



CANDENTE
GOLD CORP

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

**As at and for the three months period ended June 30, 2014 and 2013
(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 June 30, 2014 and March 31, 2014 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Notes	June 30, 2014	March 31, 2014
Assets			
Current assets			
Cash and cash equivalents	\$	108,682	\$ 329,617
Trade and other receivables		71,552	87,981
Prepaid expenses and deposits		26,733	38,193
Total current assets		206,967	455,791
Non-current assets			
Value added tax credits		79,314	75,165
Unproven mineral right interests	4	9,459,492	9,613,592
Equipment		46,471	51,093
Total non-current assets		9,585,277	9,793,850
Total assets	\$	9,792,244	\$ 10,195,641
Liabilities			
Current Liabilities			
Trade payables and accrued liabilities	\$	849,438	\$ 789,189
Total liabilities		849,438	789,189
Equity			
Share capital	5	23,356,166	23,356,166
Reserves		5,397,142	5,387,926
Accumulated deficit		(19,810,502)	(19,337,640)
Total equity		8,942,806	9,406,452
Total liabilities and equity	\$	9,792,244	\$ 10,195,641

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:

(signed) Andres Milla
 Director

(signed) Larry Kornze
 Director

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

For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

	Notes	Three months ended	
		June 30, 2014	June 30, 2013
Expenses			
Exploration expenses	7	\$ 158,724	\$ 192,408
General and administrative expenses	7	146,641	268,770
		305,365	\$ 461,178
Other (income) expenses			
Write-down of unproven mineral right interests	4	167,000	1,155,220
Loss (gain) on foreign exchange		(281)	(279,708)
Interest and other expense (income)		778	(920)
Net loss		(472,862)	(1,335,770)
Other comprehensive loss			
Items that may be reclassified subsequently to net loss			
Cumulative translation adjustment		(8,721)	(305,364)
Comprehensive loss		\$ (481,583)	\$ (1,641,134)
Loss per share attributable to shareholders			
Basic and diluted		\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding: basic and diluted		77,140,260	63,163,867

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, 2014 and 2013 (unaudited)
(expresses in United States dollars unless otherwise noted)

	Share Capital		Reserves					Deficit	Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Surplus on Acquisition of El Oro	Foreign currency reserve	Total reserves			
Balance at April 1, 2014	77,140,260	23,356,166	5,613,865	52,046	(277,985)	5,387,926	(19,337,640)	9,406,452	
Share-based payment	-	-	17,937	-	-	17,937	-	17,937	
Net loss	-	-	-	-	-	-	(472,862)	(472,862)	
Cumulative translation adjustment	-	-	-	-	(8,721)	(8,721)	-	(8,721)	
Balance as at June 30, 2014	77,140,260	23,356,166	5,631,802	52,046	(286,706)	5,397,142	(19,810,502)	8,942,806	

	Share Capital		Reserves					Deficit	Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Other reserve	Foreign currency reserve	Total reserves			
Balance at April 1, 2013	62,219,760	22,711,269	5,355,248	52,046	(260,854)	5,146,440	(14,524,987)	13,332,722	
Share-based payment	-	-	90,454	-	-	90,454	-	90,454	
Net loss	-	-	-	-	-	-	(1,335,770)	(1,335,770)	
Cumulative translation adjustment	-	-	-	-	(305,364)	(305,364)	-	(305,364)	
Balance as at June 30, 2013	62,219,760	22,711,269	5,445,702	52,046	(566,218)	4,931,530	(15,860,757)	11,782,042	

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, 2014 and 2013 (unaudited)
(expresses in United States dollars unless otherwise noted)

	Notes	Three months ended	
		June 30, 2014	June 30, 2013
Cash provided by (used in):			
Operating			
Loss for the period		\$ (472,862)	\$ (1,335,770)
Items not affecting cash:			
Amortization		4,622	5,774
Share-based payment	5	17,937	90,454
Write-down of unproven mineral rights interests		167,000	1,155,220
Changes in non-cash working capital items:			
Decrease (increase) in amounts receivable		16,429	(136,256)
Decrease (increase) in prepaid expenses and deposits		11,460	2,114
Increase (decrease) in accounts payable and accrued liabilities		60,249	88,695
Cash used in operating activities		(195,165)	(129,769)
Investing			
Value added taxes paid		(4,149)	(11,257)
Addition to unproven mineral right interests	4	(12,900)	(126,568)
Recovery of acquisition costs		-	215,777
Cash used in investing activities		(17,049)	78,668
Net change in cash and cash equivalents		(212,214)	(51,101)
Effect of exchange rate changes on cash		(8,721)	(304,994)
Cash and cash equivalents at beginning of period		329,617	647,357
Cash and cash equivalents at end of period		\$ 108,682	\$ 291,262

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

For the three months ended June 30, 2014 and 2013 (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 Gold") 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 June 30, 2014 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 Toronto Stock Exchange ("TSX") 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 August 14, 2014.

