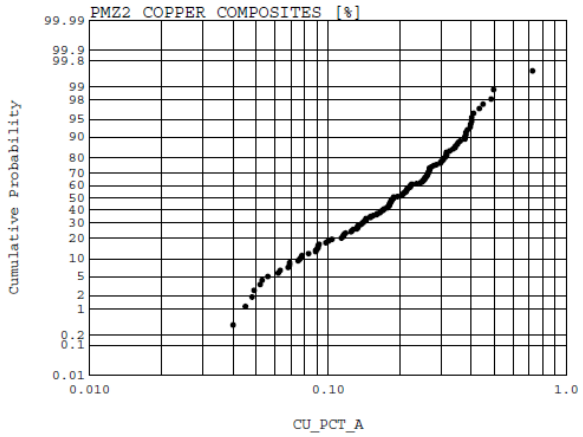


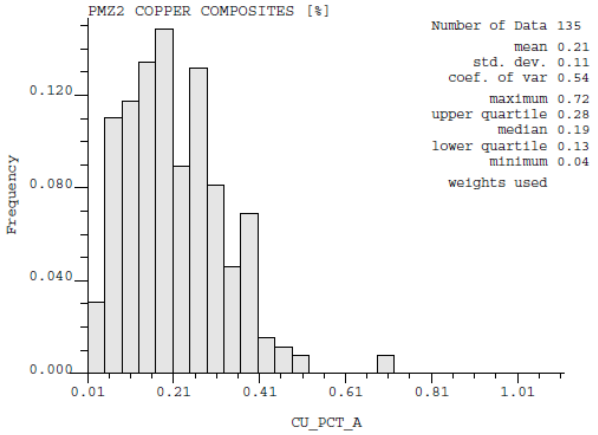


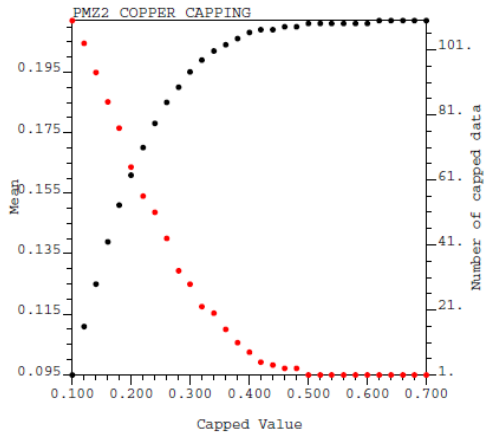

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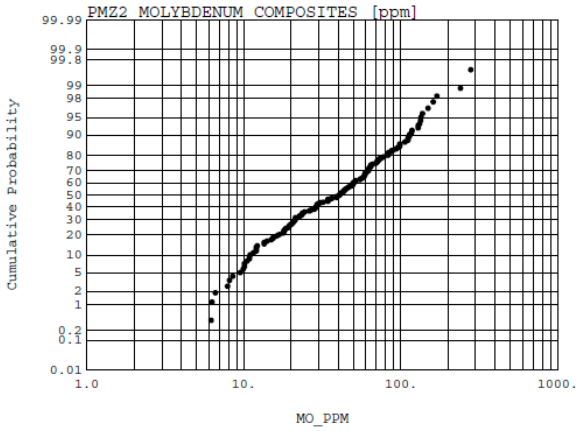
