CANDENTE GOLD CORP.

MINERA CCM S.A. DE C.V.
CANDENTE GOLD PERÚ S.A.C.

TSX:CDG

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2010

DATED JUNE 29, 2010

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FORM 51-102F2
ANNUAL INFORMATION FORM

CANDENTE GOLD CORP. – (the "Company" or "Candente Gold")

DATE OF INFORMATION

The effective date of this Annual Information Form ("**AIF**") is **June 29, 2010**.

This is the form prescribed by National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") – Form 51-102F2 of the Canadian Securities Administrators and is hereby filed with the applicable securities regulatory authorities pursuant to NI 51-102.

CURRENCY AND EXCHANGE

The Company's financial statements are expressed in United States (U.S.) dollars and are prepared in conformity with Canadian Generally Accepted Accounting Principles.

All dollar amounts in this document are expressed in U.S. dollars unless otherwise specified.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the laws of British Columbia, Canada on April 24, 2009. The Company's common shares started trading on the Toronto Stock Exchange ("**TSX**") on January 4, 2010.

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All shares of the Company rank equally as to voting, and there are no special preference, conversion or redemption rights attached to any of the shares of the Company.

The Company's head office and registered and records office is located at Suite 200-905 West Pender Street, Vancouver, British Columbia, Canada V6C 1L6. The telephone number is (604) 689-1957 and the facsimile number is (604) 685-1946. The Company maintains a website at www.candentegold.com. The Company's contact person is Maria Eugenia (Lola) Montagne, Corporate Secretary and Treasurer.

Intercorporate Relationships

The Company has the following active subsidiaries:

- Candente Mexico Resource Corp. incorporated in the Province of British Columbia, Canada under the *Business Corporations Act* (British Columbia) on April 13, 2006. All of the shares are directly owned by the Company.

- Canaco Resources (BC) Inc. incorporated in the Province of British Columbia, Canada under the *Business Corporations Act* (British Columbia) on April 13, 2006. All of the shares are directly owned by the Company.

- Minera CCM, S.A. de C.V. (Mexico), incorporated in Mexico on May 10, 2006 ("Minera CCM"). All of the shares are beneficially owned by the Company.

- Candente Gold Perú S.A.C. was incorporated in Perú on June 2, 2009. All of the shares are directly owned by the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

As the Company was incorporated on April 24, 2009, it does not yet have a full three year history. Since incorporation, the Company has been involved in the exploration of natural resource properties.

On April 14, 2009 Candente Copper Corp. ("**Candente Copper**"), formerly Candente Resource Corp. and Canaco Resources Inc. ("**Canaco**") agreed to create the Company to focus on exploration and development of precious metals projects in Latin America. Each of Candente Copper and Canaco agreed to transfer its respective 50% interest in the El Oro gold-silver property in Mexico (collectively, the "El Oro Interests") to the Company. In addition Candente Copper agreed to transfer its Peruvian gold-silver properties (the "Peruvian Properties") to the Company.

As consideration for the transfer of the El Oro Interests, the Company issued 5 million common shares and a promissory note, payable in cash or convertible into common shares of the Company, to each of Candente Copper and Canaco. Each promissory note has a principal amount of Cdn$1,300,000 ($1,239,157 at December 31, 2009), which was payable in cash or convertible into units of Candente Gold, based on the same terms and conditions as the private placement financing Candente Gold completed in the quarter ended December 31, 2009. On December 31, 2009, Candente Copper converted its $1,300,000 promissory note into 3,250,000 shares and 1,625,000 warrants of the Company. The warrants have an exercise price of Cdn$0.60 per common share to January 4, 2012. Canaco advised the Company that it would not convert its promissory note. The current repayment terms of the Canaco note are Cdn$350,000 by June 30, 2010 and Cdn$950,000 by April 30, 2011.

As consideration for the transfer of the Peruvian properties, the Company issued to Candente Copper 13.5 million shares and agreed to issue a further 10 million shares if and when a cumulative total of $5 million is spent on the Peruvian properties. The Company also granted to Candent Copper a copper NSR royalty on certain of the Peruvian Properties.

The transfers of the Peruvian Properties were completed as part of to a plan of arrangement ("**the Arrangement**"), which was subject to both court and shareholder approval. Under the Arrangement, in addition to the transfer of assets, Candente Copper's shareholders were issued one (1) share of the Company for every five (5) shares of Candente Copper held.

On April 23, 2009 the terms of the Arrangement were approved by a Special Committee of independent directors of Candente Copper formed to review and assess the Arrangement. In addition, the Candente Copper Board of Directors and the Special Committee received a fairness opinion from Ross Glanville and Associates Ltd. and Bruce McKnight of Minerals Advisor Services in respect of the Arrangement.

On May 8, 2009 Candente Copper and Canaco completed the transfer to the Company of their respective 50% interests in Minera CCM, the Mexican company that holds an option (under Luismin, a subsidiary of Goldcorp) on the El Oro property in Mexico.

At Candente Copper's Annual General and Special Meeting held on July 10, 2009, Candente Copper's shareholders ratified and approved the Arrangement.

On December 17, 2009 under the terms of the Arrangement announced April 14, 2009 Candente Copper transferred ownership of its Peruvian gold and silver exploration projects to the Company.

Pursuant to TSX policy, on January 6, 2010, the Company was deemed to have issued 872,890 Company warrants to warrant holders of Candente Copper on the basis of one Company warrant for every five warrants in Candente Copper. The 4,364,450 Candente Copper warrants (the "Copper Warrants") have exercises prices ranging from Cdn$1.75 to Cdn$2.00 and expire on June 26, 2010. The Company will receive one-sixth of the exercise price on the exercise price of the Copper Warrants.

Pursuant to TSX policy, on January 6, 2010, the Company was deemed to have issued 1,638,350 Company options to option holders of Candente Copper on the basis of one Company option for every five options in Candente Copper. The 8,191,750 Candente Copper options (the "Copper Options") had exercise prices ranging from Cdn$0.42 to Cdn$1.40 and expiry dates from January 3, 2011 to November 24, 2014. 474,600 of these options were forfeited before March 31, 2010. The Company will receive one-sixth of the exercise price on the exercise of the Copper Options.

By virtue of its acquisition of the El Oro Interests, the Company became party to the option agreement (the "2006 Agreement") among Candente Copper, Minera CCM, Canaco, Luismin, S.A. de C.V. ("**Luismin** ") and Desarrollos Mineros San Luis, S.A. de C.V. ("**Desarrollos**"). The 2006 Agreement provides Minera CCM with an option (the "Option") which, if exercised, allows Minera CCM to earn up to an undivided seventy (70%) percent working interest in and to the El Oro Interests, which are comprise of certain exploration and exploitation concessions situated in the Municipalities of El Oro and Tlalpujahua, Mexico and Michoacan States, Mexico. The Option is comprised of an option to initially acquire 50% of El Oro (the "First Option") and then a further 20% (the "Second Option"), and both the issue of shares and the completion of certain levels of exploration expenditures on El Oro are required to exercise the Option.

In 2009 the parties to the 2006 Agreement entered into two letter agreements setting out certain amendments to the 2006 Agreement. In accordance with the terms of the 2006 Agreement, as amended, each of Candente Copper and Canaco committed to issue to Luismin 125,000 common shares in their respective share capital on or before November 30, 2009, and agreed that the Company would:

- Commit to issue to Luismin 250,000 Candente Gold shares on or before November 30, 2009 (completed) and 250,000 Candente Gold shares on or before May 30, 2010 (completed);

- Be required to issue to Luismin 250,000 Candente Gold shares on or before November 30, 2010 and 250,000 Candente Gold shares on or before November 30, 2011, in order to complete the required share consideration for the exercise of the First Option;

- Commit to exploration expenditures of an additional $1,500,000 to be completed on or before May 30, 2010 (completed);

- Be required to make an additional $2,500,000 in exploration expenditures on or before November 30, 2011 in order to complete the required expenditure consideration for the exercise of the First Option;

- Be required to issue to Luismin 500,000 Candente Gold shares on or before November 30, 2012 and 500,000 Candente Gold shares on or before November 30, 2013 in order to complete the required share consideration for the exercise of the Second Option; and

- Be required to make an additional $2,500,000 in exploration expenditures on or before November 30, 2012 and an additional $2,500,000 in exploration expenditures on or before November 30, 2013 in order to complete the required expenditure consideration for the exercise of the Second Option.

During the quarter ended December 31, 2009, the Company completed a private placement (the "Private Placement") for gross proceeds of $8,508,378 (Cdn$9,028,130) from the sale of units ("Units") consisting of one Company common share and one half-warrant ("Warrants). Pursuant to the Private Placement, the Company issued a total of 22,570,327 common shares and certificates representing 11,285,162 Warrants. Each full Warrant is exercisable at a price of Cdn$0.60 per common share until January 4, 2012. The Company also paid to agents assisting in the Private Placement a total of $298,528 (Cdn$313,186) in cash commissions and issued to the agents 735,345 warrants ("Agents' Warrants"). The cash commissions and Agents' Warrants equal 6.5% of the aggregate number of Units sold by the agents pursuant to the Private Placement. Each of the Agents' Warrants is exercisable for a period of 24 months to purchase one additional common share of the Company at a price of Cdn$0.60 per share.

The Company posted a loss in the period ending March 31, 2010 of $1,623,543. The most significant general and administrative expenses were $404,244 for stock-based compensation expense (a non-cash expense), management and office salaries and benefits of $150,272 and $148,977 in legal fees. The Company also recorded a foreign exchange loss of $108,841 in the year. The Company incurred exploration expenses of $412,278, the most significant expense being geological and geophysical fees of $278,021.

Loss per share in the period ended March 31, 2010 was $0.15.

As at March 31, 2010, the Company and its subsidiaries had 1 employee in Peru and 1 in Canada, and 2 contractors in Peru/Mexico and 5 contractors in Canada. To date the Company has found that it can locate and retain employees and contractors with the skills and knowledge required in its business.

On January 18, 2010, the Company appointed Mr. Darin Wagner to its Board of Directors.

On February 2, 2010, the Company appointed Mr. John Foulkes VP of Corporate Development.

DESCRIPTION OF THE BUSINESS

General

The Company is a Canadian mineral resources exploration company and currently has interests in mineral exploration properties in Mexico and Peru.

The Company is in the exploration stage and there is no assurance that commercially viable ore deposits exist in any of its properties until further exploration work is done and comprehensive economic evaluation based upon that work is concluded.

Risk Factors

Cumulative unsuccessful exploration efforts by Candente Gold personnel could result in the Company having to cease operations:

The expenditures being made by Candente Gold in the exploration of its properties as described herein may not result in discoveries of mineralized material in commercial quantities. Most exploration projects

do not result in the discovery of commercially mineable ore deposits and this occurrence could ultimately result in Candente Gold having to cease operations.

Candente Gold has no reserves on the properties in which it has an interest and if reserves are not defined the Company could have to cease operations:

The properties in which Candente Gold has an interest or the concessions in which it has the right to earn an interest are in the exploratory stage only and are without a known body of ore. If Candente Gold does not ultimately find a body of ore, it may have to cease operations.

Mineral prices may not support corporate profit for Candente Gold:

The resource exploration industry is intensely competitive and even if commercial quantities of mineral resources are developed (which is not guaranteed), a profitable market may not exist for the sale of these mineral resources. If a profitable market does not exist, Candente Gold may have to cease operations.

Candente Gold does not have positive cash flow, and is dependent upon public and private distributions of equity to obtain capital in order to sustain operations. Public distributions of capital result in dilution to existing shareholders:

None of Candente Gold's properties have advanced to the commercial production stage and the Company has no history of earnings or positive cash flow from operations. The Company has an accumulated deficit of $1,623,543 to March 31, 2010. "**Accumulated Deficit**" means the amount of accumulated losses incurred by the Company since inception to March 31, 2010, and does not represent amounts due by the Company. The Company does not know if it will ever generate material revenue from mining operations or if it will ever achieve self-sustaining commercial mining operations. At this point the only source of funds available to the Company is through the sale of its common shares. Any future additional equity financing would cause dilution to current stockholders.

At June 29, 2010, Candente Gold had outstanding **49,828,327** common shares, **13,645,507** warrants (all priced at Cdn$0.60 per warrant) and **3,938,250** exercisable options, of which **2,782,500** are priced at Cdn$0.64 per share and **1,155,750** were options carried over from Candente Copper as part of the Arrangement. On exercise of the options carried over from Candente Copper, the Company will receive **24.06%** of the exercise prices which range from Cdn$0.42 to Cdn$1.80 per share.

Worldwide economic conditions may prevent the Company from obtaining the capital required to continue operations:

The Company's ability to continue operations is contingent on its ability to obtain additional financing. Financial equity market conditions, funding environments and the price of the Company's common shares may make it dilutive and difficult to raise funds by private placement of shares. The junior resource industry is considered to be a high-risk investment. The Company is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests. While the Company currently has the necessary cash resources to fund operations and exploration work at its properties for a period of approximately one year, there is no assurance that the Company will be successful in securing additional funding in the future.

The amount of capital necessary to meet all environmental regulations associated with the exploration programs of the Company could be in an amount great enough to force the Company to cease operations:

The current and anticipated future operations of the Company, including further exploration activities require permits from various Peruvian federal and state governmental authorities. Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. Unfavourable amendments to current laws, regulations and permits governing operations and activities of resource exploration companies, or more stringent implementation thereof, could have a materially adverse impact on the Company and cause increases in capital expenditures which could result in a cessation of operations by the Company.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in resource exploration may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Large increases in capital expenditures resulting from any of the above factors could force the Company to cease operations.

Operating hazards and risks associated with the mining industry could result in Candente Gold having to cease operations:

Resource exploration activities generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of exploration facilities, damage to life and property, environmental damage and legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities and could force the Company to cease operations.

Political stability in Mexico and Peru:

The Company's current exploration properties are located in Mexico and Peru. Peru has a history of certain political instability and may be considered a country with potential political risk. Future government actions concerning economic policy or the operations and regulations of critical resources such as mines could have a significant effect on the Company. The Company does not have, nor does it plan to purchase, any type of political risk insurance. Additionally, these factors could pose serious potential problems associated with the Company's ability to raise additional capital which will be required to continue exploration activities.

The Company has a dependence on certain key personnel:

The Company strongly depends on the business and technical expertise of its management and key personnel, particularly that of its CEO and President, Joanne Freeze and Vice President, Sean Waller.

There is little possibility that this dependence will decrease in the near term. The Company maintains no management agreement with any of its personnel, nor does the Company carry "Key Person" life insurance. The loss of any of its management would have a negative effect on the Company's operations.

Dilution through employee/ director/consultant options could adversely affect Candente Gold's stockholders:

Because the success of the Company is highly dependent upon its directors, officers and employees, the Company has granted to some or all of its employees, officers, directors and consultants options to purchase common shares as non-cash incentives. To the extent that significant numbers of such options may be granted and exercised, the interests of the other shareholders of the Company may be diluted. As of **June 29, 2010** there are **3,938,250** share purchase options outstanding, which, if exercised, would result in an additional **3,938,250** common shares being issued and outstanding. (For a breakdown of dilution, refer to the risk factor entitled: "Candente Gold does not have positive cash flow, and is dependent upon public and private distributions of equity to obtain capital in order to sustain operations. Public distributions of capital result in dilution to existing shareholders").

Investors may not be able to enforce their civil liabilities against the Company or its directors, controlling persons and officers:

It may be difficult to bring and enforce suits against the Company's directors not resident in Canada. The Company is incorporated under the *Business Corporations Act* (British Columbia), but some of its directors are resident outside of Canada in the United States or Peru. As a result, it may be difficult for holders of our common shares to affect service of process on these persons or to realize upon judgments rendered against them. In addition, a shareholder should not assume that the courts of Canada (i) would enforce judgments of foreign courts obtained in actions against the Company or such directors resident outside of Canada predicated upon the civil liability provisions of the foreign securities or other laws, or (ii) would enforce, in original actions, liabilities against us or such persons predicated upon foreign securities or other laws.

Asset-backed Securities

The Company has never issued nor does it own any asset-backed securities.

Mineral Exploration Projects

Following is a description of the Company's mineral properties in Mexico and Peru and its interest in such properties. Currently, the Company considers El Oro property as its highest priority project.

MEXICAN PROPERTY

El Oro

For more complete details please refer to the report titled National Instrument 43-101 F1 Technical Report on the El Oro Property dated July 21, 2009 and filed on SEDAR at www.sedar.com.

Project Description and Location

The El Oro property is located approximately 120 km west-northwest of Mexico City and 80 km northwest of Toluca. The El Oro property consists of 24 claim blocks totalling 14,950 hectares.

El Oro Property Location Map

On May 5, 2006, Candente Copper and Canaco Resources Inc. ("Canaco") entered into an option agreement to jointly acquire up to a 70% interest in the 67 square kilometer El Oro property from Minera Luismin SA de CV ("Luismin"), a 100 percent owned subsidiary of Goldcorp Inc. ("Goldcorp").

The option agreement, entered into jointly (50/50) by Canaco and Candente Gold, gave the combined companies the right to earn up to a seventy percent (70%) interest in all of the 24 El Oro mining concessions (14,950 hectares), held by Luismin (the "El Oro Agreement").

The terms of the El Oro Agreement were as follows:

1. Earn a 50% interest by expending $5,000,000 on exploration and issuing 250,000 common shares in each of Canaco and Candente Gold over a three year period and;
2. Earn an additional 20% interest by expending an additional $5,000,000 ($10,000,000 total for 70% total interest) on exploration and development over an additional two years;
3. Goldcorp retains the right to earn-back in to a 70% interest by spending $25,000,000 within four years on additional exploration and development; and
4. Goldcorp has the right to participate in future equity financings by each company, up to the greater of: (i) their current percentage interest held in each company or (ii) 10% of the financing.

