



CANDENTE
GOLD CORP

Interim Condensed Consolidated Financial Statements
As at and for the three months ended June 30, 2017 and 2016
(Expressed in United States dollars, unless otherwise noted)

NOTICE

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

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

Candente Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
At June 30, 2017 and March 31, 2017
(expressed in United States dollars unless otherwise noted)

	Notes	June 30, 2017	March 31, 2017
Assets			
Current assets			
Cash		\$ 89,301	\$ 124,923
Trade and other receivables		1,357	2,544
Prepaid expenses and deposits		9,836	3,473
		100,494	130,940
Non-current assets			
Unproven mineral right interests	3	8,528,898	8,524,911
Equipment		4,839	5,224
Total non-current assets		8,533,737	8,530,135
Total assets		\$ 8,634,231	\$ 8,661,075
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	4,6	\$ 1,076,829	\$ 1,032,357
Total Liabilities		1,076,829	1,032,357
Equity			
Share capital	5	24,193,995	24,193,995
Obligation to issue shares	3	107,444	107,444
Reserves	5	5,798,172	5,777,359
Accumulated deficit		(22,542,209)	(22,450,080)
Total equity		7,557,402	7,628,718
Total liabilities and equity		\$ 8,634,231	\$ 8,661,075

Nature of operations and going concern 1

Approved on behalf of the Board of Directors on August 29, 2017

(signed) Larry Kornze
Director

(signed) Paul Barry
Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Candente Gold Corp.
Interim Condensed Consolidated Statements of Comprehensive Loss
For the three months ended June 30, 2017 and 2016
(expressed in United States dollars unless otherwise noted)

		Three months ended June 30,	
	Notes	2017	2016
Expenses			
Exploration expenses	8	\$ 11,665	\$ (10,911)
General and administrative expenses	8	80,713	181,060
		92,378	170,149
Other (income) expenses			
Gain on forgiveness of debt		-	(171,518)
Loss on foreign exchange		(249)	1,373
Net loss		\$ (92,129)	\$ (4)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Foreign currency translation		20,813	11,130
Comprehensive loss		\$ (71,316)	\$ 11,126
Loss per share attributable to shareholders			
Basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding: basic and diluted		107,206,923	96,206,923

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Candente Gold Corp.
Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended June 30, 2017 and 2016

(expressed in United States dollars unless otherwise noted)

	Share Capital		Reserves						Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Other reserve	Foreign currency reserve	Total reserves	Obligation to issue shares	Deficit	
Balance at March 31, 2017	107,206,923	\$ 24,193,995	\$ 5,876,070	\$ 52,046	\$ (150,757)	\$ 5,777,359	\$ 107,444	\$ (22,450,080)	\$ 7,628,718
Net loss	-	-	-	-	-	-	-	(92,129)	(92,129)
Foreign currency translation	-	-	-	-	20,813	20,813	-	-	20,813
Balance at June 30, 2017	107,206,923	\$ 24,193,995	\$ 5,876,070	\$ 52,046	\$ (129,944)	\$ 5,798,172	\$ 107,444	\$ (22,542,209)	\$ 7,557,402

	Share Capital		Reserves						Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Other reserve	Foreign currency reserve	Total reserves	Obligation to issue shares	Deficit	
Balance at March 31, 2016	96,206,923	\$ 23,804,489	\$ 5,724,106	\$ 52,046	\$ (169,083)	\$ 5,607,069	\$ -	\$ (22,191,633)	\$ 7,219,925
Share-based payment	-	-	133,000	-	-	133,000	-	-	133,000
Net loss	-	-	-	-	-	-	-	(4)	(4)
Foreign currency translation	-	-	-	-	10,758	10,758	-	-	10,758
Balance at June 30, 2016	96,206,923	\$ 23,804,489	\$ 5,857,106	\$ 52,046	\$ (158,325)	\$ 5,750,827	\$ -	\$ (22,191,637)	\$ 7,363,679

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Candente Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
For the three months ended June 30, 2017 and 2016
(expresses in United States dollars unless otherwise noted)