At the date of these 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 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 right interests. 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 right interests.

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 June 30, 2014, the Company incurred a loss of approximately \$0.5 million and as at June 30, 2014, the Company had \$19.8 million of 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 may 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.

Notes to the Interim Condensed Consolidated Financial Statements For the three months ended June 30, 2014 and 2013 (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, 2014, 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, 2014. 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, 2014.

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

4. Unproven mineral right interests

At June 30, 2014, 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 March 31, 2014	Mining property expenditures	Acquisition costs recoverable	Write-down of unproven mineral right interests	Balance at June 30, 2014
El Oro – Mexico	\$ 8,009,752	\$ -	\$ -	\$ -	\$ 8,009,752
El Oro Mine Tailings	46,840	9,000	-	-	55,840
Peruvian Properties	1,557,000	3,900	-	(167,000)	1,393,900
Closing balance	\$ 9,613,592	\$ 12,900	\$ -	\$ (167,000)	\$ 9,459,492

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

4. Unproven mineral right interests (continued)

	Balance at March 31, 2013	Acquisition costs	Recovery of acquisition costs	Write-down of unproven mineral rights interests	Balance at March 31, 2014
Mexico Properties					
El Oro - Mexico	\$ 8,053,562	\$ -	\$ (43,810)	\$ -	\$ 8,009,752
El Oro Mine Tailings	-	46,840	-	-	46,840
Peruvian Properties	4,748,712	136,805	(43,876)	(3,284,641)	1,557,000
Closing balance	\$ 12,802,274	\$ 183,645	\$ (87,686)	\$ (3,284,641)	\$ 9,613,592

El Oro

For the period ended June 30, 2014, the Company incurred no acquisition expenditures related to the El Oro property. During the year ended March 31, 2014, the Company recognized a recoverable amount of \$43,810 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 is an accrual for taxes owing on the Company's concession on El Oro of \$109,168.

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 thereafter.

Peruvian properties

During the period ended June 30, 2014, the Company did not renew certain concessions and thus, recorded a write-down of \$167,000. As at June 30, 2014, the Company has maintained its interest in its various early to mid-stage gold and gold-silver exploration projects in Peru: Tres Marias, Oro Queropalca, Lunahuana, and Alto Dorado.

During the year ended March 31, 2014, the Company paid \$126,568 towards its 2013 concession fees and also received \$43,876 from various parties for these same concession fees.

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

Shares issued and outstanding

	Total amount of common shares issued	Total value of common shares issued
Balance as of March 31, 2013	62,219,760	\$ 22,711,269
Financing, net of issue costs (i),	14,920,500	644,897
Balance as of March 31, 2014 and June 30, 2014	77,140,260	\$ 23,356,166

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

5. Capital and equity reserve (continued)

- (i) On January 23, 2014, the Company completed a non-brokered private placement issuing a total of 14,920,500 common shares (2,400,000 issued to directors of the Company) at a price of CDN\$0.05 per common share for total gross proceeds of \$701,685 (CDN\$ 746,025). Finders' fees totaling \$31,462 (CDN\$ 33,450) were paid along with the issuance of 629,000 finders' warrants exercisable at CDN\$0.07 until December 23, 2015. The warrants were valued at \$25,327 using the Black-Scholes model.

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.

The changes in stock options were as follows:

	Number of Options	Weighted Average Exercise Price (Cdn\$)
Options outstanding, March 31, 2013	5,236,500	\$0.47
Options granted	250,000	\$0.25
Options forfeited	(450,000)	\$0.38
Options expired	(200,000)	\$0.80
Options outstanding, March 31, 2014	4,836,500	\$0.45
Options forfeited	(70,000)	\$0.30
Options outstanding, June 30, 2014	4,766,500	\$0.45

As at June 30, 2014, the following options were exercisable and outstanding:

Grant date	Outstanding		Exercisable		Expiry date
	Exercise price	Number of options	Exercise price	Number of options	
September 4, 2009	\$0.42	489,000	\$0.42	489,000	September 4, 2014
February 17, 2010	\$0.64	1,947,500	\$0.64	1,947,500	February 17, 2015
November 2, 2010	\$0.80	100,000	\$0.80	100,000	November 2, 2015
May 25, 2011	\$0.65	130,000	\$0.65	130,000	May 25, 2016
December 5, 2012	\$0.25	250,000	\$0.25	187,500	December 5, 2017
February 15, 2013	\$0.25	1,435,000	\$0.25	717,500	February 15, 2018
March 26, 2013	\$0.25	165,000	\$0.25	82,500	March 26, 2018
January 21, 2014	\$0.25	250,000	\$0.25	250,000	January 21, 2019
Weighted average	\$0.45	4,766,500	\$0.49	3,904,500	