On February 2, 2009 Candente Copper, its wholly 50% owned subsidiary, Minera CCM de C.V ("Minera CCM") and Canaco Resources Inc. ("Canaco") Luismin, S.A. de C.V. ("Luismin ") and Desarrollos Mineros San Luis, S.A. de C.V. ("Desarrollos"), Luismin and Desarrollos agreed to one-year extensions to all option payments (the "Amendments") set out in the letter agreement entered into by the parties on May 5, 2006 (the "2006 Agreement").

In consideration for the Amendments, each of Candente Copper and Canaco:

1. Committed to issue to Luismin on or before November 30, 2009 the 125,000 common shares in their share capital as provided for in the 2006 Agreement, whether or not Minera CCM continued to make the option payments called for in the 2006 Agreement; and

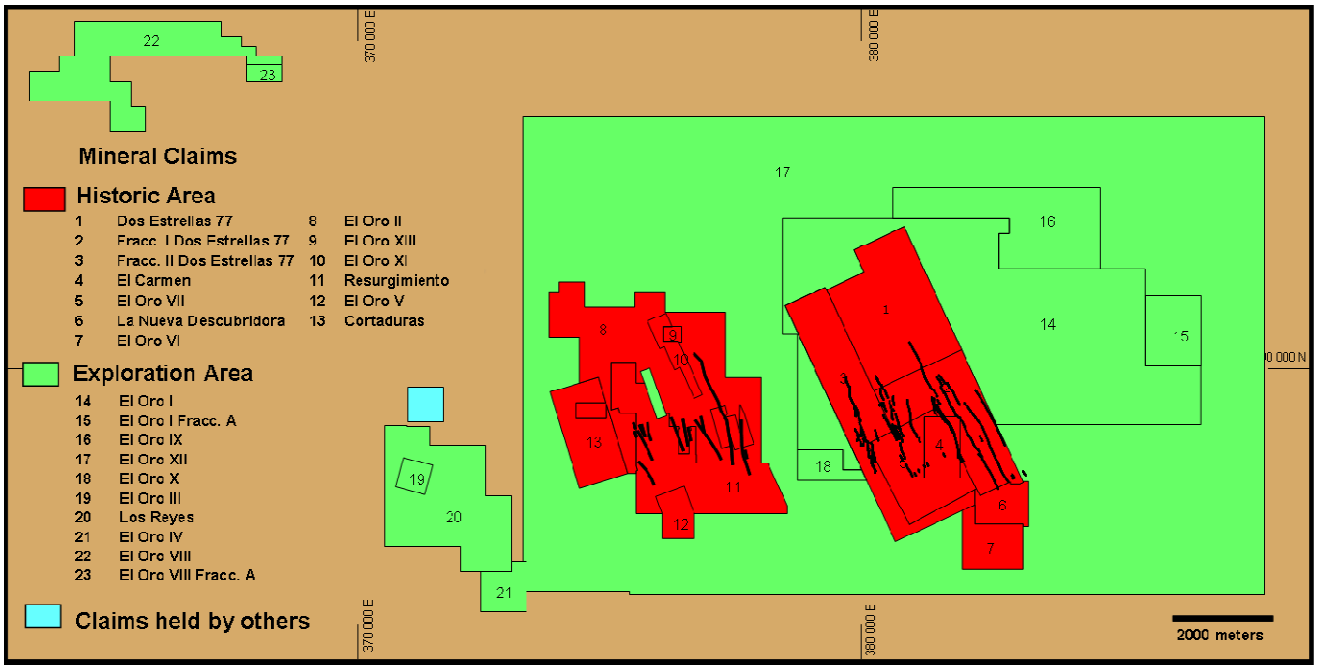
2. Agreed to add a requirement for the issuance by each of Candente Copper and Canaco of an additional 125,000 common shares in their share capital on or before November 30, 2010 as a term for the exercise of the first option provided for in the 2006 Agreement.

On April 14, 2009 Candente Copper and Canaco agreed to create a new company, Candente Gold Corp. (“the Company”), to focus on exploration and development of precious metals projects in Latin America. Each company agreed to transfer its respective 50% interest in the El Oro gold-silver property in Mexico to the Company. In addition Candente Copper agreed to transfer its Peruvian gold-silver properties to the Company.

As consideration for the transfer of the El Oro interests, the Company issued 5 million common shares and a promissory note, payable in cash or convertible into common shares of the Company, to each of Candente Copper and Canaco. Each promissory note had a principal amount of Cdn$1.3 million.

The details of each claim and the El Oro property claim map are below.

	Claim Name	File	Claim Number	Grant Date	Expiration Date	Actual Area Hectares	MPIO	State
Historic Area								
1	Dos Estrellas 77	321.1-6/131	191269	12/19/1991	12/18/2041	478.3939	El Oro	Mex.
2	Fracc. I Dos Estrellas 77	321.1-6/132	191268	12/19/1991	12/18/2041	330.3153	El Oro	Mex.
3	Fracc. II Dos Estrellas 77	321.1-6/133	191267	12/19/1991	12/18/2041	380.3055	El Oro	Mex.
4	El Carmen	4825	156873	5/10/1972	5/9/2022	84.0000	El Oro	Mex.
5	El Oro VII	5/1.3/00524	217504	7/16/2002	7/15/2052	203.1999	El Oro	Mex.
6	La Nueva Descubridora	5-1-00803	226074	11/16/2005	11/15/2055	79.2594	El Oro	Mex.
7	El Oro VI	5/1.3/00526	215535	2/28/2002	2/27/2052	115.8852	El Oro	Mex.
8	El Oro II	6/1.3/00422	216935	6/5/2002	6/4/2052	734.7005	Tlalpujahua	Mich.
9	El Oro XIII	054/07439	219719	4/3/2003	4/2/2053	8.5056	Tlalpujahua	Mich.
10	El Oro XI	6/5/00018	221779	3/19/2004	3/17/2052	43.7478	Tlalpujahua	Mich.
11	Resurgimiento	321.1-9/279	177586	4/1/1986	3/31/2036	412.7565	Tlalpujahua	Mich.
12	El Oro V	6/1.3/00421	215303	2/14/2002	2/13/2052	59.9117	Tlalpujahua	Mich.
13	Cortaduras	321.1-9/304	179074	11/17/1986	11/16/2036	182.0056	Tlalpujahua	Mich.
Exploration Area								
14	El Oro I	5/1.3/00527	215536	2/28/2002	2/27/2052	1,846.8273	El Oro	Mex.
15	El Oro I Fracc. A	5/1.3/00525	215534	2/28/2002	2/27/2052	155.3469	El Oro	Mex.
16	El Oro IX	5/1.3/00528	215537	2/28/2002	2/27/2052	439.6603	El Oro	Mex.
17	El Oro XII	104/00105	219142	2/14/2003	2/13/2053	8,278.4633	El Oro y Tlapujahua	Mex.-Mich.
18	El Oro X	5/1.3/00523	215533	2/28/2002	2/27/2052	62.4890	El Oro	Mex.
19	El Oro III	6/1.3/00417	215271	2/14/2002	2/13/2052	36.0000	Tlalpujahua	Mich.
20	Los Reyes	321.1/9-305	179519	12/10/1986	12/9/2036	499.3463	Tlalpujahua	Mich.
21	El Oro IV	6/1.3/00420	215329	2/14/2002	2/13/2052	77.9797	Tlalpujahua	Mich.
22	El Oro VIII	6/1.3/00419	216708	5/17/2002	5/16/2052	416.8080	Tlalpujahua	Mich.
23	El Oro VIII Fracc. A	6/1.3/00418	215302	2/14/2002	2/13/2052	24.1920	Tlalpujahua	Mich.
TOTAL HECTARES						**14,950.0997**		



Royalties and other payments

Luismin holds 100% right, title, and interest in and to the existing concessions subject to the following royalties in respect of all concessions except the "El Oro XI", El Oro XI A" and "El Oro XII" concessions which do not have any royalties:

- as to the El Carmen, Resurgimiento, Cortaduras, Los Reyes, La Nueva Descubridora, Frac. I Dos Estrellas 77, Frac II Dos Estrellas 77, Dos Estrellas 77, El oro I, El Oro I Frac. A, El Oro II, El Oro III, El Oro IV, El Oro V, El Oro VI, El Oro VII, El Oro VIII, El Oro VIII Frac. A, El Oro IX and El Oro X concessions a 3% net smelter return royalty (NSR) payable to Corporación Turística San Luis, S.A. de C.V.

- as to El Oro I, El Oro I Frac. A., El Oro II, El Oro III, El Oro IV, El Oro V, El Oro VI, El Oro VII, El Oro VIII, El Oro VIII Frac. A, El Oro IX and El Oro X concessions, a 3% NSR payable to Servicio Geológico Mexicano (SGM).

Environmental Liabilities

The Company knows of no environmental liabilities related to the El Oro property. The El Oro district has been mined for many years and there are historic waste dumps and tailings and other environmental impacts on the property and in the area. In the Option agreement with Luismin no environmental liabilities have been disclosed to Candente Gold or Canaco, and the Company is not aware of any environmental liabilities related to the El Oro property. In 2002 Placer completed an Environmental review that stated that there were no liabilities at that time. Due to minimal surface disturbance caused by the Minera CCM exploration programmes there was no requirement to file any environmental assessment reports or to obtain additional permits.

Under Mexican environmental law all historic work (mines/tailings/waste dumps etc.) performed prior to 1988 is exempt and not the responsibility of the current concession holder. Candente and Canaco obtained the option to earn into the property in 2007 and transferred it into Minera CCM at that time. Minera CCM

and the Company have not performed any mining activities that have included extraction and/or processing of ores or other material or storage of waste material from mining activities on the property. The Company and Minera CCM are not aware of any mining activities by others (other than exploration activities) on the property since 1988. There is currently a private individual that mines one of the internal licences, not held by the Company, on the Borda Vein in Tlalpujahua.

Location of mineralized zones, mine workings and tailings

The El Oro property is located within an historical mining district. The majority of the more recent historic gold and silver production came from two principal veins: the Veta San Rafael (State of Mexico) and the Veta Verde (State of Michoacán). The location of these veins in relation to the property boundary is shown in Fig. 2. Minera CCM personnel have located many historical shafts and adits in the field. A significant number of the underground mine records, plans and sections were digitized from the historical maps, and are shown on Fig. 3a~~)~~.

The historical mine workings of the San Rafael and Veta Verde veins are located below the post mineral volcanic cover. The surface facilities of historic workings are limited to a number of vertical access shafts and adits within the town limits of El Oro and Thalpujahua.

Tailings from past production are present on surface and can be found in several locations on the property.

Permitting

All permitting, claim maintenance and property payments were completed by Luismin. The author was not involved with the above-mentioned issues. Minera CCM provided Luismin with proposed drill site locations and Luismin applied for work permits. Minera CCM obtained approval from two main local municipalities located in the towns of El Oro (State of Mexico) and Tlalpujahua (State of Michoacán) to conduct exploration activity in the area.

Surface rights

Surface rights within the El Oro mineral concessions are held by private owners and communities (Ejidos). For all drilling programs Minera CCM obtains permissions from the individual property owners as well as representatives of Ejidos to access and conduct exploration activity on their land. Compensation for road construction, drilling, and tree cutting is agreed upon.

Luismin purchased surface rights over an area within the Los Reyes area.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The El Oro property is located approximately 120 km west-northwest of Mexico City and 80 km northwest of Toluca. The property has excellent road access and can be reached by paved highway from the Mexico City International Airport in 3-4 hours or Toluca International Airport in 2-2.5 hours.

The town of El Oro is located in the central part of the concession. The second biggest town in this concession is Tlalpujahua. The town of El Oro has a population of approximately 50,000, and has one university, and a hospital. The closest airport is located in Toluca, approximately a two hour drive from El Oro. Gas, food, and basic camp supplies can be purchased locally in El Oro. Bigger towns are Atlacomulco 45 minutes away and Toluca a two hour drive from El Oro. El Oro has a power line, several hotels, restaurants, internet access and cellular phone coverage.

The elevations in the El Oro project area range from approximately 2,200 to almost 3,000 m. The landscape consists of rolling hills which are covered by both forests and grasslands.

There are two main seasonal climate changes. Winter, from November to January, is cooler and frost is common at night, occasionally snow accumulates. Summer, from July to August, is the rain season when dirt roads may become impassable.

History

The El Oro Mines have collectively been described as some of the most significant high-grade, gold-silver producers in the history of Mexican mining, with past production of approximately 17.5 million tonnes of ore grading 11.9 gpt gold and 121 g/t silver containing 6.4 million ounces of gold and 74 million ounces of silver from just two veins the San Rafael and Veta Verde veins from 1896 to 1929. The production from the Borda and Corona veins is poorly documented but estimates have indictated more than double the production known for San Rafael and Verde. The veins on the El Oro property have been worked since the Spanish first discovered the veins in 1529 and again in the late 1700s (Corona and Borda vein systems). The height of the mining activity began in 1896 and lasted 31 years. Four companies were actively mining concurrently on the San Rafael and Veta Verde veins.

<u>1500s</u>
Evidence of pre-Hispanic mining of near surface, high grade veins accessible with open pit methods.

<u>1700s</u>
Development of pumps and explosives for use in mining allowed deeper mining on exposed veins such as Borda and Corona.

<u>1890</u>
Discovery of the major blind veins under the post mineral volcanic cover started with the intercept of San Rafael Vein in crosscut (San Juan).

<u>1902</u>
Discovery of Veta Verde Vein under the post-mineral volcanic cover by crosscut (Dos Estrellas).

<u>1896 - 1927</u>
Three main companies, El Oro Mining & Railway Company, Esperanza Mining and Mexican Mining, operated at the height of mining on the San Rafael Vein during this time period. The Veta Verde Vein was held and mined by Las Dos Estrellas Mining Company.

<u>1927 - 1937</u>
In 1927, poor economic conditions and labor issues forced closure of the mines on the San Rafael Vein. All of the mines and properties were acquired by Dos Estrellas. Higher grade backfill, pillars and intermediate veins where accessible were mined at this time. A new crushing and processing plant was built to process this ore. In 1937 a tailings dam collapsed and compensation costs bankrupted the Las Dos Estrellas Mining Company and the properties were transferred to the workers. Operating as individuals proved to be very costly resulting in closure of the mines in 1959.

<u>1937 – 1960</u>
Dos Estrellas turned the mines over to the mine workers as debt payment in 1937. La Cooperativa Las Dos Estrellas en el Oro y Tlalpujahua (The Cooperative) was formed and continued operating the mines predominantly as a salvage operation with the mining of backfill and exploitation of in-situ higher grade

pillars. The Cooperative was administered and subsidized by a commission of the Mexican government this eventually proved uneconomic and resulted in closure of the mines in 1960.

1969-1971
Two exploration holes were drilled by More Mines Limited. One hole was drilled south of Buen Despacho and was aimed to intersect the San Rafael vein, and the second hole was drilled along the main road connecting the towns of El Oro and Tlalpujahua and intended to test the Veta Verde vein. Both holes were lost before reaching the target depth and the company left the El Oro area (Harquail J. 1971, 1972, Seraphim 1971).

1977 - 1992
In 1977 the mineral rights over the El Oro veins came open and a private company, Minera Mexico Michoacán S.A. de C.V. ("MMM"), acquired the exploration rights to the El Oro property. In 1980 Industrias Luismin ("Luismin") acquired a majority interest in the property from Minera Mexico Michoacán.

1983-1992
Luismin drilled 33 holes with the main objective to confirm remaining in situ and backfill mineral resources. The Pomoca area was tested with 12 holes, 1 hole tested the San Francisco de Reyes zone, 3 holes tested the Zapateros area, 1 hole tested the Lillie vein, 10 holes tested the Cortaduras area, 3 holes tested the Oriente area, and 3 holes tested the San Rafael vein.

An historic in-situ resource of approximately 1.7 million ounces of gold and 34 million ounces of silver (17 MT at 3.44 g/t Au plus 44 g/t Ag) was estimated by Luismin to remain in the San Rafael mine. This resource estimate is considered historic in nature, and it is unknown if it complies with current NI 43-101 standards. Furthermore, this estimate has not been verified by Candente and Canaco and therefore should not be relied upon.

1993
Minera Hillsborough drilled 8 diamond drill holes ("DDH") in the San Rafael vein with the objective to verify the Luismin resource estimate. In addition, 4 diamond drill holes were completed to test the San Francisco de Los Reyes zone.

1995
Minera Santa Fe drilled 15 reverse circulation holes (RC) north of San Francisco de Los Reyes. There are no collar locations, geological or geochemical information available for these holes.

1996-1997
Teck Cominco Ltd. ("Teck") ran IP resistivity and chargeability surveys along the northern extension of the Veta Verde and San Rafael veins and east of the San Rafael vein (Oriente south area). A total of 13 holes were drilled: 3 holes in the Cortaduras area, 6 holes in the northern extension of the Veta Verde vein, and 4 holes in the Oriente south area.

2002-2004
Placer Dome Ltd ("Placer") completed a geochemical survey in the Oriente area and took measurements of gas vapors (CO2). Three of the geochemical targets were drilled. One DDH and one RC drill hole tested the down dip extensions of the Corona vein, four DDH holes tested the San Rafael and the north extension of the Descubridora vein in the Buen Despacho area, and one hole was drilled in the Oriente area.

The Placer exploration program for the San Rafael Vein included digitizing all the 2600 assay level plans from El Oro Mining and creating a grade model in Vulcan. The modeling process defined four main higher grade ore shoots over a 1 km section of the San Rafael vein. A four hole diamond drill program was laid out to test the down dip potential of the defined ore shoots at the bottom of (but not below) the historic workings. Due to difficult drilling conditions, several holes were lost before hitting their target depths.

