



CANDENTE
GOLD CORP

**Interim Condensed Consolidated Financial Statements
(unaudited)**

**As at and for the three and six months periods ended
September 30, 2013 and 2012**

(Expressed in United States dollars, unless otherwise noted)

NOTICE

The accompanying unaudited interim condensed consolidated financial statements of Candente Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Candente Gold Corp.
Interim Condensed Consolidated Statements of Financial Position

At September 30, 2013 and March 31, 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Notes	September 30, 2013	March 31, 2013
Assets			
Current assets			
Cash and cash equivalents		\$ 121,340	\$ 647,357
Trade and other receivables		216,339	263,886
Prepaid expenses and deposits		38,031	53,447
		375,710	964,690
Non-current assets			
Equipment	5	38,938	62,997
Value added tax credits		76,016	63,908
Unproven mineral right interests	4	11,586,240	12,802,274
Total assets		\$ 12,076,904	\$ 13,893,869
Liabilities			
Current Liabilities			
Trade payables and accrued liabilities		\$ 603,415	\$ 561,147
Total liabilities		603,415	561,147
Equity			
Share capital	6	22,711,269	\$ 22,711,269
Reserves		5,186,268	5,146,440
Accumulated deficit		(16,424,048)	(14,524,987)
Total equity		11,473,489	13,332,722
Total liabilities and equity		\$ 12,076,904	\$ 13,893,869
Nature of Operations and Going Concern	1		

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

Approved on behalf of the Board of Directors on November 14, 2013

(signed) Andres Milla
Director

(signed) Larry Kornze
Director

Candente Gold Corp.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended September 30, 2013 and 2012 (unaudited)
(expressed in United States dollars unless otherwise noted)

	Notes	Three Months Ended		Six Months Ended	
		Sep 30, 2013	Sep 30, 2012	Sep 30, 2013	Sep 30, 2012
Expenses					
General and administrative	9	\$ 206,248	\$ 172,082	\$ 475,018	\$ 364,348
Exploration expenses	9	160,062	316,225	352,470	780,934
		391,706	488,307	852,884	1,145,282
Other (loss) income					
Write-down of unproven mineral right interest		-	-	1,155,220	-
Loss (gain) on foreign exchange		210,692	60,031	(69,016)	93,834
Interest income		(13,710)	-	(14,630)	-
		196,982	60,031	1,071,574	93,834
Net loss		(563,292)	(548,338)	(1,899,062)	(1,239,116)
Other comprehensive income					
Foreign currency translation adjustment		186,193	(93,481)	(119,158)	(137,937)
		186,193	(93,481)	(119,158)	(137,937)
Comprehensive loss		\$ (377,099)	\$ (641,819)	\$ (2,018,220)	\$ (1,377,053)
Loss Per Share Attributable to Shareholders					
Basic and Diluted		\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted Average Number of Common Shares Outstanding		62,219,760	62,198,776	62,219,760	62,025,243

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 six months ended September 30, 2013 and 2012 (unaudited)
(expresses in United States dollars unless otherwise noted)

	Total Common Shares	Share Capital	Equity Reserve	Accumulated Deficit	Foreign Currency Translation Reserve	Total Equity
Balance at March 31, 2013	62,219,760	\$ 22,711,269	\$ 5,407,295	\$ (14,524,986)	\$ (260,855)	\$ 13,332,723
Common shares issued for:						
Share-based payment expense	-	-	158,986	-	-	158,986
Net loss	-	-	-	(1,899,062)	-	(1,927,458)
Foreign currency translation adjustment	-	-	-	-	(119,158)	(119,158)
Balance as at September 30, 2013	62,219,760	\$ 22,711,269	\$ 5,566,281	\$ (16,424,048)	\$ (380,013)	\$ 11,473,489

	Total Common Shares	Share Capital	Equity Reserve	Accumulated Deficit	Foreign Currency Translation Adjustment	Total Equity
Balance at March 31, 2012	61,176,760	\$ 22,414,373	\$ 5,364,095	\$ (12,760,151)	\$ (48,507)	\$ 14,969,810
Common shares issued for:						
Exercise of share options, Note 6(b)	43,000	25,599	-	-	-	25,599
Acquisition of unproven mineral right interest, Note 6(b)	1,000,000	265,018	-	-	-	265,018
Share-based payment expense	-	-	3,450	-	-	3,450
Net loss	-	-	-	(1,239,116)	-	(1,239,116)
Foreign currency translation adjustment	-	-	-	-	137,937	137,937
Balance as at September 30, 2012	62,219,760	\$ 22,704,990	\$ 5,367,545	\$ (13,999,267)	\$ 89,430	\$ 14,162,698

