



CANDENTE GOLD CORP

Interim Condensed Consolidated Financial Statements (unaudited)

**As at and for the three and six months periods ended
September 30, 2012 and 2011**

(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, 2012 and March 31, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Notes	September 30, 2012	March 31, 2012
Assets			
Current assets			
Cash and cash equivalents		\$ 1,127,390	\$ 2,364,289
Trade and other receivables		602,896	684,505
Prepaid expenses and deposits		36,002	47,096
		\$ 1,766,288	\$ 3,095,890
Non-current assets			
Equipment	4	71,308	83,329
Value added tax credits		74,642	55,244
Unproven mineral right interests	5	12,744,894	12,077,844
Total assets		\$ 14,657,132	\$ 15,312,307
Liabilities			
Current Liabilities			
Trade payables and accrued liabilities		\$ 494,434	\$ 342,497
Total liabilities		\$ 494,434	\$ 342,497
Equity			
Share capital	6	22,704,990	\$ 22,414,373
Equity reserve		5,367,545	5,364,095
Accumulated deficit		(13,999,267)	(12,760,151)
Foreign currency translation reserve		89,430	(48,507)
Total equity		\$ 14,162,698	\$ 14,969,810
Total liabilities and equity		\$ 14,657,132	\$ 15,312,307
Nature of Operations and Going Concern	1	Events After the Reporting Period	10

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

Approved on behalf of the Board of Directors

(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, 2012 and 2011 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Notes	Three Months Ended		Six Months Ended	
		Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
General and administrative	9	232,113	64,804	458,182	125,922
Exploration expenses	9	316,225	1,409,732	780,934	2,526,271
Loss for the period		\$ (548,338)	\$ (1,344,928)	\$ (1,239,116)	(2,652,193)
Other comprehensive income					
Foreign currency translation adjustment		(93,481)	(639,495)	(137,937)	(699,006)
Comprehensive loss		\$ (641,819)	\$ (1,984,423)	\$ (1,377,053)	\$ (3,351,199)
Loss Per Share Attributable to Shareholders					
Basic and Diluted		\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.05)
Weighted Average Number of Common Shares Outstanding		62,198,776	61,164,760	62,025,243	61,125,155

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 periods ended September 30, 2012 and 2011 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Total Common Shares	Share Capital	Equity Reserve	Accumulated Deficit	Foreign Currency Translation Adjustment	Total Equity
Balance at April 1, 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)(ii,iii,iv)	53,000	25,599	-	-	-	25,599
Acquisition of mineral right interests, Note 6(b)(i)	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	62,229,760	\$ 22,704,990	\$ 5,367,545	\$ (13,999,267)	\$ 89,430	\$ 14,162,698

	Total Common Shares	Share Capital	Other Reserves	Deficit	Foreign Currency Translation Adjustment	Total Equity
Balance at April 1, 2011	60,644,547	\$ 21,938,365	\$ 4,589,596	\$ (7,859,129)	\$ 278,887	\$ 18,947,719
Common shares issued for:						
Acquisition of mineral right interests	30,000	25,000	-	-	-	25,000
Financing	400,000	296,754	14,428	-	-	311,182
Exercise of warrants	85,713	66,762	(13,374)	-	-	53,388
Exercise of share options	4,500	4,716	-	-	-	4,716
Share-based payment expense	-	-	89,378	-	-	89,378
Net loss	-	-	-	(2,652,193)	-	(2,652,193)
Foreign currency translation adjustment	-	-	-	-	(732,403)	(732,403)
Balance as at September 30, 2011	61,164,760	\$ 22,331,597	\$ 4,680,028	\$ (10,511,322)	\$ (453,516)	\$ 16,046,787

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 Month periods ended June 30, 2012 and 2011 (unaudited)
(expresses in United States dollars unless otherwise noted)