2004
Luismin was purchased by Wheaton River Minerals, which later merged with Goldcorp Inc.

2006-2007
Candente Copper and Canaco acquired the option to earn an interest in the property in 2006 and formed the joint venture company, Minera CCM S.A. de C.V. (CCM). CCM carried out exploration work on the property in 2007. The objective of this programme was to test the down dip extensions of ore shoots underneath the old workings in four historic main veins (San Rafael, Veta Verde, Borda and Corona) as well as to explore for new veins in the Oriente area..

CCM conducted surface geochemical sampling, Natural Source Audio-frequency Magnetotelluric geophysical survey (NSAMT) and diamond drilling.

In 2006 and 2007, CCM drilled 4,096 m in 11 holes. Eight holes intersected the targeted down-dip extensions of veins. Three holes were drilled over a 2.8 km strike length on the San Rafael vein; one hole tested the Borda vein; three holes were drilled over a 0.6 km strike length on the Coronas vein; and one hole was completed along the Verde vein. The other three holes were lost and did not reach their respective targets.

Geological Setting

The El Oro property is located in the east-west trending Trans-Mexican volcanic belt in the central part of Mexico. The belt consists mainly of Tertiary and Quaternary andesitic flows and tuffs underlain by Cretaceous and Jurassic meta-sediments and meta-volcanics (see Fig. 3).

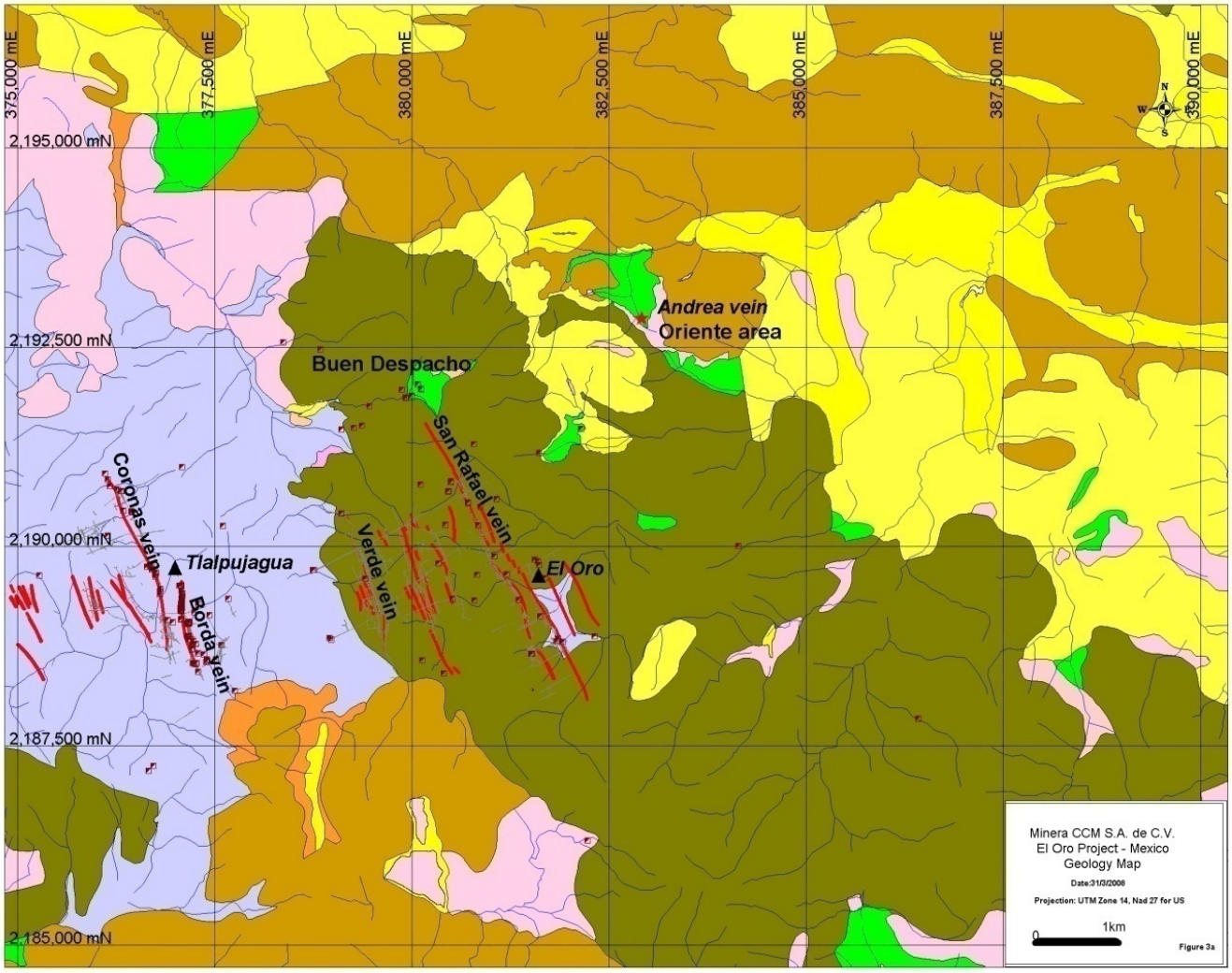


Fig. 3: Property Geology Map

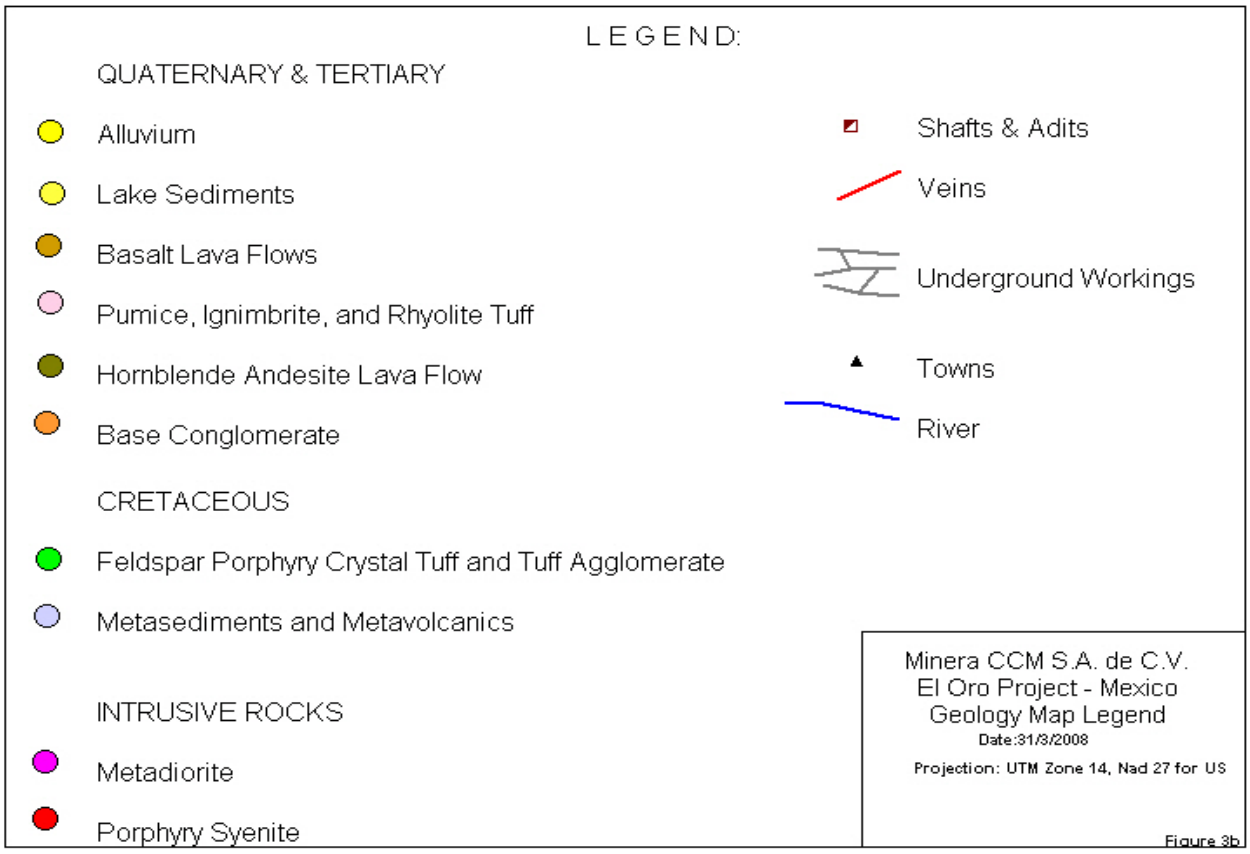


Fig. 4: Property Geology Map – Legend

Tertiary and Quaternary volcanic rock sequences are represented by flows and tuffs of mainly andesitic composition with dacitic and rhyolitic compositions being less common.
Cretaceous meta-sediments are represented by black meta-siltstones, meta-sandstones, and phylites. Meta-volcanics are mainly represented by andesitic tuffs and less commonly flows. The above mentioned rocks are locally intruded by andesite dikes, dacite porphyries, diorite, and porphyry syenite.

Productive veins of the El Oro area are hosted in the Cretaceous and older meta-sediments and meta-volcanics. In most of the area, these rocks are covered by post-mineral Tertiary and younger rock units. In the Tlalpujahua area, the older, pre-mineral rocks and veins are exposed on the surface. The same Cretaceous and older rocks with quartz-carbonate veins are exposed in erosional windows within the younger Tertiary volcanic rock units south of the town of El Oro (Descubridora vein) and in some parts of the Oriente area. Initial mining in the El Oro – Tlalpujahua area started in veins out-cropping in these erosional windows (Corona, Borda, Descubridora veins).

Exploration

In 2006 and 2007 Minera CCM conducted exploration on the El Oro property comprising geochemical and geophysical surveys and diamond drilling. The geochemical and geophysical surveys were conducted in the Oriente area, which is the eastern extension of the prolific El Oro property ore-shoot trend. It has had no mining, little exploration and is largely covered by younger Tertiary volcanic rocks,

which mask favourable Cretaceous host rocks and potential veins. Surface mapping identified seven exposures of the favourable host rocks within these younger volcanics, and five of these have alteration and quartz-calcite veining, and stockwork typical of the El Oro mines gold-silver veins. Veins comprise varying proportions of quartz, chalcedony and calcite and exhibit banding, brecciation and drusy crystal textures which are all typical of the gold and silver-bearing El Oro mines veins.

Diamond drilling focused on testing the down-dip extensions to the prolific high-grade ore shoots in the known veins below the old workings.

Regional soil geochemical sampling conducted by CCM during 2007 in the Oriente area identified gold anomalies in soils and silts (19 ppb to 44 ppb and 34 ppb to 90 ppb, respectively) located on strike with a previously mapped Andrea vein.

Natural Source Audio Magnetic Telluric (NSAMT) geophysical surveys were conducted in the "Oriente Area" approximately 2 kms northeast of the El Oro vein systems. The objective was to identify structures that may host undiscovered veins systems. The NSAMT geophysical survey identified several high angle resistive linear anomalies that are interpreted to represent structures. The signatures correlate with anomalous soil and silt geochemical data collected by Minera CCM and it is very possible that mineralized veins similar to San Rafael or Veta Verde may exist within these structures. The survey also successfully identified and traced the contacts between the main lithological units and mapped the contact between the post mineral volcanic cap and the underlying meta-sediments and meta-volcanics which host the productive veins at El Oro.

The geochemical surveys, which included soil, silt, and rock sampling, were carried out by Minera CCM personnel. Drilling was conducted by Major Drilling based in Hermosillo, Sonora, Mexico, and supervised by Minera CCM. The Natural Source Audio Magnetic Telluric (NSAMT) geophysical survey was carried out by Zonge Engineering & Research Organization based in Tucson, Arizona, USA.

Mineralization

The El Oro – Tlalpujahua mining district is known for gold and silver mineralization hosted in low sulphidation, epithermal veins. Historically these systems were thought to produce gold and silver over an average vertical extent of 250 to 300 metres. More recently several discoveries in Mexico have demonstrated that they have stacked boiling systems which produce gold and silver mineralization over 800 to 1200 metres vertically. The mineralization at El Oro shows strong evidence of a stacked boiling system. Mineralization is associated with massive saccharoidal, crystalline quartz and to a lesser extent with calcite. Bladed textures (quartz after calcite) and drusy quartz filled vugs are common, as well as banded colloform textures being present. In general, the ore is sulphide poor with sulphide content rarely exceeding 1%. Sulphides are mostly pyrite accompanied with lesser amounts of galena, sphalerite and chalcopyrite and trace or minor amounts of argentite, proustite and native silver and gold. Gold is very finely disseminated and rarely visible.

Descriptions of vein textures and fluid inclusion petrography completed for Minera CCM on 16 samples of 2007 drill core from vein intercepts below the lowest level of historic mining indicate that the majority of the samples (12 of the 16) came from above or at the boiling level in the epithermal system. In typical low-sulphidation epithermal models precious metal deposition occurs above the boiling level. The results of the textural study indicated that many of the samples from El Oro had characteristics of either the Chalcedonic superzone or the Crustiform-Colloform superzone using the textural model of Morrison et al. (1990). In Morrison's textural model the precious metal interval in low-sulphidation epithermal systems essentially corresponds to the Crustiform-Colloform superzone and the boiling level is approximately at the base of the Crustiform-Colloform superzone.

In San Rafael, oxidation can reach depths of 400 m and in the other veins (Veta Verde, Borda and Corona) the oxidation is shallower. The ratio of gold to silver varies from 1 to 6.5 in the oxidized ore and from 1 to 15 in the sulphidic ore. The average assay value in the upper level of the San Rafael vein was reported at 10.88 gpt (7 dwt) for gold and 155.52 gpt (5 oz) for silver, with maximum reported values reaching up to 466 gpt (300 dwt) of gold and 6,221 gpt (300 oz) for silver. Several veins (Negra, Neuva) branching from the main veins (San Rafael, Veta Verde, Borda, Corona) had higher grades than the main veins. Faults cross cutting the veins are interpreted as post mineral and there is no apparent relation between ore grade and faulting (Rickard 1906, Hindry 1909, Allan et al 1915, & Seraphim 1971).

Productive veins of the El Oro area (San Rafael and Veta Verde veins) are mainly hosted in black meta-sediments and less commonly in meta-andesite tuffs. Veins are usually steeply dipping. They vary in thickness from less than 1 to over 70 m, and can be traced for over 3.5 km along strike. Most of the known veins in the El Oro district strike NW-SE with a steep dip (65-80 degrees) to the west in the veins located in the eastern part of the property (San Rafael and Veta Verde veins) and to the east in the veins located in the western part of the property in the Tlalpujahua area (Corona and Borda veins). There are a number of exceptions to this rule. The dip of the veins can be related to local folding (fracturing, axial cleavage, and related structures) within the Cretaceous meta-sediments.

Drilling

In 2007, Minera CCM completed 4095.55 metres of drilling in 11 holes on the El Oro property. Minera CCM targeted the down dip extension of productive veins below the historic mining levels.

The four main veins (San Rafael, Veta Verde, Borda and Corona) were shown to continue down dip below the lowest known historical underground workings and to contain gold and silver mineralization in the vein systems below the historic workings.

The most significant result from on the San Rafael Vein which interesected 7.2 m averaging 4.05 gpt gold and 4.9 gpt silver, including 2.90m averaging 9.27 gpt gold and 8.13 gpt silver. at a depth approximately 70m below the deepest known underground workings. This drill intersection confirmed that the San Rafael vein mineralization remains open to a depth below the lowest mining level. The same hole also intersected high grade mineralization of 1,330 gpt silver over 3.05 m (within 726.38 gpt silver over 5.60m) which may represent a new discovery vein or could be associated with historic workings in the Nolan Vein in the hanging wall of the San Rafael Vein.

Sampling, Analysis and Security of Samples

The Minera CCM Phase I exploration program included soil, silt, and rock geochemical sampling and drilling. Geochemical sampling performed by Minera CCM personnel; drilling was conducted by Major Drilling and supervised Minera CCM personnel.

The Phase I exploration program collected, 21 silt samples, 689 soil samples, and grab, float, chip and high-grade rock samples. All rock, soil, silt and drill samples were collected by a trained local Mexican crew under the supervision of a Minera CCM project geologist. A consultant and the Qualified Person supervised the sampling protocol.

Each sample assay shipment included a sample list. The sample and sample list were reviewed and confirmed upon arrival at the ALS Laboratory Group – Guadalajara Facility (ALS – Guadalajara). At the ALS – Guadalajara facility, samples were dried and sieved, and pulps shipped to ALS Laboratory Group – North Vancouver Facility (ALS – North Vancouver). At ALS – North Vancouver, the pulps were

analyzed by standard soil geochemical procedure using ME-ICP41m, AA-AA23 (soil, silt and rock samples) and ME-ICP41m, AA-AA24 (drill samples). The ALS Laboratory Group is an internationally recognized assay service provider and is a certified laboratory by Standards Council of Canada.

RC drilling meterage totaled 494 m. RC drilling sample intervals were every five feet. At the drill site, sample descriptions were completed and core recovery completed. Samples were split at the El Oro property camp site, placed in plastic bags, labeled, and shipped to the laboratory.

Drill core was transported from drill site to the El Oro property camp site. Sample descriptions and sample recovery were recorded and sent for cutting. Then, drill core was cut using a rock saw by a Minera CCM trained technician. Half of the core samples were submitted to the assay laboratory for analysis, the remaining core is stored in core boxes at the El Oro property.

Quality control at El Oro property was conducted at two levels. The first evaluation of quality control uses standards and duplicates submitted by the laboratory for each sample batch. This data was separated from the main data base and verified. The second level of quality control used Minera CCM standard and blank samples. A Quality Assurance/Quality Control program using three standard samples and a blank was incorporated into the sampling regime. Standards were purchased at WCM Sales Ltd., Burnaby, B.C. A blank sample was prepared on site at the El Oro property. Before blank samples were used and inserted into sample batches, a random check of 14 blank samples was sent to the laboratory for analysis. All samples returned comparable assay results.