	Three months ended June 30,	
	2017	2016
Cash provided by (used in):		
Operating		
Loss for the period	\$ (92,129)	\$ (4)
Items not affecting cash:		
Depreciation	700	2,975
Share-based payment	-	133,000
Gain on forgiveness of debt	-	(171,518)
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	1,187	(3,486)
Decrease (increased) in prepaid expenses and deposits	(6,363)	3,930
Increase in accounts payable and accrued liabilities	44,471	25,778
Net cash used operating activities	(52,134)	(9,325)
Investing		
Value added tax recovered (paid)	(1,687)	29,230
Addition to unproven mineral rights interests	(2,300)	(11,300)
Net cash provided by (used) in investing activities	(3,987)	17,930
Effect of exchange rate changes on cash	20,499	11,318
Net change in cash	(35,622)	19,923
Cash at beginning of period	124,923	9,561
Cash at end of period	\$ 89,301	\$ 29,484

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

1. Nature of operations and going concern

Candente Gold Corp. and its subsidiaries (the "Company") are engaged in the exploration of mineral right interests in Mexico and Peru. The Company was incorporated on April 24, 2009 under the Business Corporation Act of British Columbia. The principal subsidiaries of the Company as at June 30, 2017 are as follows:

Subsidiary	Interest	Functional Currency
Candente Mexico Resource Corp.	100%	CDN Dollars
El Oro (BC) Exploration Inc.	100%	CDN Dollars
Candente Gold Peru S.A.	100%	US Dollars
Minera CCM, S.A. de C.V. ("CCM")	100%	US Dollars
Minera CCM El Oro Jales S.A. de C.V.	100%	US Dollars
Candente Mexico Servicios S.A. de C.V.	100%	US Dollars

Candente Gold's common shares are listed on the TSX Venture Exchange ("TSX-V") under the trading symbol CDG.V. The Company's share options and warrants are not listed.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 29, 2017.

At the date of these interim condensed consolidated financial statements, the Company has not yet determined whether any of its mineral right interests contain economically recoverable mineral reserves. Accordingly, the value of mineral right interests represents cumulative acquisition costs incurred to date and does not necessarily reflect present or future values. The recovery of these costs is dependent upon the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

These interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the three months ended June 30, 2017, the Company had a net loss of \$71,316, current liabilities exceed current assets by \$0.9 million at June 30, 2017 and as at June 30, 2017, the Company had cumulative losses since inception of \$22.5million. The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of securities, resource secured debt or joint venture projects. 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 its obligations as they come due in the normal course of business. In addition, the Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation. These factors indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

2. Statement of compliance and basis of presentation

These interim condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2017, which have been prepared in accordance with IFRS issued by the IASB.

3. Unproven mineral right interests

As of June 30, 2017, and March 31, 2017, the Company’s capitalized unproven mineral right interest costs are as follows:

	Balance at April 1, 2017	Acquisition costs and additions	Impairment of unproven mineral rights interests	Balance at June 30, 2017
Mexican Properties				
El Oro - Hardrock	\$ 8,077,850	\$ -	\$ -	\$ 8,077,850
El Oro mine tailings	154,840	-	-	154,840
Peruvian Properties	207,938	2,300	-	210,238
Value-added tax	84,283	1,687	-	85,970
Closing balance	\$ 8,524,911	\$ -	\$ -	\$ 8,528,898

	Balance at April 1, 2016	Acquisition costs and additions	Impairment of unproven mineral rights interests	Balance at March 31, 2017
Mexican Properties				
El Oro - Hardrock	\$ 8,009,752	\$ 68,098	\$ -	\$ 8,077,850
El Oro mine tailings	118,840	36,000	-	154,840
Peruvian Properties	204,489	3,449	-	207,938
Value-added tax	110,688	(26,405)	-	84,283
Closing balance	\$ 8,443,769	\$ 81,142	\$ -	\$ 8,524,911

Mexican Properties

El Oro – Hardrock

On January 31, 2017, the Company acquired the remaining 30% interest in the El Oro Project (the “El Oro Project”) in Mexico (the “Transferred Interest”) from Desarrollos Mineros San Luis, S.A. de C.V. (“DMSL”), a subsidiary of Goldcorp Inc. (“Goldcorp”). The Company now holds a 100% interest in the El Oro Project as it had previously earned a 70% interest in the El Oro Project from Goldcorp. As consideration for the acquisition of the Transferred Interest, the Company agreed to issue to DMSL (or its nominee) an aggregate of 5,000,000 common shares of the Company. 1,000,000 common shares were issued on the date of acquisition of the Transferred Interest (issued with a fair value of \$26,861 (CDN\$35,000)) (Note 6) and further tranches of 1,000,000 common shares are to be issued to DMSL (or its nominee) on the four successive anniversary dates, with the Company having the right but not the obligation to issue any or all of such 4,000,000 common shares in advance of such anniversary

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

3. Unproven mineral right interests (continued)

dates in its sole discretion. The 4,000,000 common shares were fair valued at \$107,444 (CDN\$140,000) and were recorded as an obligation to issue shares as at March 31, 2017.