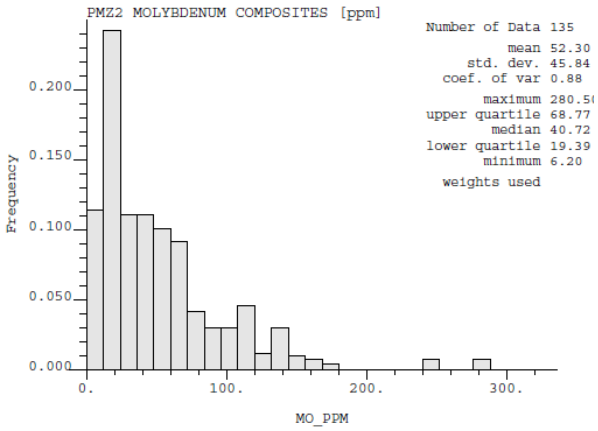
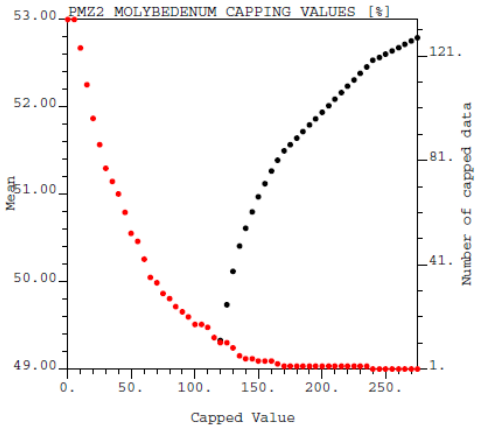
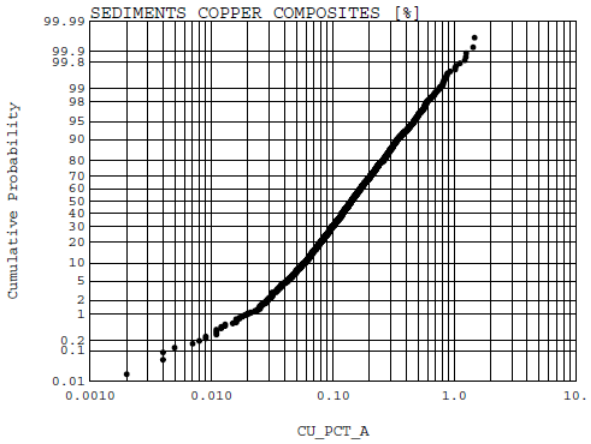
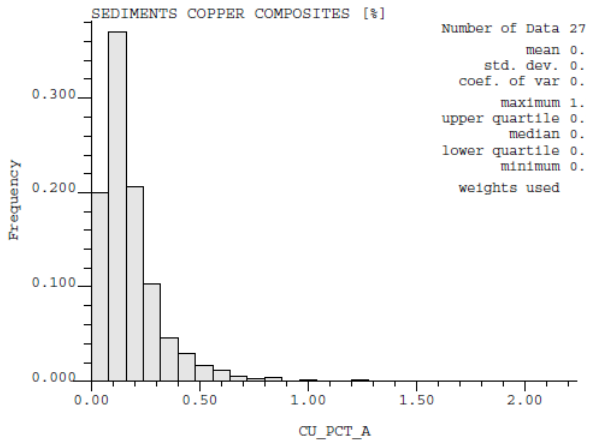