The second level of quality control was only applied to drill core samples. Each time the assay results were obtained from the laboratory, inserted standards and blank assays were checked for a quality control purpose.

2010 Exploration Program

Exploration in 2010 is focused on delineating depth extensions of the high grade gold-silver ore shoots in the San Rafael vein as well as the remnant resource in and near the old workings also in San Rafael and targets for new (undiscovered) veins in the Oriente area. A budget of $4 million has been estimated to allow 9,000 metres of underground drilling and 6,000 metres of drilling from surface.

PERUVIAN PROPERTIES

Lunahuana

Project Description and Location

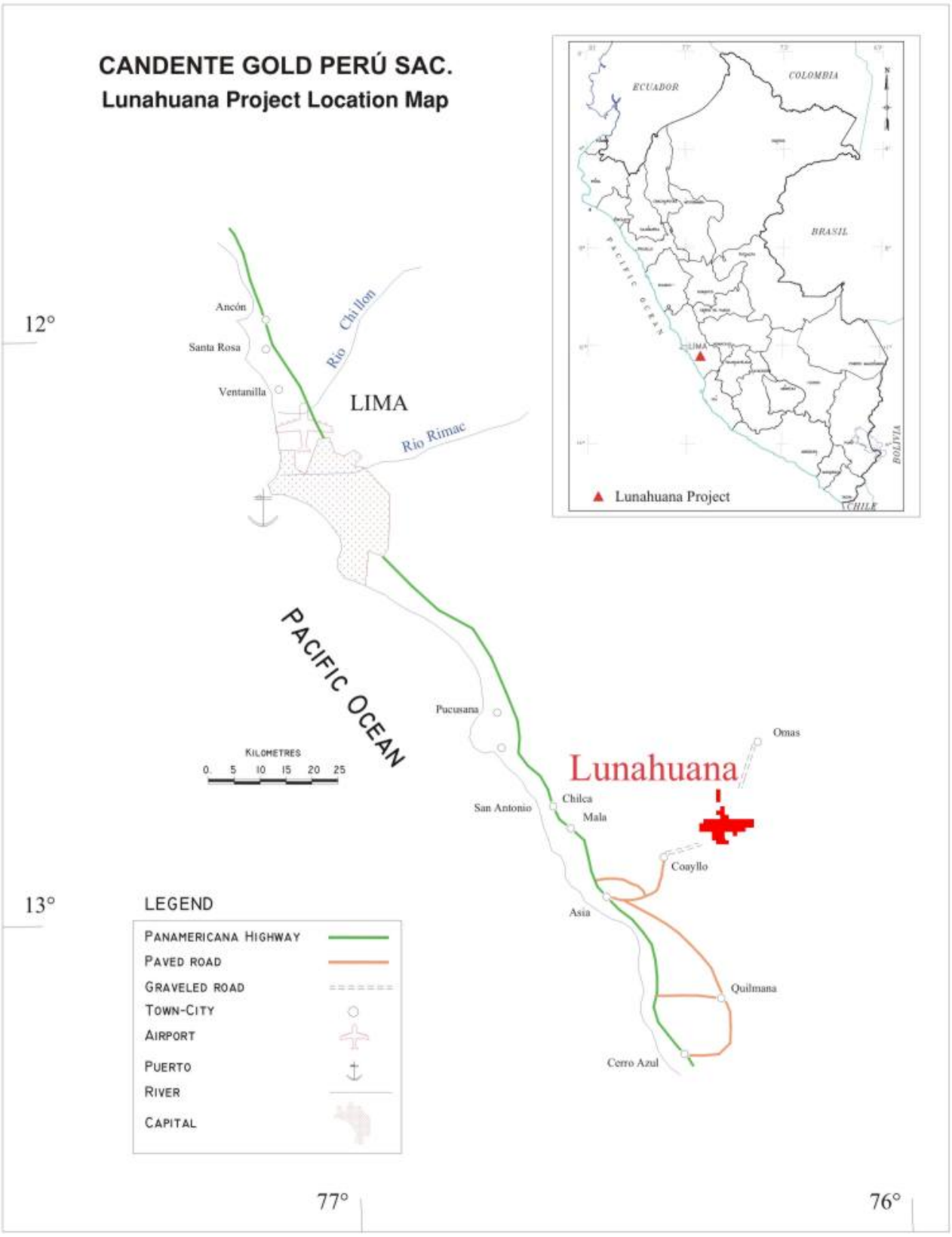
The Lunahuana property, formerly known as the Columbia property, is without known reserves and the work being done by the Company is exploratory in nature. Lunahuana covers 5,387 hectares and is located in central Peru. The Property does not represent a producing property and the Company's current operations consist of an exploratory search for mineable deposits of minerals.

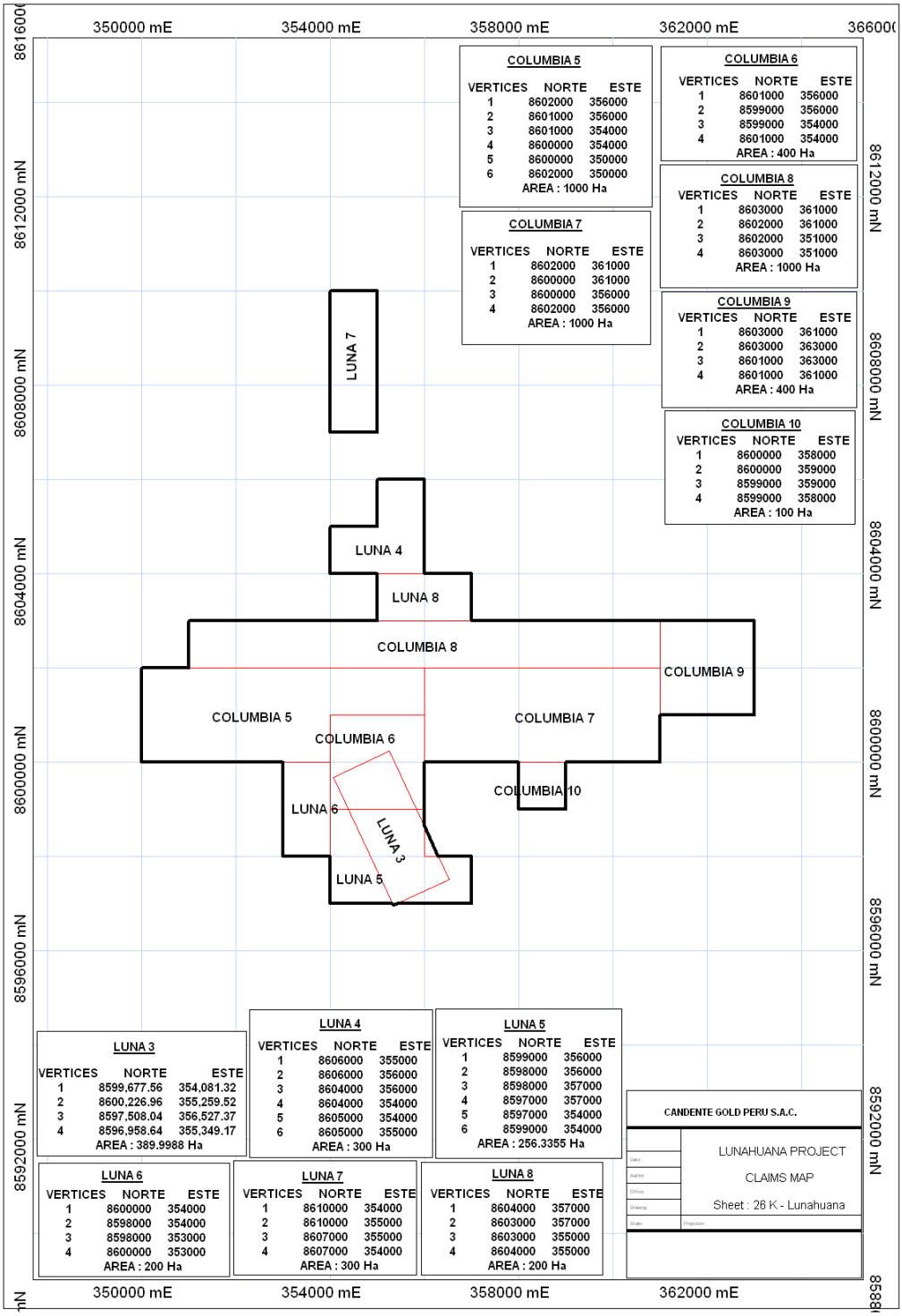
The Company has had no revenue from mining operations on the Lunahuana property to date. The Company currently holds a 100% ownership interest in all claims, and there are no agreements with third parties or encumbrances associated with them, and to our knowledge there are no pre-existing environmental liabilities.

The property does not contain any mineral resources nor mineral reserves. Mining at Lunahuana appears to dates back to Spanish Colonial period. Historical workings on this property are sporadic and they

followed high grade vein mineralization. The Company has not been able to obtain any reliable records of past production. There are no mine workings of record, nor tailing ponds, waste deposits or significant improvements. Mineralization on the Lunahuana property can be divided into several target zones: Cata North and Sur, Blanquitos (including Viky area), Santa Rosa, Los Negritos, and Manto Santiago. Mineralized targets comprise mantos and disseminations of copper and gold in Santa Rosa and breccias in Blanquitos which appear to be the highest priority targets followed by the high grade vein mineralization in Viky and Cata areas.

Figure 1. Property Location Map.

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LUNA 7
LUNA 4
LUNA 8
COLUMBIA 8
COLUMBIA 9
COLUMBIA 5
COLUMBIA 7
COLUMBIA 6
COLUMBIA 10
LUNA 6
LUNA 3
LUNA 5
COLUMBIA 5
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2 8601000 356000
3 8601000 354000
4 8600000 354000
5 8600000 350000
6 8602000 350000
AREA : 1000 Ha
COLUMBIA 6
VERTICES NORTE ESTE
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3 8599000 354000
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AREA : 400 Ha
COLUMBIA 7
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AREA : 1000 Ha
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AREA : 400 Ha
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4 8596,958.64 355,349.17
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LUNA 4
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6 8605000 355000
AREA : 300 Ha
LUNA 5
VERTICES NORTE ESTE
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2 8598000 356000
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4 8597000 357000
5 8597000 354000
6 8599000 354000
AREA : 256.3355 Ha
LUNA 6
VERTICES NORTE ESTE
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2 8598000 354000
3 8598000 353000
4 8600000 353000
AREA : 200 Ha
LUNA 7
VERTICES NORTE ESTE
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2 8610000 355000
3 8607000 355000
4 8607000 354000
AREA : 300 Ha
LUNA 8
VERTICES NORTE ESTE
1 8604000 357000
2 8603000 357000
3 8603000 355000
4 8604000 355000
AREA : 200 Ha
CANDENTE GOLD PERU S.A.C.
LUNAHUANA PROJECT
CLAIMS MAP
Sheet : 26 K - Lunahuana

The property currently consists of 6 claim blocks totalling 1,646 hectares as follows:

Claim Name	Registration Date	Date of Grant	Title Number	Hectares Staked	Actual Claim Size
Luna 3	04/21/06	03/11/02	00427-2002-INACC/J	390	390
Luna 4	04/21/06	11/21/02	02199-2002-INACC/J	300	300
Luna 5	04/21/06	08/18/04	02931-2004-INACC/J	500	256
Luna 6	04/21/06	07/25/03	02007-2003-INACC/J	200	200
Luna 7	04/21/06	07/12/05	02741-2005-INACC/J	300	300
Luna 8	05/04/06	11/10/05	04588-2005-INACC/J	200	200
				1,890	1,646

Access, Climate, Local Resources, Infrastructure and Physiography

The property is located in the Pacific Drainage Basin of central Peru in the Lunahuana area approximately 120 km south-southeast of the city of Lima. Elevations on the property range from 500 to 2,700 meters above sea level and the climate is hot and dry with little precipitation throughout the year, although there is seasonal run off in the main valley during the months of February and March. Access to the property from Lima is via the paved Pan-American Highway and a series of unpaved roads.

The area shows much historic mining activity and in general the local population is familiar with mining on a small scale and available as a work force. The main river valley is wide enough to facilitate infrastructure, and there is power close at hand along the Panamerican Highway. Water is available throughout the dry season. Due to the very dry climate vegetation is very sparce and consists mainly of cactus.

The Company has previously held permits for surface exploration work on the property, along with water and land use approvals. These have now expired and will need to be renewed prior to drilling. In Peru a "land use agreement" with local land owners is sufficient for prospecting/sampling and geophysics. Formal Ministry permits and the associated Environmental Assessments are required for diamond drilling.

History

The Lunahuana property is known for several small historical workings dating possibly to the Spanish Colonial times but more certainly to the 1950s and 1960s. The presence of small underground workings and excavations is very common in the area.

In 1996, Britannia Gold S.A. carried out a stream sediment sampling program and staked the first claim on this property. Britannia carried out approximately $500,000 of exploration on the property, including stream sediment sampling, geological mapping, soil and rock chip sampling, IP and magnetometer surveys, and about 2.5 km of trenching. Britannia's exploration program defined the first targets for gold and copper mineralization on the property.

Candente Copper conducted programs of geological mapping and geochemical sampling, trenching and road construction as well as a review of the work conducted by Britannia. Anomalous levels of metals, including gold, silver, copper, zinc, and lead have been found in various alteration zones on the property.

Several drill targets have been identified and styles of mineralization and alteration are believed to possibly fit an Iron Oxide Copper-Gold (IOCG) style of deposit.

Geological Setting

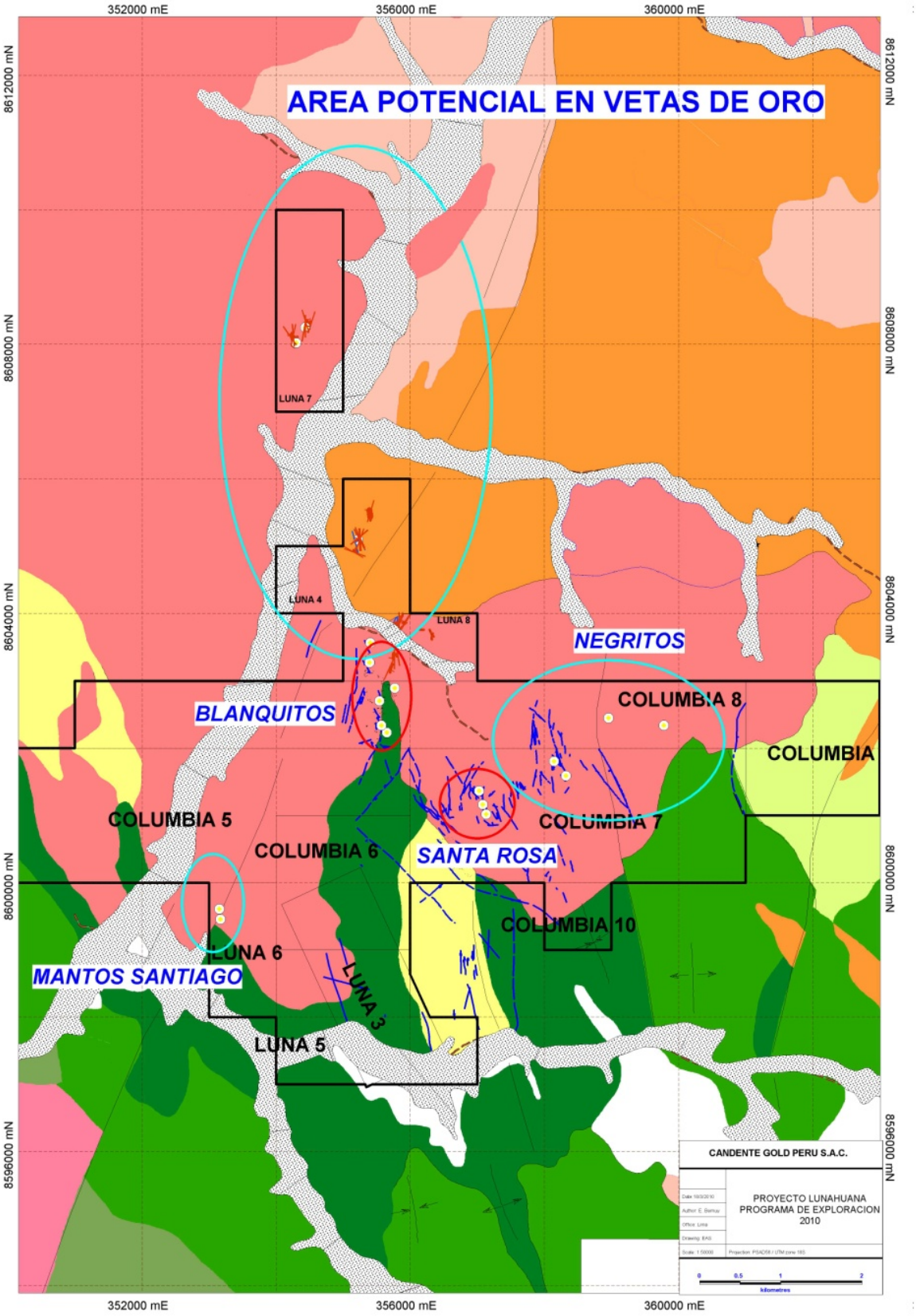
The Lunahuana area is within the Coastal Plutonic Belt, The Lunahuana property is underlain by Tertiary diorite and granodiorite intrusive and diorite porphyry dikes intruding a Cretaceous volcano-sedimentary package of rocks. which hosts veins and replacement manto style mineralization as well as typical porphyry copper disseminated mineralization. These deposits occur in sedimentary, volcanic and plutonic rocks.