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 six months ended September 30, 2013 and 2012 (unaudited)
(expresses in United States dollars unless otherwise noted)

Cash provided by (used in):	Notes	Six Months Ended	
		September 30, 2013	September 30, 2012
Operating			
Loss for the period		\$ (1,899,062)	\$ (1,239,116)
Items not affecting cash:			
Amortization		10,224	9,136
Share-based compensation expense	9	158,986	3,450
Write-down of unproven mineral right interests		1,155,220	-
Changes in non-cash working capital items:			
Increase (decrease) in amounts receivable		47,546	81,609
Decrease (increase) in prepaid expenses and		15,417	11,094
Increase (decrease) in accounts payable and		42,269	151,937
Cash used in operating activities		(469,400)	(981,890)
Investing			
Proceeds from sale of equipment		-	3,712
Value added tax paid		(11,901)	(19,398)
Expenditures on mineral interests:			
Acquisition	5	(154,964)	(293,640)
Recovery of acquisition costs		215,777	-
Cash used in investing activities		48,912	(309,326)
Financing			
Issuance of common shares for:			
Exercise of stock options	6	-	25,599
Cash provided by (used in) financing activities		-	25,599
Net change in cash and cash equivalents		(420,488)	(1,265,617)
Effect of exchange rate changes on cash		(105,529)	28,718
Cash and cash equivalents at beginning of period		647,357	2,364,289
Cash and cash equivalents at end of period		\$ 121,340	\$ 1,127,390

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

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

1. Nature of operations and going concern

Candente Gold Corp. and its subsidiaries (the “Company” or “Candente Copper”) are engaged in the exploration of mineral property interests in Mexico and Peru. The Company was incorporated on April 24, 2009 under the Business Corporation Act of British Columbia and its principal office is located at Suite 1650-400 Burrard Street, Vancouver British Columbia, V6C 3A6.

The principal subsidiaries of the Company as at September 30, 2013 are as follows:

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

Candente Gold’s common shares are listed on the Toronto Stock Exchange (“TSX”) and the Lima Stock Exchange under the trading symbol “CDG”. The Company’s share options and warrants are not listed.

These consolidated financial statements were authorized for issue by the Board of Directors on November 14, 2013.

These 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 September 30, 2013 and September 30, 2012, the Company incurred losses of \$ 0.4 million and \$ 0.6 million, respectively, and as at September 30, 2013 the Company had \$ 16.5 million cumulative losses since inception. 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. The Company does not generate cash flows from operations and accordingly, Candente Gold will need to raise additional funds through the issuance of securities or resource secured debt. Although, Candente Gold has been successful in raising funds in the past there can be no assurance Candente Gold 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. These factors cast significant doubt regarding the Company’s ability to continue as a going concern. Should Candente Gold 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.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

2. Statement of compliance and basis of presentation

These 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 condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2013, which have been prepared in accordance with IFRS issued by the IASB.

3. Significant accounting policies

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Company for the year ended March 31, 2013. The disclosure contained in these condensed consolidated interim financial statements does not include all the requirements in IAS 1 *Presentation of Financial Statements* ("IAS 1"). Accordingly these interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended March 31, 2013.

The accounting policies below have been applied consistently to all periods presented in these interim condensed consolidated financial statements.

4. Unproven mineral right interests

As of September 30, 2013 and March 31, 2013 the Company's capitalized unproven mineral right interest costs are as follows:

	Balance at March 31, 2013	Mining property expenditures	Acquisition costs recoverable	Write-down of unproven mineral right interests	Balance at September 30, 2013
El Oro – Mexico	\$ 8,053,562	\$ -	\$ (89,209)	\$ -	\$ 7,964,353
El Oro Mine Tailings	-	28,395	-	-	28,395
Peruvian Properties	4,748,712	126,568	(126,568)	(1,155,220)	3,593,492
Closing balance	\$ 12,802,274	\$ 154,963	\$ (215,777)	\$ (1,155,220)	\$ 11,586,240

