



The following Management's Discussion and Analysis ("MD&A") is current as of November 28, 2018. This MD&A contains a review and analysis of financial results for Candente Gold Corp. ("Candente Gold") and its subsidiaries (collectively, the "Company") for the six months ended September 30, 2018.

This MD&A supplements but does not form part of the interim condensed consolidated financial statements of the Company and notes thereto for the six months ended September 30, 2018, and consequently should be read in conjunction with the afore-mentioned financial statements and notes thereto and with the Company's audited consolidated financial statements and related notes for the year ended March 31, 2018.

All amounts, unless specifically identified as otherwise, both in the Company's consolidated financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of gold and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable gold and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the gold and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be carefully considered and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Usage of these terms may vary from the usage adapted by other companies and cannot be reconciled to comparable terms in the issuer's interim condensed consolidated financial statements for the six months ended September 30, 2018.



In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW

The Company is principally engaged in the exploration and development of mineral properties in Mexico and Peru. The Company is in the exploration stage as its properties have not yet reached commercial production and none of its properties is beyond the preliminary exploration stage. All work presently planned by the Company is directed at defining mineralization and increasing understanding of the characteristics of, and economics of, that mineralization.

The Company's principal asset is the El Oro gold-silver property located in the states of Mexico and Michoacan, Mexico (the "El Oro Property" or the "Property"). As of the date of this MD&A, the Company holds a 100% interest in the El Oro Property.

Matters in prior periods related to the ongoing development of the various projects have been disclosed in previous MD&A's filed on SEDAR.

Mexico

El Oro Property

The Company's principal asset is the El Oro gold-silver property located in the states of Mexico and Michoacan, Mexico ("El Oro Property"). As of the date of this MD&A, the Company now holds a 100% interest in the El Oro Property, having purchased in January 2017 the remaining 30% from a wholly-owned subsidiary of Goldcorp Inc. Management has been reviewing all previous exploration results on the project and re-focusing targets for future exploration. One key area is the border zone of the historical Esperanza and Mexico Mines where several high-grade gold-silver intersections in several veins and structures were intersected by previous drilling by the Company. Since this area was drilled, a structural study identified northeasterly controls to high grades, which fits the nature of this mineralized zone. Future drilling will target this border area as well as 31 other recently identified exploration targets. In addition to the El Oro Property, the Company has the right to process tailings left from pre-1930s milling of ores from the Mexico mine on the San Rafael vein in the El Oro District ("Tailings Project"). The Company has been evaluating the potential for the historic tailings to generate near-term cash flow. The Mexico Mine Tailings have had extensive historic and recent assessments including drill testing and metallurgical test work. In addition to the Mexico Mine Tailings, the Company has a right of first refusal to also process three other tailings deposits. All four tailings deposits lie within the town of El Oro and are adjacent to existing road access, power and water services.

Studies by the Company have determined that the Mexico Mine Tailings contain an Inferred Resource* of 1,267,400 tonnes grading 2.94 Au g/t, 75.12 Ag g/t containing 119,900 ounces of gold and 3,061,200 ounces of silver.

In September 2017, the Company entered into a revised agreement with the Municipality of El Oro ("Municipality") for the access and processing rights to the tailings deposits. The agreement now provides the Company with the right to recover all available gold and silver from the tailings deposit and pay to the Municipality an 8% Net Profits Interest ("NPI"). The Company is also entitled to retain the first \$1,500,000 of the 8% NPI payable to the Municipality.

On March 8, 2016, the Company entered into an agreement with Sun River Gold Corp. ("SRG") to grant SRG the right and option to earn a 51% interest in the Company's tailings project in El Oro Mexico. On November 9, 2018, the 2016 Agreement was superseded by a new Letter of Intent ("LOI")



granting SRG the right and option to further test and, if proven economic, develop and operate the Company's tailings project in El Oro Mexico (the "Tailings Project"), through an indirect ownership of Candente Gold's Mexican subsidiary, CCM EL Oro Jales, S.A. de C.V. ("CCM El Oro Jales"), according to the agreement CCM EL Oro Jales executed with the Municipality of El Oro.

The LOI was superseded by a Definitive Agreement signed in November 2018. In order to exercise the option, Sun River shall make staged payments, over 15 months, totaling US\$300,000 commencing upon signing of the LOI (US\$170,000 being committed and paid to date), bring the mine tailings properties into commercial production within 36 months of the effective date of the option agreement, and grant to the Company a 10% of net profits ("NPI") Life of Mine royalty (the "Candente Royalty") on production from the properties. The Definitive Agreement also allows SRG to reduce the NPI payable to the Company to 5% by paying an additional US\$200,000 in payments of \$50,000 each at the end of each quarter starting 18 months from the date of the LOI. This is a change from the LOI which only considered payments totaling \$500,000 and an NPI of 5% to the Company. Upon making the totality of the staged payments and if commercial production has been achieved on time, Sun River will indirectly acquire a 100% interest in CCM El Oro Jales.

Sun River will also be responsible for the obligation to pay an additional 8% NPI to the Municipality of El Oro (the "El Oro Royalty"). Candente Gold (through its Mexican subsidiary CCM El Oro Jales) has the right to recover all available gold and silver from the Mexico mines tailings deposit and pay to the Municipality of El Oro an 8% Nets Profits Interest royalty, after retaining the first US\$1.5M from the El Oro Royalty. Sun River must direct the first US\$1.5M from the El Oro Royalty to the Company. Therefore, upon commercial production, the Company will start receiving a 5% NPI royalty and the first US\$1,500,000 of the El Oro Royalty.