The stratigraphic sequence shows eruption of volcanic rocks followed by the deposition of turbidite sequences. Waning volcanic activity was accompanied by uplift and the shedding of sediments off of a carbonate platform and subaerially exposed (?) rocks creating calci- and later, clastic turbidite sequences. The change from carbonate to clastic dominated turbidites suggests rapid uplift occurred. This period was followed by, or was contemporaneous with the intrusion of the Patap Unit of the Coastal Batholith in the Early Cretaceous.

Deformation of the region began soon after and is exemplified by approximately north-south striking isoclinal folds within the turbidite sequence and thrusting of the volcanic sequence. A detachment plane is interpreted to have formed between the volcanic and turbidite sequences. The volcanic rocks were broken into blocks and thrust over each other and with continuing deformation (shortening) the blocks rotated into a subvertical position.

The period of deformation also appears to have coincided with a series of major intrusive events corresponding to the coalescing of numerous phases of the Coastal Batholith. The direction of compression was roughly east to west and created approximately east to west striking extensional fault sets that are readily visible on satellite images and locally observed in the field.

Following the period of deformation and intrusion of the Coastal Batholith, the region underwent a period of tectonic relaxation (i.e., extension) during the Early Tertiary. Subvolcanic dikes and stocks to intrude into areas of weakness between the separate blocks and the strata of the thrusted volcanic rocks. Within the overlying folded sediments, these magmas intruded faults located along the hingelines of anticlinoria and are observed in the field as small thin dikes that parallel the hingelines. Underlying these smaller stocks and dikes is probably a much larger igneous body. Dikes of these late magmas intruded the Coastal Batholith rocks.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8612000 mN
8608000 mN
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8600000 mN
8596000 mN
LUNA 7
LUNA 4
LUNA 8
NEGRITOS
BLANQUITOS
COLUMBIA 8
COLUMBIA
COLUMBIA 5
COLUMBIA 6
COLUMBIA 7
SANTA ROSA
COLUMBIA 10
LUNA 6
MANTOS SANTIAGO
LUNA 3
LUNA 5
CANDENTE GOLD PERU S.A.C.
PROYECTO LUNAHUANA
PROGRAMA DE EXPLORACION
2010
kilometres

Mineralization

The Lunahuana property hosts vein and manto type copper and gold mineralization and could be part of an iron oxide copper gold (IOCG) class of deposits. Mineralization is considered to be Tertiary in age.

Two distinct styles and ages of mineralization have been identified on the property. The earlier mineralization is associated with the presence of gold and copper and the later mineralization is associated with the presence of gold alone. Both styles of mineralization crosscut several different rock lithologies including mudstones, bituminous limestones, volcaniclastic sediments, diorite, and micro-diorite.

The later gold mineralization occurs in hydrothermal alteration zones associated with Tertiary (?) feldspar porphyry stocks with samples assaying up to 6g/t Au and mineralization spreading into the wallrock (0.57g/t Au). The porphyries intrude older rocks and they crosscut the earlier gold-copper mineralization. Hydrothermal alteration comprises strong pervasive silicification, brecciation, and quartz stockwork, presence of limonite veinlets and microveinlets, and argillic alteration. Disseminated pyrite occurs throughout. Structural control of the veins is mainly O to 20 degrees with a steep dip of 65 to 82 degrees to the west.

The earlier copper-gold mineralization is associated with pervasive silica alteration and structurally controlled sheeted quartz-magnetite, copper and gold veins, stockwork and breccias hosted in volcano-sedimentary rock units. Alteration is characterized by secondary biotite, chlorite, actinolite, and magnetite superimposed upon regional sodic-calcic alteration characterized by albite, hematite, scapolite, and locally garnet.

In several locations rock sampling on the Lunahuana property returned between 0.5 to 1 g/t Au. Many of anomalous in gold samples collected on the property are correlating with the presence of IP anomalies and often they occur in structurally controlled zones. Gold mineralization is associated with quartz, quartz-calcite veins and veinlets, stockwork zones, silicified zones and/or clay altered wall rocks with or without iron oxides: jarosite, goethite and hematite as well as copper sulphides and/or copper oxides.

Some significant surface rock assay results from the Lunahuana property (*):

Santa Rosa Zone

Trench 0	99.00m @ 3.71% Cu
including:	17.00m @ 1.37% Cu & 0.49g/t Au
Trench 1	223.00m @ 0.35% Cu
including:	60.00m @ 0.72% Cu
Trench 1.5	8.00m @ 0.95% Cu

Veta Viky (Veta F)	0.30m @ 16.17g/t Au & 0.11% Cu
Veta Viky (Veta D)	0.30m @ 56.83g/t Au & 0.08% Cu
Veta Viky Norte	0.50m @ 36.37g/t Au & 0.35%Cu
Veta Viky Norte	0.60m @ 104.53g/t Au & 0.92% Cu
Veta Viky Norte	0.30m @ 69.47g/t Au &0.90% Cu
Veta Viky Sur	0.40m @ 13.77g/t Au & 0.15% Cu
Veta Viky (Veta A)	0.30m @ 16.17g/t Au & 0.11% Cu

Cata	0.35m @ 39.83g/tAu & 4.00% Cu

Blanquitos	1.50m	@	0.43g/t Au & 1.86% Cu
Blanquitos	1.50m	@	0.86g/t Au & 4.37% Cu
Negritos (East)	0.35m	@	14.80g/t Au & 30.51g/t Ag
Negritos (East)	0.20m	@	35.50g/t Au & 242.36g/t Ag
Negritos (East)	7.00m	@	6.90g/t Au & 41.85g/t Ag
Negritos (East)	3.00m	@	8.40g/t Au & >10.00g/t Ag

((*) – quoted results come from combined Candente and Colombia data bases).

Drilling

No drilling has been carried out on the property by the Company or other companies to date.

Sampling and Analysis

Surface rock sampling has been conducted by Candente field personnel in several short campaigns since acquiring the property. Sampling was supervised by geologists in the field and conducted using accepted techniques, the associated sample descriptions are found attached. Representative samples were collected in relation to structures and surface expressions of mineralization, along cross cutting trenches.

All samples were sent to Chemex and Bondar-Clegg labs in Lima.

The samples taken from the property are detailed in Appendix 2, which includes sample type, rock type, intervals, assay results, and a description of the samples. There are no known factors that could affect the accuracy and reliability of the results. The samples are believed to be representative of the mineralization on the property. Any bias in the sampling is reflected in the fact the mineralized zones were sampled and un-mineralized zones were intentionally not sampled.

Security of Samples

The samples were collected under the supervision of Minera Oro Candente Geologists. After labelling and sealing with tape, the individual samples were placed into large sacks, which were also sealed using tape, and labelled. The samples were then sent to Lima using company vehicles. After arrival at the Lima office, a driver from the laboratory picked up the samples. The samples were taken to the ALS-Chemex laboratory in Lima Perú where they were crushed, dried and analyzed for Au using Atomic Absorption Spectroscopy (AAS).Any sample containing >10,000 ppb gold was then check assayed by fire assay and gravimeteric methods. The sample pulps were then sent to the ALS-Chemex laboratory in Vancouver, Canada for multi-element analysis using Inductively Coupled Plasma Emission Spectrometry (ICP-OES). The ALS-Chemex laboratories in Lima, Perú and Vancouver, Canada are certified to the ISO 9002 standard.

No standard samples were used. However, eight duplicate samples (three from the Viky mine and five from the Blanquitos zone) were sent to a second laboratory (ACTLabs) in order to check the validity of the previous results.

Exploration

According to present knowledge, mineralization on the Lunahuana property can be divided into several target zones: Cata North and Sur, Blanquitos (including Viky area), Santa Rosa, Los Negritos, and Manto Santiago. Mineralized targets in Santa Rosa and Blanquitos appear to be the high priority targets followed

by the high grade vein mineralization in Viky and Cata areas. Some of these zones (especially hosted in mantos) may merge into one widespread mineralized system.

The geophysical survey conducted by Btritannia Gold S.A. in 1997, identified four IP high chargeability anomalies: Western Anomaly, Central Anomaly (Santa Rosa), Eastern Anomaly (Los Negritos), and Northern Anomaly (Los Negritos). Each anomaly has a different chargeability and resistivity signature and geological and geochemical expression.

Rock sampling has identified several locations with gold values between 0.5 to 1 g/t. Many of the anomalous in gold samples collected on the property occur in structurally controlled zones and are correlating with the presence of IP anomalies.

The Blanquitos zone has been traced over 1.5km, and the zone is 25 to 100m wide. In the Santa Rosa area IP anomaly covers area 1.5 by 2km with 200m line spacing.

In the Santa Rosa zone, exploration has identified copper and gold mineralization over a 1km strike length within a 10 to 300 meters wide corridor. Chip samples from outcrops assayed up to 3.5 g/t Au and 3.5% copper. Surface trench rock sampling returned: 120m @ 0.4% Cu, Including: 25m @ 1.2% Cu and 0.42g/t Au.

In Blanquitos, surface rock chip samples returned 6g/t Au from 5 by 10m zone and 10g/t Au from 2 by 10m area. Higher grade mineralization has been found in the north-western portion of the property especially in narrow veins.

Soils samples collected east of Santa Rosa zone indicated the presence of numerous gold anomalies, up to 473 ppb over an area 2.5 by 3 km. Some of the geochemical soil anomalies in Lunahuana are not covered by the IP survey.

The Central IP anomaly lies 500 meters east of Santa Rosa. Limited geochemical sampling also identified the presence of anomalous copper and gold.

Lunahuana has some typical features of the iron oxide copper gold class of deposit.

The mineralization appears to be spatially and temporally (?) associated with these subvolcanic intrusive rocks. Because these rocks have been interpreted as Tertiary, suggesting the mineralization event is also Tertiary. This age is different from the mineralization age for the Raul and Condestable mines, which were dated as Early Cretaceous.

The next phase of work should include drilling with continuous mapping and geochemical and geophysical surface work. All main targets should be drill tested.

Tres Marias

Project Description and Location

Tres Marias/San Francisco is a 8,800 hectare property hosting anomalous gold and silver in a combination of low sulphidation veins and high sulphidation alteration in an epithermal system located in the Puno District of southern Peru. The Property is without known reserves, and Candente has not produced from the property. The Company's current operations consist of an exploratory search for mineable deposits of minerals. Original interest stemmed from historical work and exploration reconnaissance.

The Company currently holds a 100% ownership interest in all claims, and there are no agreements with third parties or encumbrances associated with them, and to our knowledge there are no pre-existing environmental liabilities.

Candente has previously held permits for surface exploration work on the property, along with water and land use approval. These have now expired and would have to be renewed before any exploration drilling could be conducted. In Peru a "land use agreement" with local land owners is sufficient for prospecting/sampling and geophysics. Formal Ministry permits and the associated Environmental Assessments are required for diamond drilling.

Physiography, Accessibility, and Infrastructure

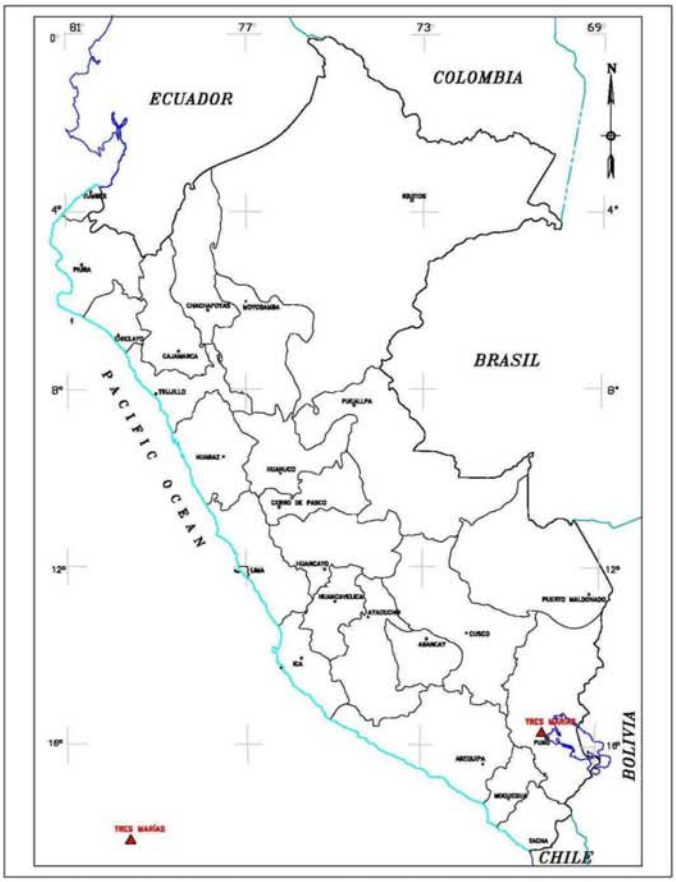
The Tres Marias Property is located in the Puno District of Southern Peru, 35 km southwest of the city of Puno and 75 km southwest of the nearest airport in Juliaca.

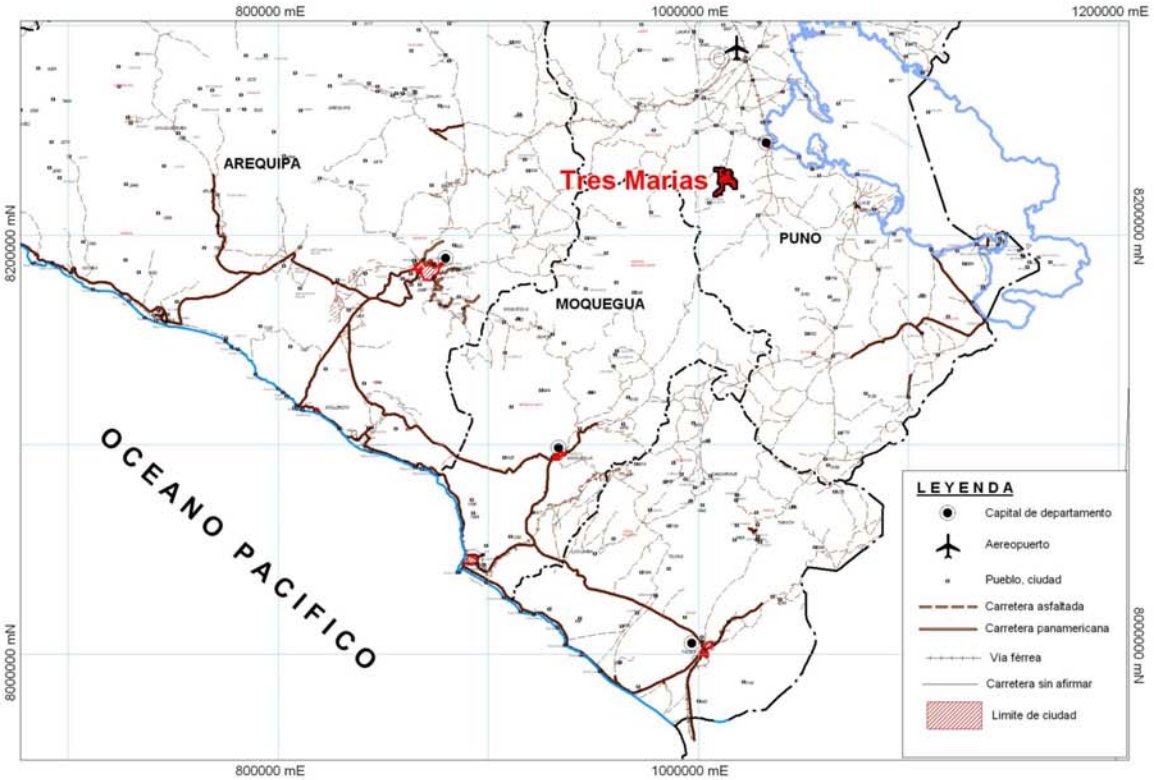
The region is easily accessed by road and within striking distance of the principal southern city of Puno. Access is gained in several hours through a combination of paved highway and dirt road travel from either Juliaca or Puno. There are daily flights from the Capital City of Lima to Juliaca. This region of Peru is considered Altiplano and elevations throughout the area are over 4000m. The climate is dry with low precipitation for much of the year. Annual rainfall concentrated over the months of January to March. Vegetation is sparce, and is made up of the low scrub and "ichu" grass that is commonly associated with these elevations.

The dry season brings low night time temperatures and clear sunny days from April through to the month of September. Temperatures can drop below zero and snowfalls are not uncommon, although snow rarely accumulates as precipitation in general is low. In the 3500 to 4500m "puna" climactic zone, yearly average temperatures fluctuate between -8 degrees Celsius and 10 degrees Celsius. In the 2500 to 3500m elevation range, yearly averages are between 0 degrees Celsius and 25 degrees Celsius. There are extensive open areas suitable for infrastructure, surrounded by mountain peaks that rise above the plains. The power grid is nearby and although water can be scarce during the dry season, it runs freely on surface during the winter months.

The closest large population center of Puno holds 100,000 inhabitants and, as the capital city of the Puno Region and Province, provides readily available infrastructure within 3 hours surface travel of the property. It is accessed by maintained and paved highway routes, and there is an international airport located in the larger city of Juliaca, 1 hour to the Northwest. It is a historic mining district founded by the Spanish in 1668, and the local industry is geared towards mining activity as it represents the principal resource and source of income for the economy. Operating mines are close by and service companies flourish. Materials, equipment, and personnel are both abundant, and close at hand.