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

4. Unproven mineral right interests (continued)

	Balance at March 31, 2012	Unproven mineral right interests expenditures	Option payments receivable	Write-down of unproven mineral right interests	Balance at March 31, 2013
El Oro – Mexico	\$ 7,625,949	\$ 427,613	-	-	\$ 8,053,562
Peruvian Properties	4,451,895	296,817	-	-	4,748,712
Closing balance	\$ 12,077,844	\$ 724,430	-	-	\$ 12,802,274

El Oro

For the period ended September 30, 2013 the Company incurred no expenditures related to the El Oro property. During the six-month period ended, September 30, 2013, the Company recognized a receivable of \$195,565 related to amounts paid for taxes on the Company's concession at El Oro that are to be recovered from GoldCorp Mexico. Included in unproven mineral right interests as of March 31, 2013 is the share issue to Goldcorp Mexico on May 1, 2012 related to the exercise of the second option of the May 2006 Letter Agreement, of \$265,018 and an accrual for taxes owing on the Company's concession on El Oro of \$162,595.

El Oro Mine Tailings

During the period ended September 30, 2013, 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 thereafter.

Peruvian properties

On July 1, 2013 the Company received deposits of \$28,700 towards its 2013 concession fees of \$126,568 with various parties for the renewal of certain concessions. The Company has also received commitments for deposits for the remaining amounts of the concession fees paid in Peru. Subsequent to the period end, the Company received the remaining \$97,808 of the concession fee amount.

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

5. Equipment

Equipment acquired for the period ended September 30, 2013 and March 31, 2013 as follows:

	Balance at April 1, 2013	Acquisition of equipment	Amortization	Balance at September 30, 2013
Equipment	\$ 32,822	\$ -	\$ (11,436)	\$ 21,386
Vehicles	26,178	-	(11,200)	14,978
Leaseholds	3,997	-	(1,423)	2,574
Closing balance	\$ 62,997	\$ -	\$ (24,059)	\$ 38,938

	Balance at April 1, 2012	Acquisition of equipment	Amortization	Balance at September 30, 2012
Equipment	\$ 48,701	\$ 425	\$ (16,304)	\$ 32,822
Vehicles	28,984	-	(2,806)	26,178
Leaseholds	5,644	-	(1,647)	3,997
Closing balance	\$ 83,329	\$ 425	\$ (20,757)	\$ 62,997

6. Share capital

a. Shares authorized

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

b. Common share issues

Shares issued and outstanding

	Total amount of common shares issued	Total value of common shares issued
Balance as of April 1, 2011	60,644,547	\$ 22,006,615
Finance, net of issue costs	400,000	296,754
Acquisition of unproven mineral right interests	30,000	25,000
Exercise of warrants	85,713	66,762
Exercise of stock option	16,500	19,242
Balance as of March 31, 2012	61,176,760	\$ 22,414,373
Acquisition of unproven mineral right interests	1,000,000	265,018
Exercise of stock options	43,000	31,878
Balances as of September 30, 2012 and 2013	62,219,760	\$ 22,711,269

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

6. Share capital (continued)

c. Share options

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

There were no changes in stock options during the period.

	Number of options	Weighted average exercise price (CDN\$)
Options outstanding, March 31, 2013	5,261,500	\$0.47
Options outstanding, September 30, 2013	5,261,500	\$0.47

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 period ended September 30, 2013 and 2012 of \$68,532 and \$nil respectively:

	Three months ended September 30, 2013
Dividend yield	0.00%
Risk-free interest rate	1.31%
Volatility range	100.54%
Expected life	3.47
Forfeiture rate	2.59%

There are no outstanding warrants at September 30, 2013

7. Commitments

The Company entered into the agreements for operating and facility leases. The minimum annual payments required are as follows:

	2014	2015	2016	2017	2018
Facility leases (a)	\$ 18,900	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200
Operating leases (b)	64,246	85,661	85,661	85,661	85,661
Total commitments	\$ 83,146	\$ 110,861	\$ 110,861	\$ 110,861	\$ 110,861

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

7. Commitments (continued)

a. Facility leases

The Company has entered leases of an office and warehouse with unrelated corporations.

b. Operating leases

The Company has entered into contractual obligations with contractors with respect to its operations in Mexico.