Cash provided by (used in):	Notes	Three Months Ended		Six Months Ended	
		September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Operating					
Loss for the period		\$ (548,338)	(1,344,928)	\$ (1,239,116)	(2,652,193)
Items not affecting cash:					
Amortization	4	207	7,567	9,136	15,133
Share-based compensation expense	9	(264)	50,164	3,450	89,378
Changes in non-cash working capital items:					
Increase (decrease) in amounts receivable		100,422	(111,295)	81,609	(144,294)
Decrease (increase) in prepaid expenses and deposits		(516)	14,892	11,094	(14,945)
Increase (decrease) in accounts payable and accrued liabilities		168,016	(182,325)	151,937	93,005
Cash used in operating activities		\$ (280,473)	(1,565,925)	\$ (981,890)	(2,613,916)
Investing					
Purchase of equipment	4	\$ -	(25,203)	\$ -	(25,203)
Proceeds from sale of equipment		2,107	-	3,712	-
Value added tax paid		(2,299)	(3,476)	(19,398)	(15,918)
Expenditures on mineral interests:					
Acquisition	5	(293,640)	-	(293,640)	(378,719)
Cash used in investing activities		\$ (293,832)	(28,679)	\$ (309,326)	(419,840)
Financing					
Issuance of common shares for:					
Sale of common shares		\$ -	-	\$ -	311,182
Exercise of warrants		-	-	-	53,388
Exercise of stock options	6	20,438	-	25,599	4,716
Promissory note repayment		-	-	-	(977,165)
Cash provided by (used in) financing activities		\$ 20,438	-	\$ 25,599	(607,879)
Net change in cash and cash equivalents		(553,867)	(1,594,604)	(1,265,617)	(3,641,635)
Effect of exchange rate changes on cash		126,119	(637,056)	28,718	(693,623)
Cash and cash equivalents at beginning of period		1,555,138	6,539,819	2,364,289	8,643,417
Cash and cash equivalents at end of period		\$ 1,127,390	4,308,159	\$ 1,127,390	4,308,159

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

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements – September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

1. Nature of operations and going concern

Candente Gold Corp. (“Candente Gold”) or the “Company”) was incorporated under the Business Corporations Act (British Columbia) on April 24, 2009. Candente Gold is a resource-based company that seeks to acquire and explore mineral property interests, primarily in Mexico and Peru. These condensed consolidated interim financial statements include the accounts of Candente Gold and of its wholly owned subsidiaries (collectively, “Candente Gold” or the “Company”):

The subsidiaries of the Company as at June 30, 2012 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

Candente Gold’s common shares are listed on the Toronto Stock Exchange (“TSX”) and the Lima Stock Exchange under the trading symbol “CDG”. Candente Gold’s share options and warrants are not listed. The Company’s principal office is located at Suite 1650-400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Canada.

On July 27, 2012 Goldcorp S.A. de C.V. (“Goldcorp”) confirmed that Candente Gold has met all the requirements for the exercise of the El Oro project’s second option and acquired a 70% undivided interest in this project. The Company had provided notice of fulfillment of requirements to Goldcorp on May 1, 2012. Upon confirming the fulfillment of the second option, Goldcorp also indicated that they are electing to participate in the project at its existing 30% right title and working interest in all of the property, and not earn back a 40% interest or revert to a 6.5% net profit interest in all of the property.

These condensed consolidated interim financial statements were authorized for issue by the board of directors on November 12, 2012.

Going Concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation 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 period ended September 30, 2012 the Company incurred losses of approximately \$1.2M, and as at September 30, 2012 reported an accumulated deficit of approximately \$ 14 million. The Company will need to secure the necessary financing to meet the Company’s requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. These circumstances lead to significant doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, the ultimate appropriateness of use of the accounting principles applicable to 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. If the going concern assumption was not appropriate for these Interim condensed consolidated Financial Statements, then adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications which could be material, may be necessary.

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements - September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

1. Nature of operations and going-concern (continued)

At the date of these interim condensed consolidated financial statements, Candente Gold has not yet determined whether any of its mineral properties contain economically recoverable mineral reserves. Accordingly, the carrying amount of mineral properties represents cumulative expenditures 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 Candente Gold to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

Uncertainty also exists with respect to the recoverability of the carrying value of certain mineral properties. The ability of the Company to realize on its investment in resource properties is contingent upon resolution of the uncertainties and confirmation of the Company's title to the mineral properties.

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, 2012, which have been prepared in accordance with IFRS issued by the IASB.

3. Summary of 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, 2012. 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, 2012.

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

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements - September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

4. Equipment

Comprising of equipment acquired for the period ended September 30, 2012 is as follows:

	Balance at March 31, 2012	Disposal of equipment	Amortization	Balance at September 30, 2012
Corporate Assets	\$ 83,329	\$ (3,712)	\$ (9,136)	\$ 70,481
Closing Balance	\$ 83,329	\$ (3,712)	\$ (9,136)	\$ 70,481

5. Unproven Mineral Right Interests

At September 30, 2012, unproven mineral right interests were comprised of various early-stage exploration interests in mineral claims and mining concessions located in Mexico and Peru. These interests are held by the Company, or through option agreements under which the Company, directly or through a joint venture arrangement, has a right to acquire an interest in mineral properties.