Sun River Gold is a private mining company registered in Nevada and owned and operated by experienced gold mining investors, mineral economists, metallurgists, metallurgical engineers and business development entrepreneurs. The Board of Sun River Gold currently comprises four owners/directors most of whom have fifteen or more years working in Mexico exploring, permitting and operating mines.

*Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate. For more information, see "National Instrument 43-101 Technical Report on the Inferred Mineral Resource Estimate of the Mexico Mine Tailings" prepared by Nadia Cairra, P.Geo. and Allan Reeves, P.Geo., dated August 25, 2014 with an effective date of July 8, 2014 (the "Technical Report") available at www.sedar.com.

For the year ended March 31, 2017, bi-annual land holding payments were made by Goldcorp. When the Company acquired the remaining 30% of the El Oro property in January 2017, these payments became the responsibility of the Company, and, as at September 30, 2018, \$381,933 (March 31, 2018 - \$284,979) has been accrued as a liability to the Mexican government for land holding costs.

Peru

As at September 30, 2018, the Company has maintained in good standing portions of the Tres Marias and Las Brujas properties. These properties are early-stage gold and gold-silver exploration projects in Peru.

QUARTERLY HIGHLIGHTS



Financial Condition

The Company ended the period with cash of \$15,373, a decrease of \$20,875 from March 31, 2018.

Financial Performance

Net loss for the quarter ended September 30, 2018, was \$105,446 compared to \$23,656 for the quarter ended September 30, 2017, representing an increase of \$81,790. Net loss for the six months ended September 30, 2018 was \$197,119 compared to \$73,577 for the six months ended September 30, 2017, representing an increase of \$123,542.

General and administrative expenses for the three months ended September 30, 2018 were \$55,563 compared to \$22,036 for the same quarter in the prior year, representing an increase of \$33,527. General and administrative expenses for the six months ended September 30, 2018 were \$92,643 compared to \$68,659 for the same period in the prior year, representing an increase of \$23,984.

Material variances in general and administrative expenses are as follows:

Audit and tax advisory fees are up by \$11,165 for the quarter ended September 30, 2018 and by \$7,544 for the six months ended September 30, 2018. Audit fees were lower in the prior year periods due to an adjustment made in the prior year to reduce the audit accrual to the amount required.

Legal fees are down by \$6,347 for the six months ended September 30, 2018 due to a recovery of legal fees from Sun River in the current period.

Management fees, office salaries and benefits are up by \$3,106 for the quarter ended September 30, 2018 and by \$6,572 for the six months ended September 30, 2018 due to fees paid to the former CFO in the current periods.

Share-based payments were \$10,483 and \$19,104 for the three and six months ended September 30, 2018, respectively. The expenses are related to the issue of 1,600,000 options in the period ended September 30, 2018. No options were issued in the prior year period.

Exploration expenses for the three months ended September 30, 2018 were \$48,657 compared to \$1,455 in the prior year quarter, an increase of \$47,202, and \$99,732 for the six months ended September 30, 2018 compared to 7,948 for the six months ended September 30, 2017, an increase of \$91,784. The increases are related to the accrual of mining fees in the current year periods.

Cash Flows

Net cash used in operating activities for the six months ended September 30, 2018 was \$81,908 compared to \$97,060 for the six months ended September 30, 2017. Net cash provided by investing activities for the period ended September 30, 2018, was \$61,033 compared to a cash outflow of \$4,147 for the prior year period due to the receipt of \$60,000 in option payments from Sun River in the current period.

Liquidity and Capital Resources

Working capital is negative \$1,404,611 which includes \$768,051 in amounts due to related parties, primarily consisting of a liability to Candente Copper Corp., a company with shared administrative expenses, common directors and management.



The Company anticipates that during the next twelve months, a substantial portion of available capital resources will be used to pay trade payables and accrued liabilities and commitments related to ongoing exploration activities in Mexico and Peru.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds by entering into a joint venture agreement or through the issuance of securities or resource-secured debt. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

COMMITMENTS AND CONTINGENCIES

Company has no material or significant commitments or contingencies.

RELATED PARTY TRANSACTIONS

Related parties consist of companies owned by executive officers and directors. The following is a list of the related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – Management and exploration fees
- SW Project Management – Project management and exploration fees
- Michael Thicke Geological Consulting Inc. – Exploration fees
- Candente Copper Corp. – shared administrative expenses with a Company related by directors and management in common

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the six months ended September 30, 2018 and 2017. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

		Six months ended September 30,	
		2018	2017
Salaries and management and exploration fees	\$	25,791	\$ 18,473
Share-based payments		14,925	-
	\$	40,716	\$ 18,473

Share-based payments are the fair value of options expensed to directors and key management personnel during the six months ended September 30, 2018 and 2017.

Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2018 includes \$184,366 (March 31, 2018 - \$183,724) owing to directors and officers and \$583,685 (March 31, 2018 - \$583,167) owing to Candente Copper Corp., a shareholder of the Company.

DISCLOSURES



Additional Information as specified by National Instrument 51-102

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at <http://www.sedar.com>

Venture Issuer Without Significant Revenue

This MD&A supports information disclosed in the Company's financial statements. More information regarding the Company's mineral right interests can be found under Note 4 of the Company's financial statements for the current reporting period.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period from March 31, 2018 to September 30, 2018, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

SHARE CAPITAL

As of November 28, 2018, the Company had 107,206,923 common shares outstanding.

As of November 28, 2018, the Company had 5,000,000 warrants outstanding and 9,905,000 outstanding share options.