8. Related party disclosures

The Company's 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. – CEO, management and exploration fees
- SW Project Management – President, project management and exploration fees
- Michael Thicke Geological Consulting Inc. – Exploration fees
- Delphis Financial Strategies – CFO and management fees to October 27, 2012
- Phoenix One Consulting Inc. – CFO and management fees starting June 20, 2012

a. Related party transactions

The following table details the trading transactions incurred by the Company with its related parties, during the three months period ended September 30, 2013, and September 30, 2012:

	Six months ended	
	September 30, 2013	September 30, 2012
Ridley Rocks Inc.	\$ -	\$ 43,784
SW Project Management	-	4,465
Michael Thicke Geological Consulting Inc.	-	6,418
Delphis Financial Strategies Inc.	-	30,677
Phoenix One Consulting Inc.	23,382	8,845
	\$ 23,382	\$ 94,189

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2013 included \$1,875 due to Phoenix One Consulting Inc., (September 30, 2012- \$3,750), and \$264,520.28 (September 30, 2012: \$47,020.65) due to Candente Copper Corp., a shareholder of the Company.

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

8. Related party disclosures (continued)

b. Compensation of key management personnel

The remuneration of directors and key management personnel who have the authority and responsibility for planning, directing and continuing the activities of the Company during the three month period ended September 30, 2013 and 2012, were as follows:

	Six months ended	
	September 30, 2013	September 30, 2012
Salaries and fees	\$ 23,382	\$ 94,189
Share-based payment	-	-
	\$ 23,382	\$ 94,189

- Salaries and fees include the related party transactions disclosed in note 8(a).
- Share-based payments are the fair value of options expensed to directors and key management personnel during the three months ended September 30, 2013 and 2012.
- The Company does not remunerate the directors of the Company unless its market capitalization is greater than \$75 million. During the three month period ended September 30, 2013 the Company paid \$nil in directors fees (2012 - \$nil).

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

9. Expenses

Included in exploration expenses are the following:

	Three Months Ended		Six Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
EXPLORATION				
Administration	\$ 68,290	\$ 80,478	\$ 147,603	\$ 160,656
Community relations	917	12,870	3,568	64,781
Drilling	-	300	-	38,358
Exploration	90,855	222,577	201,299	517,139
Total exploration expenses	\$ 160,062	\$ 316,225	\$ 352,470	\$ 780,934

Included in the general and administrative expenses are the following:

	Three Months Ended		Six Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
GENERAL AND ADMINISTRATIVE				
Depreciation	\$ 4,450	28	\$ 10,224	\$ 4,389
Audit and tax advisory fees	37,828	9,481	38,766	57,808
Bank charges and interest	374	(1,873)	1,049	(28,606)
Consulting	(1,330)	20,141	64,022	32,025
Corporate development	-	-	161	-
Legal	11,157	8,777	14,694	28,023
Management fees, office salaries and benefits	48,066	72,348	96,826	135,531
Office, rent and miscellaneous	18,960	15,366	43,639	50,647
Travel and accommodations	495	2,914	1,198	5,326
Regulatory and filing fees	9,895	36,494	30,286	57,532
Shareholder communications	7,821	8,670	15,167	18,223
Share-based payment	68,532	(264)	158,986	3,450
Total general and administrative expenses	\$ 206,248	172,082	\$ 475,018	\$ 364,348

Candente Gold Corp.

(An exploration company)

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended September 30, 2013 and 2012 (unaudited)

(Expressed in United States dollars unless otherwise noted)

10. Segmented information

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

September 30, 2013						
	Canada		Mexico		Peru	Total
Cash and cash equivalents	\$	33,524	\$	81,778	\$ 6,038	\$ 121,340
Receivables and prepaid expenses		18,102		83,258	153,010	254,370
Value-added Tax Credit		-		207	75,809	76,016
Unproven mineral right interests		7,952,671		516,956	3,116,613	11,586,240
Equipment		11,840		21,996	5,102	38,938
Closing Balance	\$	8,016,137	\$	704,195	\$ 3,356,572	\$ 12,076,904

March 31, 2013						
	Canada		Mexico		Peru	Total
Cash and cash equivalents	\$	585,056	\$	57,987	\$ 4,314	\$ 647,357
Receivables and prepaid expenses		19,526		270,288	27,519	317,333
Value-added Tax Credit		-		-	63,908	63,908
Unproven mineral right interests		-		8,053,562	4,748,712	12,802,274
Equipment		11,971		44,718	6,308	62,997
Closing Balance	\$	616,553	\$	8,426,555	\$ 4,850,761	\$ 13,893,869