Acquisition costs are capitalized. Exploration expenditures are charged to operations in the period they are incurred.

The following are the capitalized mineral property acquisition costs:

	Balance at April 1, 2012	Acquisition of Unproven mineral right interests	Disposals of Unproven Mineral Right Interest	Balance at September 30, 2012
El Oro – Mexico Peruvian Properties	\$ 7,625,949	\$ 373,410	\$ -	\$ 7,999,359
	4,451,895	293,640	-	4,745,535
Closing balance	\$ 12,077,844	\$ 667,050	\$ -	\$ 12,744,894

Included in Acquisition of unproven mineral right interests are non-cash additions of \$265,018 (refer to note 6b(i)) and a \$108,392 accrued liability that represents the quarterly concession costs incurred by the Company for El Oro.

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements – September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

5. Unproven Mineral Right Interests (continued)

	Balance at April 1, 2011	Acquisition of Unproven mineral right interests	Disposals of Unproven mineral right interest	Balance at March 31, 2012
El Oro – Mexico	\$ 7,465,374	\$ 160,575	\$ -	\$ 7,625,949
Peruvian Properties	4,092,930	358,965	-	4,451,895
Closing Balance	\$ 11,558,304	\$ 519,540	\$ -	\$ 12,077,844

6. Capital and equity reserve

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 Stock Issued	Total Value of Common Stock Issued
Balances as of March 31, 2012	61,176,760	\$ 22,414,373
Exercise of second option of the El Oro Agreement, May 1, 2012 (i)	1,000,000	265,018
Exercise of share options, June 7, 2012 (ii)	13,000	5,389
Exercise of share options, August 20, 2012 (iii)	15,000	7,578
Exercise of share options, September 20, 2012 (iv)	15,000	12,632
Balances as of September 30, 2012	62,219,760	\$ 22,704,990

- (i) On May 1, 2012, the Company's issued 1,000,000 common shares to Goldcorp Mexico at a price of Cdn\$0.26 per share in order to complete the requirements for the exercise of the second option that provided the Company with the right to earn an additional 30% in the El Oro Project in Mexico.
- (ii) On June 7, 2012, a current board member exercised 13,000 share options resulting in proceeds of \$5,389.
- (iii) On August 20, 2012 an officer of the company exercised 15,000 stock options resulting in proceeds of \$7,578.
- (iv) On September 5, 2012 a former officer of the company exercised 25,000 stock options resulting in proceeds of \$12,632.

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements - September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

6. Share Capital (continued)

c. Share Options

The Board of Directors passed a resolution dated May 15, 2009, which established a share option plan (the "2009 Stock Option Plan"), pursuant to which options may be granted to Directors, Officers, employees and persons providing ongoing and contract services to the Company. The purpose of the Plan is to attract persons by offering to such persons the opportunity to acquire (or to increase) an equity interest in the Company through the purchase of shares under the Plan. Subject to adjustment made in the case of a share split of the issued shares of the Company, the aggregate number of shares that may be issuable pursuant to options granted under the Plan is fixed at a maximum of 10% of the outstanding shares of the Company from time to time and shall be calculated on an as-needed basis. Prior to the establishment of the Plan, options were issued to Directors and employees, at the discretion of management, to compensate for services provided.

The changes in share options were as follows:

	Number of Options	Weighted Average Exercise Price (Cdn\$)
Options Outstanding, March 31, 2012	3,476,000	\$0.65
Movement During the First Quarter		
Options Exercised, June 7, 2012	(13,000)	(\$0.33)
Options Forfeited, June 11, 2012	(112,500)	(\$1.40)
Options Exercised, August 20, 2012	(15,000)	(\$0.42)
Options Exercised, September 20, 2012	(15,000)	(\$0.42)
Options Expired, September 28, 2012	(9,000)	(\$1.80)
Options Outstanding, September 30, 2012	3,311,500	\$0.62

d. Warrants

	Number of Warrants	Weighted Average Exercise Price (Cdn\$)
Warrants Outstanding, March 31, 2012	5,226,350	\$1.07
Movements for the period	-	-
Warrants Outstanding, September 30, 2012	5,226,350	\$1.07

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements – September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

7. Related party transactions

Details of the transactions between the Company and other related parties are disclosed below.

a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	<u>Nature of transactions</u>
Ridley Rocks Inc.	Exploration fees
Michael Thicke Geological Consulting Inc.	Exploration fees
Delphis Financial Strategies Inc.	Management fees
PhoenixOne Consulting Inc.	Management fees
SW Project Management	Management fees