CANDENTE GOLD PERÚ SAC.
Tres Marías Project Location Map





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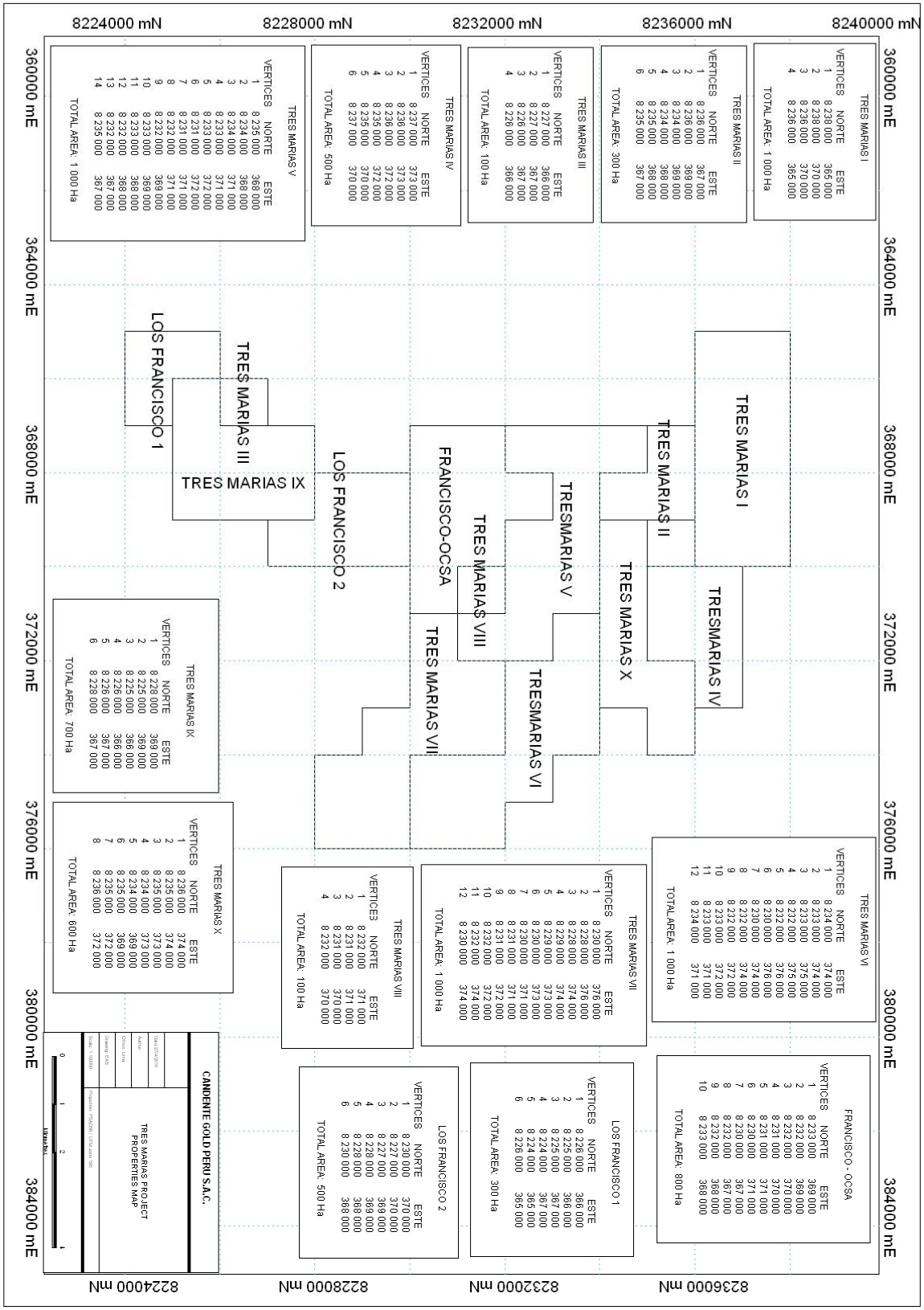
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TRES MARIAS I
TRES MARIAS II
TRES MARIAS III
TRES MARIAS IV
TRES MARIAS V
TRES MARIAS VI
FRANCISCO - OCSA
LOS FRANCISCO 1
LOS FRANCISCO 2
TRES MARIAS VII
TRES MARIAS VIII
TRES MARIAS IX
TRES MARIAS X
TRES MARIAS I
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TRESMARIAS IV
TRESMARIAS V
TRESMARIAS VI
TRES MARIAS X
TRES MARIAS IX
TRES MARIA$ III
LOS FRANCISCO 1
TRES MARIAS IX
TRES MARIA$ V
FRANCISCO-OCSA
TRES MARIA$ VII
TRES MARIAS VII
LOS FRANCISCO 2
CANDENTE GOLD PERU S.A.C.
TRES MARIAS PROJECT
PROPERTIES MAP

The property currently consists of thirteen claim blocks totalling approximately 8,800 hectares. The details of those claims are below:

Claim Name Name	Map Sheet	Code	Registration Date	Concession Granted	Hectares Staked
Tres Marías I	32-V	01-01257-02	07/22/02	03/24/03	1,000
Tres Marías II	32-V	01-01260-02	07/22/02	11/26/02	300
Tres Marías IV	32-V	01-03483-04	10/28/04	02/21/05	500
Tres Marías V	32-V	01-03482-04	10/28/04	03/07/05	1,000
Tres Marías VI	32-V	01-03481-04	10/28/04	04/25/05	1,000
Tres Marías VII	32-V	01-03439-05	11/04/05	02/27/06	1,000
Tres Marías VIII	32-V	01-03442-05	11/04/05	02/03/06	1,000
Tres Marías X	32-V	01-00143-06	01/03/06	04/18/06	600
Tres Marías III	32-V	01-01259-02	07/22/02	12/12/02	100
Tres Marías IX	32-V	01-03440-05	11/04/05	02/07/06	700
Francisco OCSA	32-V	01-02058-02	10/29/02	10/24/03	800
Los Franciscos 1	32-V	01-03565-06	08/16/06	11/29/06	300
Los Franciscos 2	32-V	01-03567-06	08/16/06	11/30/06	500
					8,800

History and Previous Work

The principal structure on the Tres Marias property, the “Pataqueña” vein, saw some historical production during the Spanish Colonial period, and there is artisanal underground development that, entering at the elevation of the valley bottom, extends horizontally along strike for roughly 150m. There are limited vertical workings that extend 75m above the main adit level and valley floor. Seasonal flooding during the rainy season and related drainage problems probably explains the absence of workings below the valley floor and corresponding main adit level. There are no production figures available for the most recent period of activity which roughly dates to the mid/late 1800s. Candente has sampled historic mine dumps, the grades of which indicate high silver values (35 – 80 oz/t Ag) although no historic records of grades exist.

The region saw continued exploration and interest over the last 30 years, and a high sulphidation belt was eventually defined by the continued efforts in the region. Work eventually resulted in the discovery of several high sulphidation deposits that are now in production including the Santa Rosa and Aruntani Deposits (MDH) and La Rescatada (Anglo-Ashanti).

Candente first acquired interest in the region as the result of regional reconnaissance work carried out in 2002, and were centered on the original historic workings. Mapping of the area surrounding the claims initially staked in that same year showed good expressions of alteration on surface and continuation of the major structures, and over the next 5 years additional claims were added to the group as they became available. The last few blocks were added in 2007 through government auction as several companies had converged over the same available pieces of ground. There has been no prior drilling done on the Tres Marias claim group to the knowledge of this author, the San Francisco claims apparently received some limited testing with surface drilling but results and locations are not available.

Geologic Setting

The Southern Andes region of Peru is predominantly dominated by tertiary rock of volcanic origin, which have been invaded along weakened structural trends by felsic intrusives. The area is dominated by intermediate volcaniclastic units of fine to medium grain, and andesitic agglomerates, lavas and flows. These are intruded by rhyolitic domes and plugs, quartz feldspar porphyry, and hydrothermal breccias. Together these characteristics suggest bimodal volcanism.

The principal geological units of the region pertain to Pliocene, Miocene and Oligocene intermediate volcanics and volcaniclastics, with invading intrusive rocks of roughly similar age. To the immediate Northwest there are older Puno and Lagunilla Group sediments along a thrust boundary.

The region is underlain by the Puno Group sediments (Upper Cretacious), characterized by red-brown sandstones and coarse, well stratified conglomerates. This unit is overlain by the lavas and agglomerates of the Tacaza Group (Miocene), a discordant contact forming the boundary between the two. Again laying disconformingly above this and forming the present erosional surface we find lacustrin and volcanic sediments of the Maure Group (Pliocene).

The Tres Marias property is situated within a regional mineral trend that includes intrusion related low sulphidation style polymetallic and silver veins, high sulphidation style alteration areas and possible porphyry style mineralization (as identified on Landsat Imagery).

The immediate area of the Tres Marias property is hosted within three principal lithologies of rock: intermediate volcaniclastics characterized by sandy andesitic volcaniclastics, andesitic agglomerates and andesitic lavas and tuffs, Rhyolitic and dacite domes and plugs, and hydrothermal breccias.

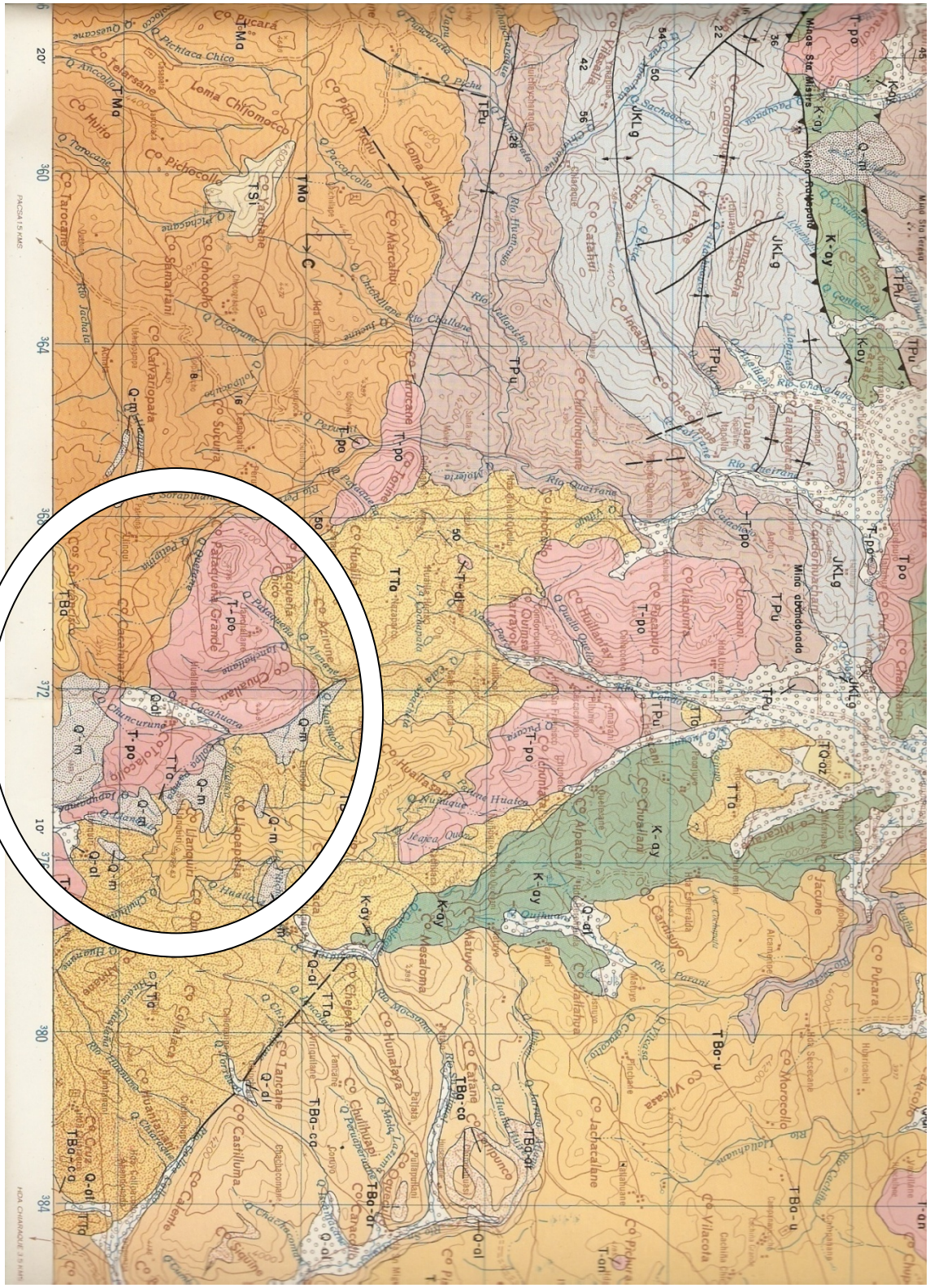
The sandy volcaniclastics are found stretching to the west of the main peaks Pataqueña Grande and Cerro Torine, and are seen in detail in the erosional gullies that hold the Peruani, Chura and Pucara creeks. In these creeks one can clearly observe sandy, medium to coarse grained volcaniclastics with angular to subangular grains organized along flow laminated beds. The beds tend to be thin and red to grey red in colour.

Andesitic agglomerates outcrop on Cerro Calvario and Ichocollo, and to the Northeast of Cerro Torine. They are characterized by matrix supported angular blocks, with rough stratification.

Andesitic Lavas are abundant according to INGEMMET mapping completed by the Peruvian Government in the early 1980`s but seem to be absent from the immediate area of the Tres Marias property, at least not as a “mappable” unit.

Rhyolitic domes form the high peaks within the claim group, and in general trend N45W. Cerro Pataqueña Grande, Cerro Pataqueña Chico, Cerro Torine and Tarucane, are all outcrops of resistant felsic volcanic rock of rhyolitic nature. The colour tends to be grey to creamy white/yellow, and there are planar laminations present with spherulites up to 3cm and flow banding.

Hydrothermal breccias outcrop in the area of Cerro Pucara and along the North and West flank of Cerro Torine. In the central portion of the latter, the breccias manifests itself in a conical form, with large blocks of afinitic massive grey to white silica in angular forms. The breccias themselves are formed of grey to white angular fragments of vuggy silica with cavity filling. A second breccias type appears in the road cut and along the Western side of Cerro Torine, with intense brecciation and stockworks. Fragments are volcaniclastic arenites. At the edges of this body there is fine quartz veining developed that shows fine pyrite and some malachite copper staining. Possible presence of covelite is noted.


Co Pucara
T-Ma
Co Telarsane
Co Huito
Co Pichecolle
Co Tarocarane
Co Samaraní
Co Ichocollo
Co Calvariopata
Lomas Chifomoco
Lomas Jallapichu
Río Tacna
Río Pichu
Río Huantuno
Río Challuane
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Two principal fault orientations have been mapped on the property, and are discernable in air photos and Aster images.

Northwest Fault System – Along the western flanks of Cerros Pataqueña Chico, Pucara and Torine, there is a N40W trending fault with a 53 degree dip towards the Northeast. This principal fault system would appear to be the controlling structure for the emergence of the rhyolitic domes along this same strike. On Cerro Pataqueña Grande there is a small fault of parallel strike that also dips NE and could be the Southern extension of this main fault, named by geologists onsite the Peruani Fault. To the East of the rhyolitic domes, a parallel fault also appears in the creek draws, which has been named the Pucara Fault.

Exploration

The majority of the work conducted by Candente on the property has been completed with in-house geologists.

Initial reconnaissance by Candente in 2002/03 included 1:10,000 scale surface mapping and sampling of rock and soil, and served to confirm the presence of two epithermal systems. This was followed up in 2004/05 with more detailed 1:5,000 scale mapping and more extensive sampling of the region. The geological mapping was completed in 2006, and augmented with 1:2000 scale mapping of the central area of mineralization. Systematic representative rock chip and panel sampling and an expanded soil grid were completed, there have been over 250 surface rock samples and more than 650 soil geochem samples taken to date. Pima spectral work was completed on more than 200 samples to clearly define alterations and some microscope work has been done on the low sulfidation vein mineralogy.

The main vein found to date in Tres Marias, Pataqueña, has been mapped on surface for a distance of 700 m and traced over an additional 300 m to the south through soil geochemical sampling. It is open to the North and South. The width of the vein ranges from ten centimetres (cm) to two m as seen in the very limited surface exposure to date. The vein was exploited during Spanish Colonial times in the late 1800's. Opened underground workings extend for approximately 150 m horizontally along the main vein and along crosscuts of the semi-parallel veins. The vertical extent of the workings is approximately 75 m along several levels. The workings only follow the vein above the valley floor therefore significant potential exists for the discovery of additional mineralization below these tunnels as well as along strike. Silver values from surface sampling and historic mine dump piles have grades of up to 2,334 g/t Ag.

The principal structures show strong mineralization and their historic exploitation has been limited in extension and depth. There is good potential to prove up continued values of silver with associated gold along strike and at depth, as well as to encounter as of yet undiscovered parallel structures. There are also several areas of interest that would appear to be high sulphidation style targets with a chance for larger volume.

On the principal structures an attempt should be made to enter the underground workings and adequately sample them systematically in order to better ascertain the grades of material remaining. These structures should be followed along strike and subjected to geophysical testing from surface in order to gain insight as to their signatures which could then be applied over new areas in order to identify more structures. The possibility of locating cross cutting perpendicular or sub-parallel structures would also be a benefit of geophysics. These principal structures are ready drill targets and a short program should be considered to test along strike and at depth.

The San Francisco area needs to be adequately mapped at 1: 5000, and sampled (rock and soil) on surface in a systematic manner. A surface grid should be established for control which can later be used for geophysics in order to generate drill targets.

Likewise the prospective area to the Southeast of the main zone should also be adequately mapped and sampled on surface. Signs of a possible high sulphidation target area exist here and it needs to be adequately explored in order to assess its potential and with an eye towards generating drill targets. The possible existence of bulk tonnage high sulphidation epithermal targets is intriguing and not uncommon in the region.

Mineralization

Alteration of both low and high sulphidation type is noted in the project area.