El Oro Mine Tailings

During the year ended March 31, 2014, the Company signed an agreement with the municipality of El Oro that provides the Company with the access and processing rights to tailings deposits. Upon signing the agreement, \$25,000 was due and paid with monthly contributions of \$3,000 (paid). The Company is obligated to pay \$3,000 per month for the life of the agreement.

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 tailing project in El Oro Mexico. On signing, SRG paid the Company \$10,000 and paid an additional \$10,000 per month during the first three months; thereafter payments will reduce to \$3,000 per month. During the year ended March 31, 2017, the Company received \$32,000 in payments (2016 - \$10,000) from SRG. The Company and SRG are in the process of amending the agreement for SRG to earn 100% of the interest in the tailing project.

Peruvian properties

As at June 30, 2017, the Company has maintained in good standing a portion of the Tres Marias and Lunahuana properties. These properties are early to mid-stage gold and gold-silver exploration projects in Peru.

4. Trade payables and accrued liabilities

	June 30, 2017	March 31, 2017
Trade payables	\$ 948,262	\$ 913,596
Accrued liabilities	128,567	118,761
	\$ 1,076,829	\$ 1,032,357

5. Capital and equity reserve

a. Shares authorized

The Company has an unlimited number of common shares with no par value.

b. Common share issues

At June 30, 2017, the Company had 107,206,923 (March 31, 2017 – 107,206,923) common shares issued and outstanding.

Candente Gold Corp.
Interim Condensed Consolidated Financial Statements
For the three months ended June 30, 2017 and 2016
(Expressed in United States dollars unless otherwise noted)

5. Capital and equity reserve (continued)

c. Share options

Company has an incentive share option plan (the "Plan"). Under the Plan a total of 10% of the Company's outstanding common shares are reserved for the issuance of shares at discretion of the Board of Directors. Terms of each option award is fixed by the Board of Directors at time of grant. Share option awards have a maximum term of ten years.

The changes in stock options were as follows:

	Number of Options	Weighted Average Exercise Price (CDN\$)
Options outstanding, March 31, 2017 and June 30, 2017	9,390,000	\$0.09

As at June 30, 2017, the following options were exercisable and outstanding:

Grant date	Outstanding		Exercisable		Expiry date
	Exercise price (CDN\$)	Number of options	Exercise price (CDN\$)	Number of options	
December 5, 2012	\$0.25	250,000	\$0.25	250,000	December 5, 2017
February 15, 2013	\$0.25	1,085,000	\$0.25	1,085,000	February 15, 2018
August 27, 2014	\$0.10	2,405,000	\$0.10	2,405,000	August 27, 2019
September 10, 2014	\$0.10	100,000	\$0.10	100,000	September 10, 2019
May 20, 2016	\$0.05	5,000,000	\$0.05	5,000,000	May 20, 2026
February 28, 2017	\$0.05	550,000	\$0.05	550,000	February 28, 2027
		9,390,000		9,390,000	

c. Share options (continued)

The Company used the Black-Scholes Option-Pricing Model under the following weighted average assumptions and recorded total stock based compensation for the three months ended June 30, 2017 and 2016 of \$Nil and \$133,000 respectively:

	Three months ended June 30, 2017	Year ended March 31, 2017
Dividend yield	-	0.00%
Risk-free interest rate	-	1.39%
Volatility range	-	115.36%
Expected life	-	10 years
Forfeiture rate	-	0.00%

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

5. Capital and equity reserve (continued)

d. Warrants

	Number of Warrants	Weighted Average Exercise Price (CDN\$)
Warrants outstanding, March 31, 2017 and June 30, 2017	5,000,000	\$0.10

e. Reserves

Other reserve:

Other reserve records the reserve resulting from the acquisition of subsidiaries.