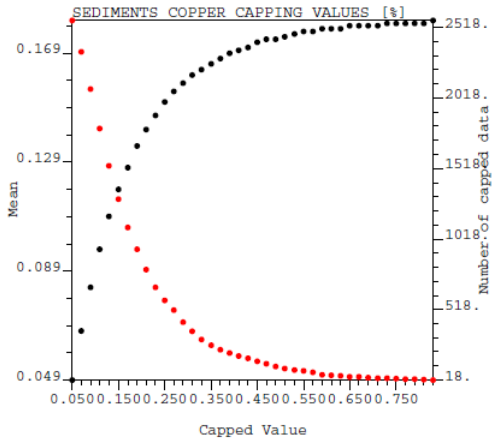



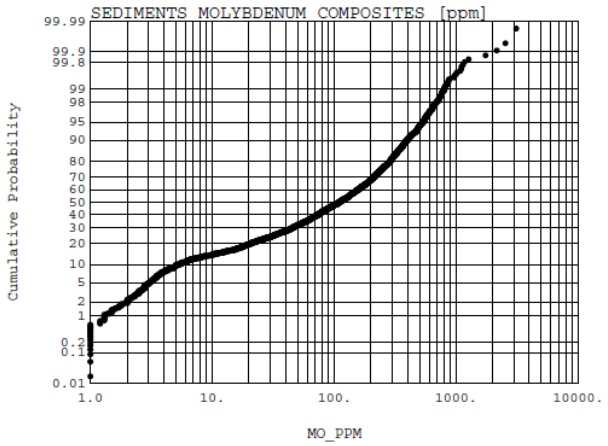
# SEDIMENTS ZONE COPPER COMPOSITES

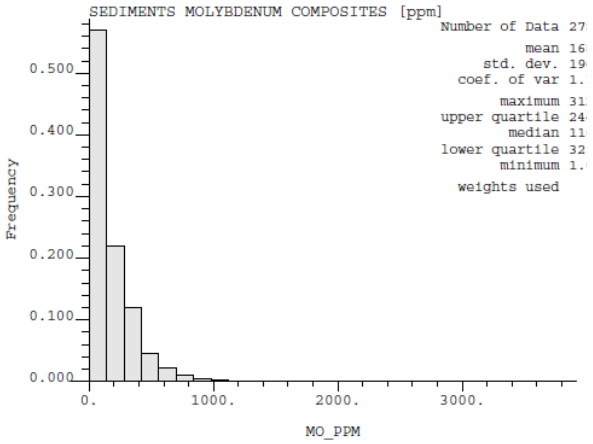


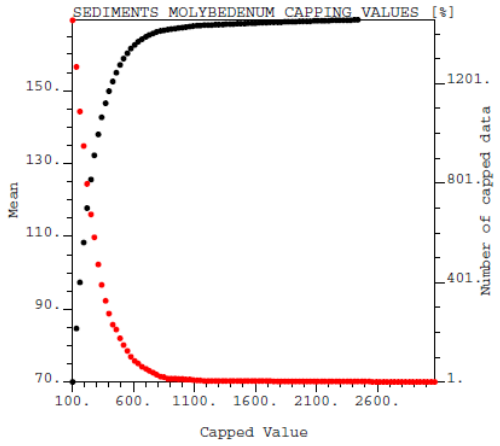



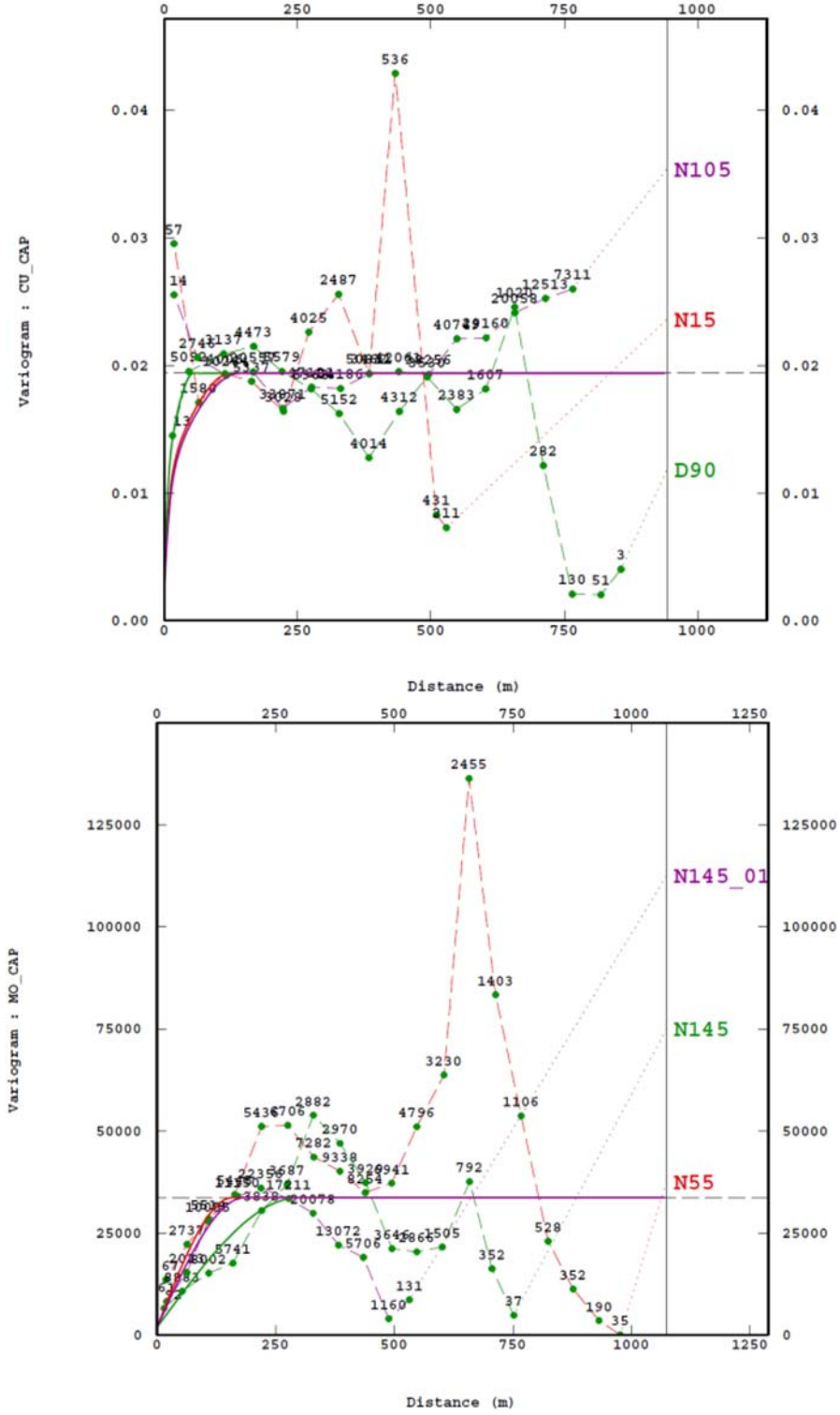
# SEDIMENTS ZONE MOLY COMPOSITES



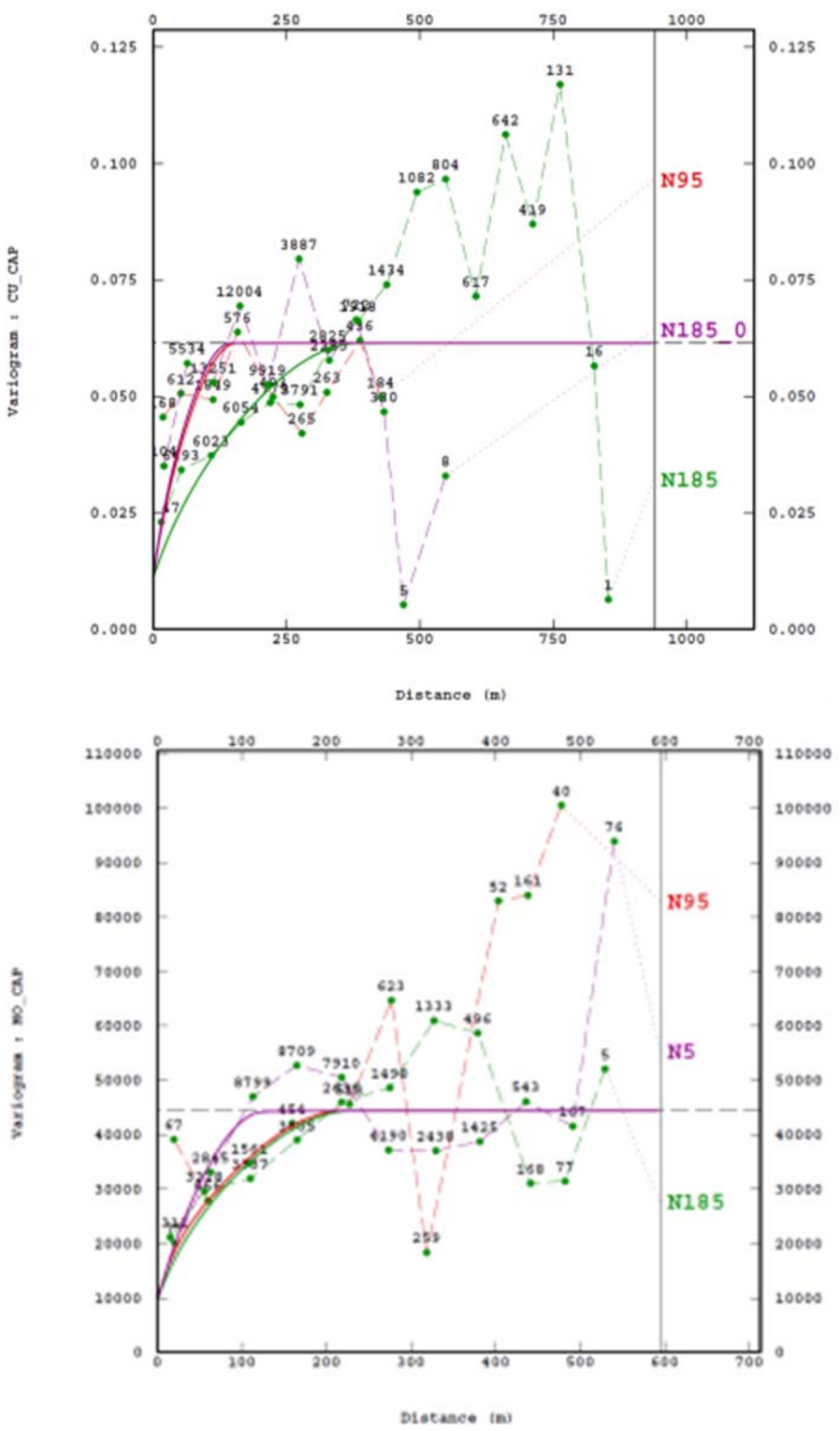



Variogram model for the sedimentary zone using capped copper (top) and molybdenum (bottom) capped composites



Variogram model for the PMZ1using capped copper (top) and molybdenum (bottom) capped composites



## CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled: **Mineral Resource Technical Report for the Aguila Copper-Molybdenum Project, Peru.**

I, G. David Keller, P.Geo, do hereby certify that:

1) I am a Principal Resource Geologist with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 2100, 25, Adelaide Street East, Toronto, Ontario, Canada;
2) I am a graduate of the University of Alberta, Edmonton in 1986, I obtained a B.Sc. I have practiced in the fields of exploration, mine geology and resource estimation in my profession continuously since 1986;
3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of Ontario (APGO#1235);
4) I have personally inspected the subject project from June 18 to 23, 2011;
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I, as a qualified person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I am the principal author of this report and responsible for Sections 1 to 5, 8 to 11 and 13 to18 of the report and accept professional responsibility for those sections of this technical report;
8) I have had no prior involvement with the subject property;
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (Canada) Inc. was retained by Duran Ventures Inc. to prepare a technical audit of the Mineral Resource Technical Report for the Aguila Copper-Molybdenum Project, Peru. In conducting our the resource estimate a review of project technical data was completed using CIM best practices and Canadian Securities Administrators' National Instrument 43-101 guidelines. The preceding report is based on a site visit, a review of project files and discussions with Duran Ventures Inc. personnel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Aguila Project or securities of Duran Ventures Inc.; and
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Toronto, Canada
April 20, 2012

G. David Keller, P.Geo.
Principal Resource Geologist