Low sulphidation is manifested in the NW and NE trending structural systems that are of white to grey coloured massive quartz, with a strong presence of fine disseminated pyrite. The principal "Pataqueña" vein can be traced along surface for a distance of 500m along a Northwesterly trend and would appear to remain "open" in both directions. Sampling of historic mine dumps along this principal structure returned silver values of up to 80 oz/t, and chip samples in outcropping vein material returned the following results:

1.0m @ 378 g/t Ag	0.2m @ 816 g/t Ag
0.4m @ 503 g/t Ag	0.5m @ 283 g/t Ag

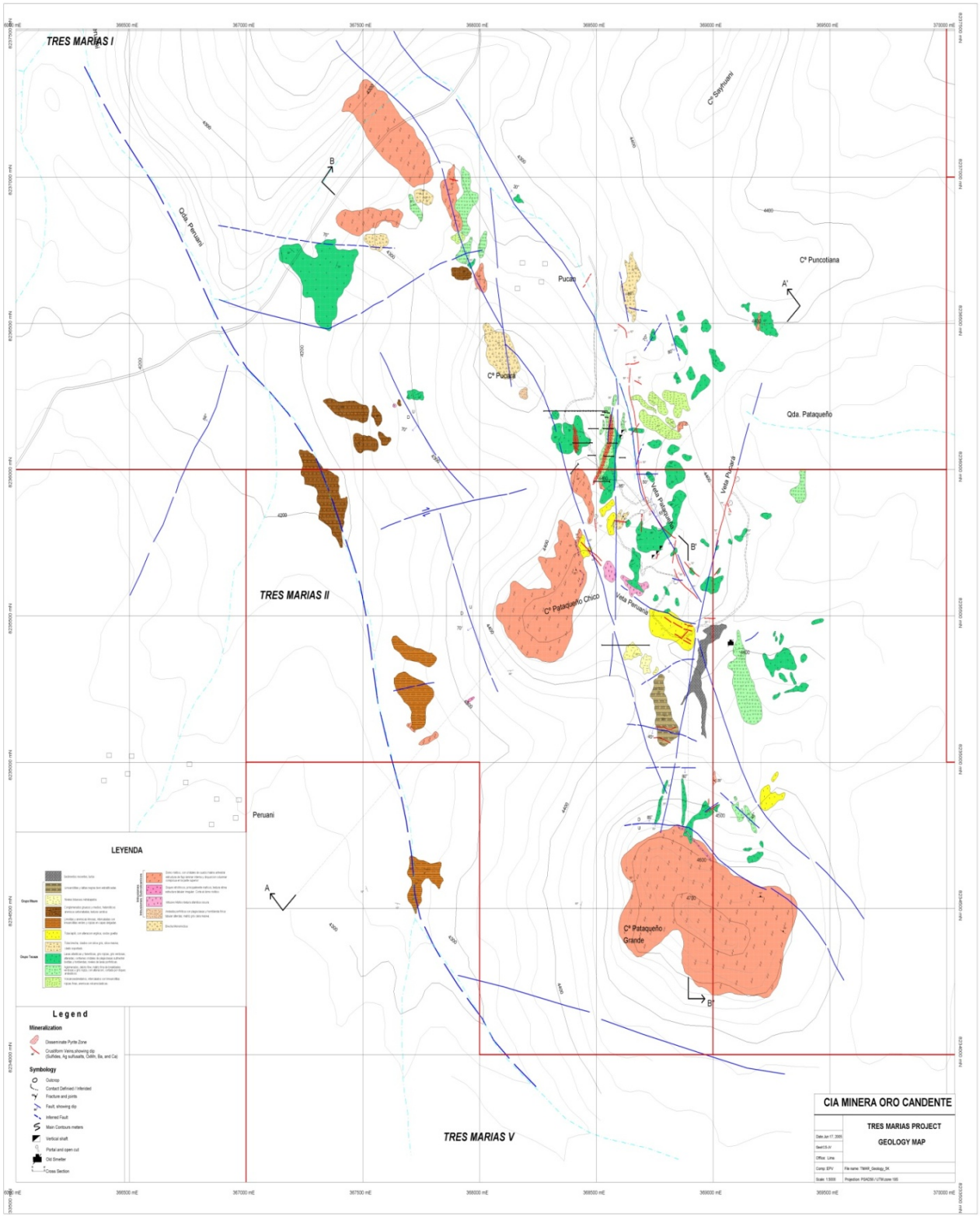
Replacement of calcite in the form of silica is noted, and galena is present along with fine dark sulphides (silver minerals?). There is some sericite alteration in surrounding host rock (sample #1597). A moderate stockwork outcrops on the Eastern side of Cerro Pataqueña Chico which contains fine grey quartz veinlets with some brecciation and fine pyrite. The matrix is argilic rock with sericitic alteration.

Six samples of altered and mineralized rock from within and around vein the principal vein systems were sent for microscopy work completed in Peru by Ing. Pedro Miguel Gagliuffi Espinoza of Geoexplor Engineering in 2004. From thin and polished sections, he identified the principal vein mineralogy as pyrite, galena, silver sulfa-salts (proustite/freibergite), native silver, argentite, chalcopyrite, sphalerite, arsenopyrite, tetrahedrite, bornite, marcasite, and copper and iron oxides (malachite, covelite, siderite and goethite). Alteration minerals present include barite, quartz, chalcedony, dolomite and siderite. These commonly form crustiform and botrioidal textures that are characteristic of low sulphidation epithermal systems.

The high sulphidation alteration expressed on the property extends for approximately a kilometer along a structurally controlled trend along which expressions of vuggy silica and hydrothermal breccias outcrop. High sulphidation breccia events surround Cerro Pucara. These breccias are characterized by afinitic grey white and dark grey silica. The matrix appears to be filled with the white silica. Apart from the aforementioned, silica also appears in a vuggy cream colored form. Vugs and cavities are commonly found filled with grey/white alunite and some weak hematite and limonite. Clast size varies from 1cm to 5cm and fragments tend to be angular in form. Pyrite is present in small blebs locally. Cinnabar is noted both disseminated and in veinlets accompanied by secondary copper minerals, fine disseminated pyrite and silica. Grey/white chalcedonic silica is present in veinlets accompanied by calcite and fine pyrite. Host rocks in general show signs of moderate chloritization. Towards the periphery of the breccias there are veins and stockworks developed with white chalcedonic quartz, grey quartz, and fine disseminated pyrite.

Anomalous gold values of up to 4g/t were obtained along this trend in grab samples.

Similar expressions of vuggy silica and hydrothermal breccias are found in the San Francisco claims to the Southwest of the Tres Maria grouping. Here again they would seem to be controlled by structure, principally outcropping on the Cerro Millo. Vuggy dark grey silica and breccia fragments of white vuggy silica are contained within a limonitic/hematitic matrix. These are hosted again by andesitic lavas and coarse pyroclastic breccias with weak to moderate argillic alteration.


TRES MARIAS I
TRES MARIAS II
TRES MARIAS V
Qda. Peruani
Pucato
Cº Puncotiana
Cº Puquia
Qda. Pataqueño
Veta Pataqueño
Veta Puquia
Veta Peruani
Cº Pataqueño Chico
Cº Pataqueño Grande
Peruani
Cº Sayhuani
LEYENDA
Legend
Mineralization
Disseminate Pyrite Zone
Symbology
CIA MINERA ORO CANDENTE
TRES MARIAS PROJECT
GEOLOGY MAP

Drilling

To date, The Company, through its Peruvian subsidiary Minera Oro Candente SA, has completed only limited surface work. This work has focused primarily on the Tres Marias I, II and III claims. The San Francisco claims to the SW, and the SE part of the claim group remain un-explored. None of the targets identified have been tested by drilling from surface, and Candente is unaware of any previous drilling by other companies in the Tres Marias claims. Buenaventura apparently did some prior drilling on the groundto the SW that is in the San Francisco area but we have access to neither the results of this work, nor the surface location of their holes.

Sampling Method and Analysis

Samples taken on the Tres Marias claim group are detailed in the appendices, and include sample numbers, location data, rock type, assay results and description of samples. The samples are representative of mineralization on the property and any bias in sampling methodology, if not otherwise noted (ie. selective grab) can be attributed to the focus on favorable mineralization and that un-mineralized zones were intentionally not sampled.

All geochemical analysis was completed at accredited labs in Peru.

Rock and soil samples were sent to Actlabs, ACME, SGS or CIMM laboratories in Lima, Peru from different sampling programs. All three labs are certified assay laboratories and conform to National Instrument 43-101 standards for independent assay laboratories. Samples were initially run for 34 element ICP to determine the major-element data. High values of silver (Ag), lead (Pb) and zinc (Zn) were confirmed with geochemical assays. Gold values were determined by Fire Assay with an Atomic Absorption finish at Actlabs, Lima.

The samples taken from the property are detailed in Appendix 2, which includes sample type, rock type, intervals, assay results, and a description of the samples. There are no known factors that could affect the accuracy and reliability of the results. The samples are representative of the mineralization on the property. Any bias in the sampling is reflected in the fact the mineralized zones were sampled and unmineralized zones were intentionally not sampled.

No check assays, standards, or blanks were employed in the geochemical analysis of surface sampling from the project. However internal duplicates and Quality Control assays were implemented by the laboratories in their standard procedures.

Assay certificates can be found in the appendix that document the various phases of geochemical analysis completed on the project to date.

Sample Security

All samples were collected, packaged and shipped under the direct supervision of Minera Oro Candente SA geologists.

Samples were collected, labeled and bagged in polyurethane bags along with sample assay tags before being sealed with tape. Individual samples were then collected in large sacks in consecutive series for shipping, never exceeding 50lbs weight allowance. The shipping sacks were also sealed with tape and labelled. Samples were transported in company vehicles from the project site to Lima under the constant supervision of Oro Candente personnel. Upon arrival in Lima the samples were either transported directly to the lab for processing, or picked up from the Candente office by the labs own vehicle service.

Mineral Resource and Reserve Estimates

As previously stated, the property Tres Marias does not have an identified mineral reserve and potential resource estimates are based solely on opinions of experienced field geologists with nothing more than surface expressions of mineralization and alteration, and those results given from surface geochemical rock and soil sampling.

Continued Exploration and Development

The Company is compiling and evaluating available geological, geochemical, and geophysical data related to the Tres Marias property and is prioritizing all properties in Peru to decide which ones to conduct field work on in 2010.

Surface mapping and sampling completed to date has identified two epithermal systems that show mineralization and alteration which could potentially lead to a resource of interest.

This previous work has produced a proposal for a 20 hole program of diamond drilling to test known targets. The program has been proposed with the principal structures in mind, as well as the testing of high sulphidation targets to the southwest and southeast of the main zone.

Fredito

Project Description and Location

The Fredito property is without known reserves and the work being carried out by the Company is exploratory in nature. The Fredito property covers 2,500 hectares and is located in the Department of Puno in southern Peru. The Property does not represent a producing property and the Company's current operations consist of an exploratory search for mineable deposits of minerals.

The Company has had no revenue from mining operations on the Fredito property to date. The Company currently holds a 100% ownership interest in all claims stemming from reconnaissance exploration work conducted by the company. There are no agreements with third parties or encumbrances associated with them, and to our knowledge there are no pre-existing environmental liabilities.

Mining at Fredito appears to dates back to the Spanish Colonial period. Historical workings on this property are sporadic and they followed high grade vein mineralization. The Company has not been able to obtain any reliable records of past production. There are no extensive mine workings of record, nor tailing ponds, waste deposits or significant improvements.

Physiography, Location and Access

The property is located in the Department of Puno in Southern Peru, 50 kilometres northwest of the nearest airport at Juliaca a town of 220,000 people. The property is truck accessible from Juliaca through a network of paved and gravel roads. It is located at elevations from 4,300 to 4,600 masl and comprises Fredito North consisting of two claims covering 1,100 ha and Fredito South consisting of three claims covering 1,400 ha

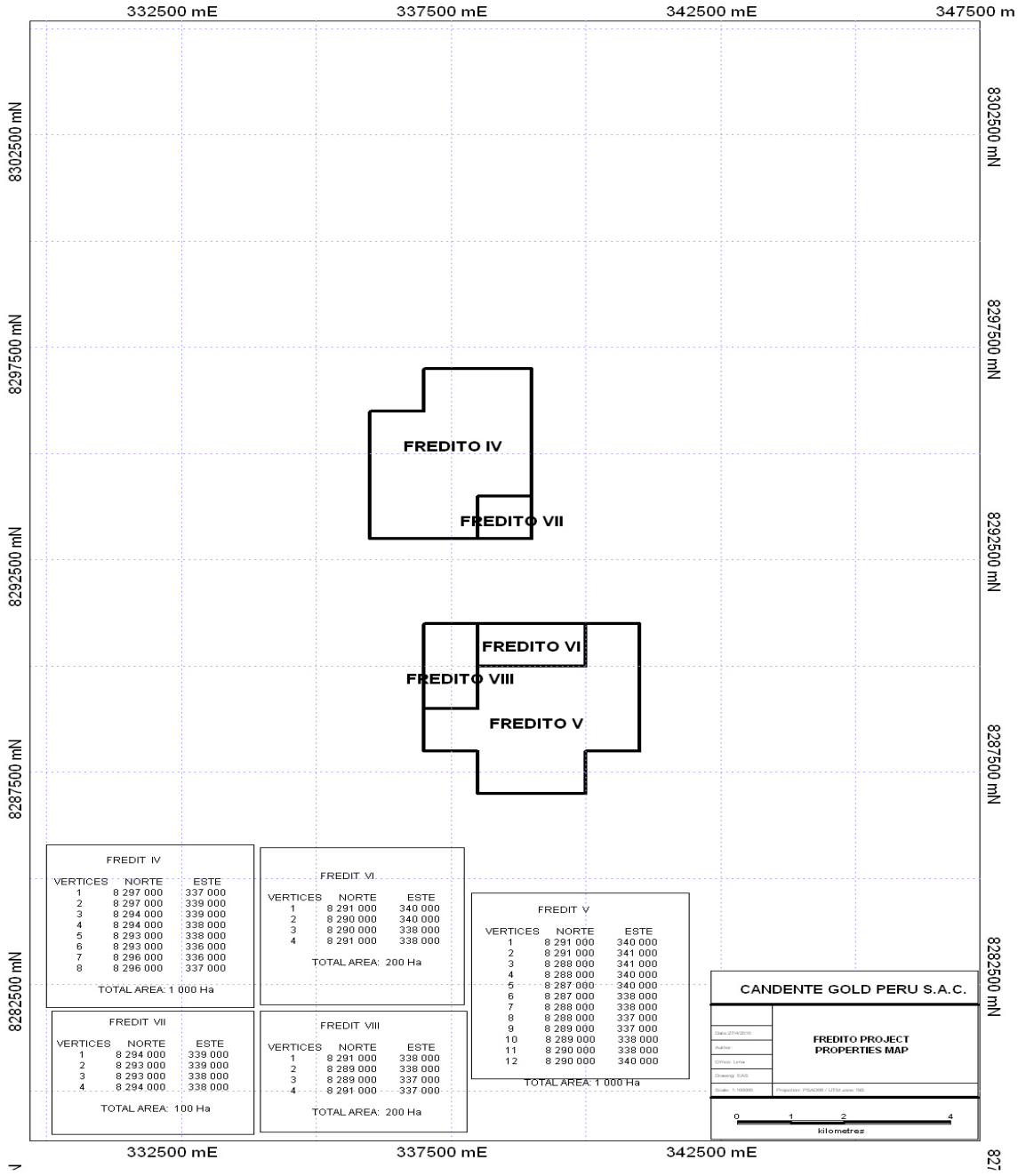
The climate is dry with low precipitation for much of the year. Annual rainfall concentrated over the months of January to March. Vegetation is sparce, and is made up of the low scrub and "ichu" grass that is commonly associated with these elevations.

The dry season brings low night time temperatures and clear sunny days from April through to the month of September. Temperatures can drop below zero and snowfalls are not uncommon, although snow rarely accumulates as precipitation in general is low. In the 3500 to 4500m "puna" climactic zone, yearly average temperatures fluctuate between -8 degrees Celsius and 10 degrees Celsius. In the 2500 to 3500m elevation range, yearly averages are between 0 degrees Celsius and 25 degrees Celsius.

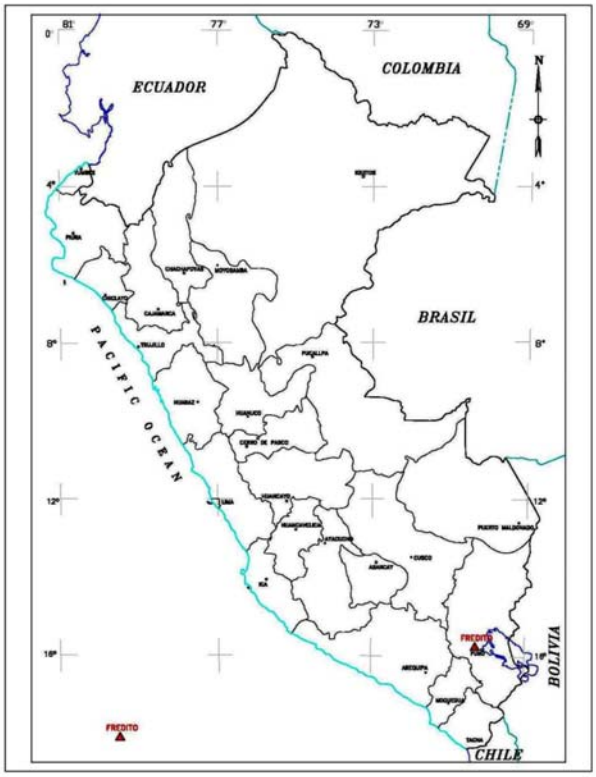
There are extensive open areas suitable for infrastructure, surrounded by mountain peaks that rise above the plains. Distance to closest electrical grid from the Fredito property is from 35 to 40 km to the town of Lampa. Water can be scarce during the dry season but runs freely on surface during the winter months.