Equity settled employee compensation and warrants reserve:

The equity settled employee compensation and warrant reserve recognized as stock-based compensation expense and other warrant payments. At the time that stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Foreign currency reserve:

Foreign currency reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

f. Obligation to issue shares

Obligation to issue shares consists of the fair value of 4,000,000 common shares that are due to be issued to DMSL for the acquisition of the Transferred Interest (Note 3).

g. Loss per share

The calculation of basic and diluted loss per share for the three months ended June 30, 2017 and 2016 was based on the loss attributed to common shareholders of \$92,129 (2016 - \$4) and the weighted average number of common shares outstanding of 107,206,923 (2016 - 96,206,923).

6. Related party disclosures

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

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

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

6. Related party disclosures (continued)

a. Related party transactions

The Company incurred the following fees and expenses with companies owned by key management and directors.

	Three months ended	
	June 30, 2017	June 30, 2016
Salaries and management and exploration fees	\$ 8,926	\$ 29,886
Share-based payment	-	124,939
	\$ 8,926	\$ 154,825

Share-based payments are the fair value of options expensed to directors and key management personnel during the three months ended June 30, 2017 and 2016.

b. Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at June 30, 2017 includes \$165,899 (March 31, 2017 - \$166,974) owing to directors and officers and \$584,312 (March 31, 2017 - \$571,423) owing to Candente Copper Corp., a shareholder of the Company.

7. Segmented information

The Company operates in one segment being the exploration of mineral properties. The Company operates in three geographical areas, being Peru, Mexico and Canada. Following is an analysis of the Company's assets by geographical area and reconciled to the Company's interim condensed consolidated financial statements.

	June 30, 2017			
	Canada	Peru	Mexico	Total
Unproven mineral right interests	\$ -	\$286,346	\$8,242,552	8,528,898
Equipment	-	995	3,844	4,839
	\$ -	\$287,341	\$8,246,396	\$8,533,737

	March 31, 2017			
	Canada	Peru	Mexico	Total
Unproven mineral right interests	\$ -	\$282,359	\$8,242,552	\$8,524,911
Equipment	-	1,066	4,158	5,224
	\$ -	\$283,425	\$8,246,710	\$8,530,135

Candente Gold Corp.
Interim Condensed Consolidated Financial Statements
For the three months ended June 30, 2017 and 2016
(Expressed in United States dollars unless otherwise noted)

8. Expenses

	Three months ended June 30,	
	2017	2016
GENERAL AND ADMINISTRATIVE		
Audit and tax advisory fees	\$ 20,212	\$ 3,371
Bank charges and interest	226	130
Depreciation	700	2,975
Legal	33,419	6,747
Management fees, office salaries and benefits (Note 6)	9,759	30,170
Office, rent and miscellaneous	7,980	-
Regulatory and filing fees	688	1,092
Share-based payment (Note 5)	-	133,000
Shareholder communications	7,729	3,575
Total general and administrative expenses	\$ 80,713	\$ 181,060

	Three months ended June 30,	
	2017	2016
EXPLORATION		
Exploration	\$ -	\$ 382
Project administration	11,665	11,707
Cost recoveries	-	(23,000)
Total exploration expenses	\$ 11,665	\$ (10,911)

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

9. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

a. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

Maturity analysis of financial instruments

Financial liabilities	Carrying amount	2017	2018	2019	2020
Trade payables and accrued liabilities	\$ 1,076,829	\$ 1,076,829	\$ -	\$ -	\$ -

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a currency, i.e. in a currency other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's subsidiaries is the United States and Canadian dollars and some of the subsidiaries transactions are denominated in Mexican Pesos and Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies. Therefore, the risk is considered minimal.

c. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk arises from cash and trade and other receivables. Cash are deposited in highly rated corporations and the credit risk associated with these deposits is low.

d. Fair value hierarchy

The interim condensed consolidated statements of financial position carrying amounts for cash, trade and other receivables and trade payables, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2017 and 2016

(Expressed in United States dollars unless otherwise noted)

9. Financial risk and capital management (continued)

d. Fair value hierarchy (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Assets				
Cash	\$ 89,301	\$ -	\$ -	\$ 89,301

There were no transfers between levels during the three months ended June 30, 2017.

e. Capital management

The Company's capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met. The total capital being managed by the Company as of the balance sheet dates, June 30, 2017 and March 31, 2017 is as follows:

	As at June 30, 2017	As at March 31, 2017
Total working capital deficiency	\$ (976,335)	\$ (901,417)
Total equity	7,557,402	7,628,718
Total capital	\$ 6,581,067	\$ 6,727,301

There were no changes in the Company's approach to capital management during the period and the Company is not subject to any restrictions on its capital.