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

5. Capital and equity reserve (continued)

Following the spin-out of Candente Gold from Candente Copper in January 2010, the Company has a commitment to issue shares of Candente Gold upon exercise of certain outstanding Candente Copper options ("Deemed Options"). The Company was deemed to have issued 1,638,350 Deemed Options, representing 8,191,750 options of Candente Copper with exercise prices ranging from Cdn\$0.42 to Cdn\$1.40 and expiry dates ranging from January 3, 2011 to November 24, 2014. The Deemed Options had a fair value of \$476,500 at the date of the spin-out and as of the period end June 30, 2014, 489,000 of these options remain outstanding.

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 June 30, 2014 and 2013 of \$17,937 and \$90,454 respectively:

	Three months ended June 30, 2014	Three months ended June 30, 2013
Dividend yield	0.00 %	0.00 %
Risk-free interest rate	1.79 %	1.81 %
Volatility range	95.06 %	94.48 %
Expected life	3.84	3.85
Forfeiture rate	0.85 %	0.86 %

d. Warrants

	Number of Warrants	Weighted Average Exercise Price (Cdn\$)
Warrants outstanding, March 31, 2013	-	-
Granted	629,000	0.07
Warrants outstanding, March 31, 2014 and June 30, 2014	629,000	\$0.07

During the year ended March 31, 2014, the Company issued 629,000 finders warrants with an exercise price of Cdn\$0.07 in relation to the private placement. All these warrants expire on December 23, 2015.

6. 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. – Management and exploration fees
- SW Project Management – Project management and engineering fees
- Michael Thicke Geological Consulting Inc. – Exploration fees
- Delphi's Financial Strategies – CFO and management fees to October 27, 2012
- Phoenix One Consulting Inc. – CFO and management fees starting June 20, 2012 and ending on November 29, 2013
- CJ Dong Consulting Inc. - CFO and management fees starting November 29, 2013

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

6. Related party disclosures (continued)

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.

	Three months ended	
	June 30, 2014	June 30, 2013
Salaries and management and exploration fees	\$ 15,500	\$ 27,500
Share-based payment	14,944	10,750
	\$ 30,444	\$ 38,250

- Share-based payments are the fair value of options expensed to directors and key management personnel during the three months ended June 30, 2014.
- 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 June 30, 2014, the Company paid \$nil in directors fees (2013 - \$nil).

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at June 30, 2014 included approximately \$4,100 due to related parties (March 31, 2014 – \$1,000) and \$605,000 (March 31, 2014 - \$569,593) due to Candente Copper Corp., a shareholder of the Company.

7. Expenses

Included in general and administrative expenses are the following:

	Three months ended	
	June 30, 2014	June 30, 2013
General and administrative expenses		
Management fees, office salaries and benefits	\$ 36,401	\$ 48,760
Share-based payment	17,937	90,454
Office, rent and miscellaneous	37,413	25,515
Consulting	2,752	65,352
Shareholder communications	5,069	7,346
Regulatory and filing fees	15,739	20,391
Legal	3,368	3,537
Travel and accommodations	340	703
Audit and tax advisory fees	23,000	938
Amortization	4,622	5,774
Total general and administration expenses	\$ 146,641	\$ 268,770

Candente Gold Corp.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended June 30, 2014 and 2013 (unaudited)

(expressed in United States dollars unless otherwise noted)

7. Expenses (continued)

Included in exploration expenses are the following:

	Three months ended	
	June 30, 2014	June 30, 2013
Exploration expenses		
Community relations and sustainability	\$ 6,785	\$ 2,649
Drilling	154	-
Exploration	127,754	110,445
Project administration	24,031	79,314
Total exploration expenses	\$ 158,724	\$ 192,408

8. 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

	June 30, 2014			
	Canada	Peru	Mexico	Total
Value-added tax credit	\$ -	\$ 79,314	\$ -	\$ 79,314
Unproven mineral right interests	-	1,393,900	8,065,592	9,459,492
Equipment	4,720	2,593	39,158	46,471
	\$ 4,720	\$ 1,643,807	\$ 8,104,750	\$ 9,585,277

	March 31, 2014			
	Canada	Peru	Mexico	Total
Value-added tax credit	\$ -	\$ 75,165	\$ -	\$ 75,165
Unproven mineral right interests	-	1,557,000	8,056,592	9,613,592
Equipment	5,970	2,593	42,530	51,093
	\$ 5,970	\$ 1,634,758	\$ 8,099,122	\$ 9,739,850