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

	For the three months ended September 30, 2012		For the three months ended September 30, 2011		For the six months ended September 30, 2012		For the six months ended September 30, 2011
Management Fees	22,484	\$	12,000	\$	34,484	\$	24,000
Salaries	69,809		64,823		83,204		132,372
Exploration expenses – fees	26,325		26,473		33,975		46,873
	\$ 118,618	\$	103,296	\$	151,663	\$	203,245

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements – September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

7 Related party transactions (continued)

b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel who have the authority and responsibility for planning, directing and continuing the activities of the Company during the periods ended September 30, 2012 and 2011 was as follows:

	For the three months ended September 30, 2012	For the three months ended September 30, 2012	For the six months ended September 30, 2011	For the six months ended September 30, 2011
Salaries, fees and directors fees (i)	\$ 118,618	\$ 103,296	\$ 151,663	\$ 203,345
Share-based payment (ii)	-	-	-	-
Total (iii)	\$ -	\$ -	\$ -	\$ -

- (i) Salaries, fees and director's fees include consulting and management fees disclosed in note 7(a).
- (ii) Share-based payments are the fair-value of options granted to key management personnel.
- (iii) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the periods ended September 30, 2012 and 2011.

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements – September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

8. Segmented information

The Company operates in three geographical areas, being Mexico, Peru 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, 2012			
	Canada	Mexico	Peru	Total
Cash and cash equivalents	\$ 962,173	\$ 161,046	\$ 4,171	\$ 1,127,390
HST, Value-added tax receivable and other assets	43,279	569,382	100,879	713,540
Equipment	25,827	40,149	5,332	71,308
Unproven mineral right interests	-	3,809,185	8,935,709	12,744,894
Total assets	\$ 1,031,279	\$ 4,579,762	\$ 9,046,091	\$ 14,657,132

	March 31, 2012			
	Canada	Mexico	Peru	Total
Cash and cash equivalents	\$ 2,221,376	\$ 129,043	\$ 13,870	\$ 2,364,289
HST, Value-added tax receivable and other assets	41,673	677,614	67,558	786,845
Equipment	29,895	49,285	4,149	83,329
Unproven Mineral Right Interests	-	7,625,949	4,451,895	12,077,844
Total assets	\$ 2,292,944	\$ 8,481,891	\$ 4,537,472	\$ 15,312,307

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements - September 30, 2012 (unaudited)

(expressed in United States dollars unless otherwise noted)

9. Expenses

Included in general and administrative expenses are the following:

	Three Months Ended		Six Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
GENERAL AND ADMINISTRATIVE				
Depreciation	\$ 28	2,967	\$ 4,389	\$ 5,965
Assays				
Audit and tax advisory fees	9,481	-	57,808	(1,715)
Bank charges and interest	(1,873)	1,762	(28,606)	3,916
Consulting	20,141	-	32,025	-
Corporate development	-	13,453	-	27,124
Legal	8,777	21,912	28,023	35,726
Management fees, office salaries and benefits	72,348	96,215	135,531	191,164
Office, rent and miscellaneous	15,366	50,042	50,647	91,727
Travel and accommodations	2,914	23,796	5,326	26,854
Regulatory and filing fees	36,494	31,554	57,532	48,202
Shareholder communications	8,670	12,479	18,223	23,559
Share-based payment	(264)	50,166	3,450	89,380
Interest and other income	-	(15,169)	-	(38,194)
Gain on foreign exchange	60,031	(353,981)	93,834	(377,786)
Total general and administrative expenses	\$ 232,113	64,804	\$ 458,182	\$ 125,922

Included in exploration expenses are the following:

	Three Months Ended		Six Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
EXPLORATION				
Depreciation	\$ 4,568	\$ 4,568	\$ 9,136	\$ 9,136
Assays	7	51,909	3,364	73,617
Administration	80,478	95,933	160,656	231,279
Camp, field supplies and travel	17,958	52,759	48,200	107,488
Drilling	300	861,425	38,358	1,411,677
Equipment maintenance and rental	7,602	23,500	24,913	63,246
Field support and personnel	46,458	139,165	107,602	300,631
Community relations	12,870	-	64,781	-
Geological and geophysical	145,983	180,473	323,925	329,197
Total exploration expenses	\$ 316,225	\$ 1,409,732	\$ 780,934	\$ 2,526,271

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements - September 30, 2012
(unaudited)

(expressed in United States dollars unless otherwise noted)

10. Events After the Reporting Period

On October 3, 2012 the Company collected \$404,639 (5,227,910 Pesos) of its Value-Added Tax Receivable in Mexico.