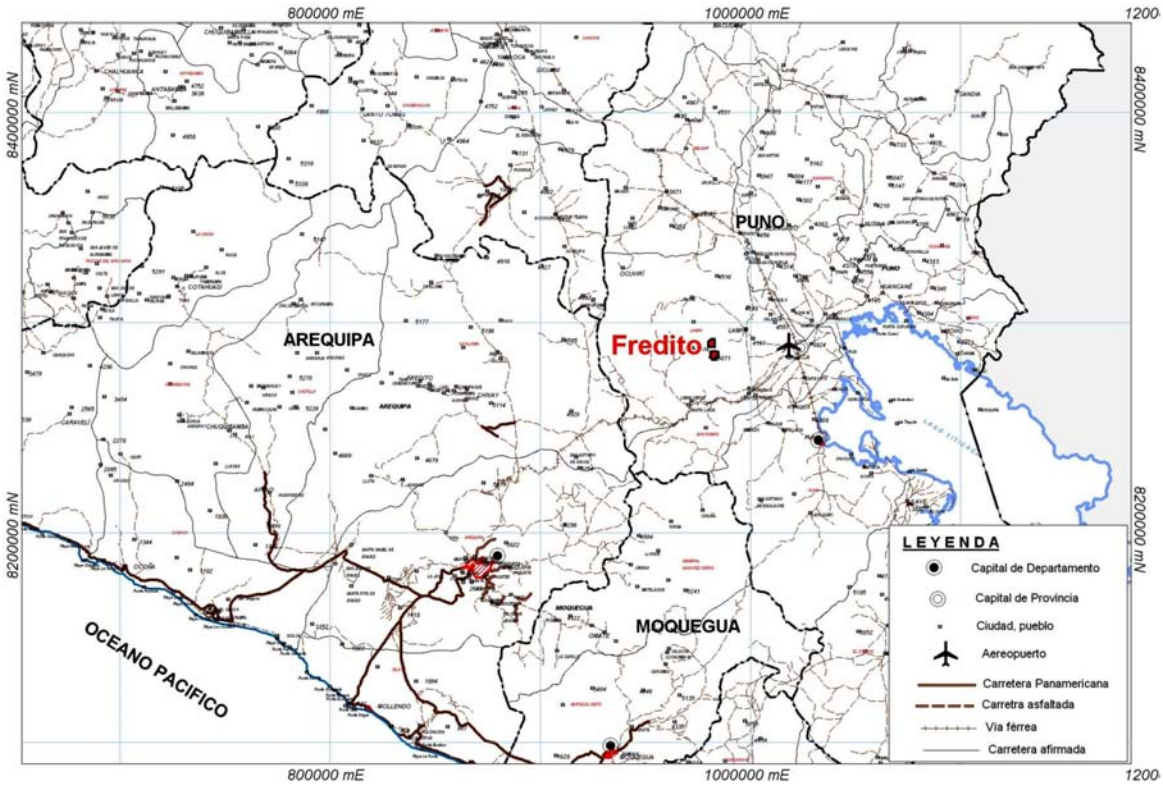
The Fredito property currently consists of five claim blocks totalling approximately 2,500 hectares. The details of those claims are below:

Claim Name Name	Map Sheet	Code	Registration Date	Concession Granted	Hectares Staked
Fredito IV	Ocuviri	01-01254-02	07/22/02	03/17/03	1,000
Fredito V	Ocuviri	01-01287-02	08/01/02	12/12/02	1,000
Fredito VI	Ocuviri	01-01108-04	05/03/04	08/13/04	200
Fredito VII	Ocuviri	01-03515-04	11/03/04	03/30/05	100
Fredito VIII	Ocuviri	01-03514-04	11/03/04	03/30/05	200
					2,500


332500 mE
337500 mE
342500 mE
347500 m
8302500 mN
8297500 mN
8292500 mN
8287500 mN
8282500 mN
FREDITO IV
FREDITO VII
FREDITO VI
FREDITO VIII
FREDITO V
FREDIT IV
VERTICES NORTE ESTE
1 8 297 000 337 000
2 8 297 000 339 000
3 8 294 000 339 000
4 8 294 000 338 000
5 8 293 000 338 000
6 8 293 000 336 000
7 8 296 000 336 000
8 8 296 000 337 000
TOTAL AREA: 1 000 Ha
FREDIT VI
VERTICES NORTE ESTE
1 8 291 000 340 000
2 8 290 000 340 000
3 8 290 000 338 000
4 8 291 000 338 000
TOTAL AREA: 200 Ha
FREDIT V
VERTICES NORTE ESTE
1 8 291 000 340 000
2 8 291 000 341 000
3 8 288 000 341 000
4 8 288 000 340 000
5 8 287 000 340 000
6 8 287 000 338 000
7 8 288 000 338 000
8 8 288 000 337 000
9 8 289 000 337 000
10 8 289 000 338 000
11 8 290 000 338 000
12 8 290 000 340 000
TOTAL AREA: 1 000 Ha
FREDIT VII
VERTICES NORTE ESTE
1 8 294 000 339 000
2 8 293 000 339 000
3 8 293 000 338 000
4 8 294 000 338 000
TOTAL AREA: 100 Ha
FREDIT VIII
VERTICES NORTE ESTE
1 8 291 000 338 000
2 8 289 000 338 000
3 8 289 000 337 000
4 8 291 000 337 000
TOTAL AREA: 200 Ha
CANDENTE GOLD PERU S.A.C.
FREDITO PROJECT
PROPERTIES MAP
0 1 2 4
kilometres

CANDENTE GOLD PERÚ SAC.
Fredito Project Location Map





History

Mining at Fredito appears to dates back to the Spanish Colonial period. Historical workings on this property are sporadic and they followed high grade vein mineralization. The last exploitation was conducted in the 1960's and mine dumps and abandoned camps are still present in the area. The main vein was traced for 1,740 m and its thickness varied between 0.8 m and 5.0 m in the deepest mine workings. The Company has not been able to obtain any records from any previous exploitation.

Candente Copper acquired the Fredito property in 2002 by staking following regional exploration program. Additional claims were added in 2004. Candente Gold acquired the property through the arrangement with Candente Copper.

Geological Setting

The property occurs in the Miocene Tacaza Group (30-17 Ma) volcanic belt of southern Perú which is overlain by younger volcanic units. Low and high sulphidation gold and silver mineralization are known in the area to be hosted in a sequence of andesite volcanic, volcano-sedimentary and lava domes. Mineralization is controlled by an east-west structural trend. Two parallel east-west- trending structures have also been identified on a Landsat image.

The property is located in the same volcanic belt as the Arasi (La Rescatada) high sulphidation gold deposit. The operating Arasi gold deposit is located 43 km to the northwest (1M oz @ 0.9 to 1.5 gpt Au). Other significant deposits in the area include the Berenguela Ag deposit located 23km south of Fredito (Indicated resource - 15.6MT @ 132 gpt Ag, Inferred resource – 6.0MT @ 111.7 gpt Ag) and the El Cofre (Paratia) mine (Ag-Zn-Pb and minor Au).

Exploration

Exploration since 20002 by Candente Copper has included: geological mapping, rock chip sampling and geophysical surveys such as ground magnetic and induced polarization (IP) surveys.

A high suphidation target was covered by ground magnetic and induced polarization (IP) surveys. The magnetic survey showed a low (0.7 km by 1.1 km) proximal to the high sulphidation target in an area of no outcrop. The IP survey showed a high chargeability zone (1.0 km by 0.7 km) over the high sulphidation silica and/or silica-alunite alteration and also within the magnetic low. In high sulphidation systems gold usually occurs in the silica and silica-alunite alteration zones.

Highlights from surface rock sampling include:

3.0m @ 0.11 gpt Au and 373.24 gpt Ag (10.88 opt Ag)
2.0m @ 284.91 gpt Ag (8.31 opt Ag) and 1.21% Cu
0.6m @ 1.14 gpt Au and 99.84 gpt Ag
1.0m @ 0.57 gpt Au and 4.6 gpt Ag
2.0m @ 0.2 gpt Au, 325.03 gpt Ag (9.48 opt Ag) 0.32% Cu and 0.13% Pb (Fredito vein)

Surface rock sampling of the Fredito North claims identified weakly anomalous gold values covering an area of 1.1 km by 2 km with samples assaying up to 225 ppb gold. Very little work has been done in this zone.

Mineralization

On the Fredito South claims two targets have been identified: the Fredito low sulphidation Au-Ag-Pb-Cu-bearing vein and an adjacent high sulphidation zone with Au-Ag-bearing veins and breccias.

The high sulphidation target contains advanced argillic alteration and extends over an area 1100m by 2000m. Silica-alunite alteration is associated with domes, breccias, and to a lesser extent andesitic tuffs. Alteration zones correlate with the presence of structures. Veins are composed of vuggy grey silica with alunite, iron oxides, native sulfur, pyrite, locally enargite, and scorodite. Alteration in the wallrock of the veins consists of silica, alunite, dickite, and locally pyrophyllite.

In the western part of the property a hydrothermal breccia pipe with enargite was mapped. The geological model for this high sulphidation zone as proposed by Greg Corbett, an Australian high sulphidation expert and consultant, is a vuggy silica zone located at the core of a high sulphidation system with silica-alunite at the flanks and top of the zone.

The Fredito low sulphidation vein is located 500m NE of the high sulphidation zone and has been exploited since Colonial times; the last exploitation was conducted in the 1960's and mine dumps and abandoned camps are still present in the area. This vein was traced for 1,740 m and its thickness varied between 0.8 m and 5.0 m in the deepest mine workings. Mineralization in the vein consisted of argentiferous galena, argentite, chalcopyrite, sphalerite, pyrite, and arsenopyrite hosted in gray silica.

Drilling

There has been no drilling by Candente Copper, Candente Gold nor any other known entity on the property.

Sampling, Analysis and Security

Samples were collected on the Fredito claim group and data collected includes sample numbers, location data, rock type, assay results and description of samples. The samples are representative of mineralization on the property and any bias in sampling methodology, if not otherwise noted (ie. selective grab) can be attributed to the focus on favourable mineralization and that un-mineralized zones were intentionally not sampled.

All samples were collected, packaged and shipped under the direct supervision of Minera Oro Candente SA (Candente Copper) geologists.

Samples were collected, labelled and bagged in polyurethane bags along with sample assay tags before being sealed with tape. Individual samples were then collected in large sacks in consecutive series for shipping, never exceeding 50lbs weight allowance. The shipping sacks were also sealed with tape and labelled. Samples were transported in company vehicles from the project site to Lima under the constant supervision of Oro Candente personnel. Upon arrival in Lima the samples were either transported directly to the lab for processing, or picked up from the Candente office by the labs own vehicle service.

Analysis

All geochemical analysis was completed at accredited labs in Peru.

Rock and soil samples were sent to Actlabs, ACME, SGS or CIMM laboratories in Lima, Peru from different sampling programs. All three labs are certified assay laboratories and conform to National

Instrument 43-101 standards for independent assay laboratories. Samples were initially run for 34 element ICP to determine the major-element data. High values of silver (Ag), lead (Pb) and zinc (Zn) were confirmed with geochemical assays. Gold values were determined by Fire Assay with an Atomic Absorption finish at Actlabs, Lima.

Exploration and Development

On the Fredito South claims two targets have been identified: the Fredito low sulphidation Au-Ag-Pb-Cu-bearing vein and an adjacent high sulphidation zone with Au-Ag-bearing veins and breccias.

The high sulphidation target extends over an area 1,100m by 2,000m. The geological model for this high sulphidation zone as proposed by Greg Corbett, an Australian high sulphidation expert and consultant, is a vuggy silica zone located at the core of a high sulphidation system with silica-alunite at the flanks and top of the zone. A ground magnetic low and IP chargeability high anomalies coincide with this target and present excellent drill targets for mineralization. Three diamond drill holes have been recommended to test the high sulphidation silica-alunite alteration zone, and the ground magnetic low and IP chargeability high anomalies.

The Fredito low sulphidation vein is located 500m NE of the high sulphidation zone and has been exploited since Colonial times; the last exploitation was conducted in the 1960's and mine dumps and abandoned camps are still present in the area. This vein was traced for 1,740 m and its thickness varied between 0.8 m and 5.0 m in the deepest mine workings. This vein should also be explored further to determine if the Au-Ag-Pb-Cu mineralization remains open to depth or along strike. If old mining records could be obtained they could assist in determining if the Fredito low sulphidation vein remains open laterally or vertically and if the Au-Ag-Pb-Cu mineralization remains open to depth or along strike. This vein was only covered by one line of the IP survey and showed as a chargeability high so the IP survey should be extended.

A Natural Source Audio Magnetic Telluric (NSAMT) survey would be useful to look for potential adjacent covered veins in structure.

Additional mapping and rock and soil surveys are needed to properly evaluate the mineral potential of the Fredito North claims.

Candente Gold is prioritizing all mineral properties in Peru to determine exploration work for 2010.

DIVIDENDS

The Company has not declared any dividends on its common shares since its inception on April 24, 2010. There are no restrictions in the Company's articles or notice of articles that limits its ability to pay dividends on its common shares. However, the Company does not anticipate declaring and paying dividends to shareholders in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Company's authorized capital consists of an unlimited number of common shares without par value. All common shares of the Company rank equally as to voting, and there are no special preference, conversion or redemption rights attached to any of the shares of the Company. As of **March 31, 2010**, the end of the Company's most recent fiscal year, there were **49,578,327** common shares outstanding.

The Company's common shares trade on the Toronto Stock Exchange under the symbol "**CDG**".

Constraints

There are no constraints imposed on the ownership of securities of the Company to ensure that the Company has a required level of Canadian ownership.

Ratings

The Company has not asked for nor has it received a stability or other rating from any approved rating organizations.

MARKET FOR SECURITIES

Trading Price and Volume

On January 4, 2010 the Company began trading on the TSX. The Company's symbol is "CDG" and its CUSIP number is 13740H100.

Trading history

The following table reflects the monthly high and low trading prices, the month-end closing price and the average daily volume for each month on the TSX for the Company's common shares from January 4, 2010 until March 31, 2010:

Name of Market: Toronto Stock Exchange (Cdn$)

Month	High	Low	Close	Volume
January 2010	0.99	0.60	0.95	1,334,445
February 2010	1.11	0.75	0.87	550,730
March 2010	0.86	0.75	0.76	401,270

The price of the Company's common shares on the Toronto Stock Exchange at the close of the business on March 31, 2010 was Cdn$0.76 per share and on June 29, 2010 was Cdn$0.74 per share.

Prior Sales

In December 2009, the Company completed a private placement of 22,570,327 units at a price of Cdn$0.40 per unit. Each unit consists of one common share and a one half share purchase warrant. Each full warrant is exercisable at a price of Cdn$0.60 to purchase one additional common shares until January 4, 2012. In connection with the placement, the Company issued 735,345 broker warrants to some of the agents involved entitling them to purchase up to 735,345 shares of the Company at a price of Cdn$0.60 per share until January 4, 2012.

None of the warrants issued by the Company are listed for trading on a stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUALRESTRICTION ON TRANSFER

There were no escrowed securities at March 31, 2010.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The Company's current Board of Directors consists of six directors. The term of office for each director expires at the annual general meeting subsequent to that at which he or she was elected. The following is a summary description of the business experience of each director and executive officer for at least the last five years. The description indicates each person's principal occupation during the five-year period, and the name and principal business of the organization by which they were employed or with which he/she is/was involved as an officer, director or beneficial owner of securities with more than a 10% voting position.

Joanne C. Freeze, President and Chief Executive Officer and Director

Ms. Freeze has been a director, Chief Executive Officer and President of the Company since its inception on April 24, 2009. Ms. Freeze obtained a B.A. in Geography from the University of Western Ontario in 1978 and a B.Sc. in Geology from the University of British Columbia in 1981. She is a Fellow Member of the Geological Association of Canada and a member of the Association of Professional Engineers and Geoscientists of British Columbia, Canada. Ms. Freeze is a professional geologist with more than 25 years of exploration, business and entrepreneurial experience throughout North and South America. She has also been a co-owner of Stillwater Enterprises Ltd., since December 1985 and the principal of Ridley Rocks Inc. since January 2010, both private consulting companies. Since entering the mineral exploration business in 1979, Ms. Freeze has managed exploration programs and evaluated projects for both junior and major international mining companies such as Queenstake Resources Ltd., Arequipa Resources Ltd., Mountain Province Mining Inc., Placer Dome Inc., Dia Met Minerals Corp., Hughes/ Lang Group and Utah Mines Ltd. (BHP). Ms. Freeze lived and worked in Peru from 1994 to 1997 where she carried out both project generation work and property evaluations for Canadian and Peruvian companies. In 1997 Ms. Freeze co-founded Candente Copper as a private company, took it public on May 15, 2000, and currently is the CEO and a director

Peter K.M. Megaw, Independent Director

Mr. Megaw has been a director of the Company since May 12, 2009.

Mr. Megaw is a professional geologist with more than 30 years of international exploration experience. He is one of the founding principals of IMDEX Inc., a private geological consulting company and has been President since 1988. Mr. Megaw has been instrumental in the discovery of several mutli-million ounce silver deposits including Excellon Resources, Inc.'s Platosa mine and MAG Silver Inc.'s Fresnillo, Batopilas and Santa Eulalia properties. Mr. Megaw is a Certified Professional Geologist by the American Institute of Professional Geologists and Arizona Registered Geologists. Mr. Megaw has also been a director of MAG Silver Inc. since 2006.

Darin W. Wagner, Independent Director

Mr. Wagner has been a director of the Company since January 11, 2010.

As President of Sydney Resource Corp., Mr. Wagner directed the merger of Sydney and Band-Ore Resources Inc. to form West Timmins Mining Inc. ("WTM") in September 2006. As President, CEO and a Director of WTM, Mr. Wagner lead exploration through discovery of the high-grade Thunder Creek Zone in Timmins, Ontario and the ultimate sale of WTM to Lake Shore Gold Inc. for $385 million in late

2009. He also currently acts as a technical advisor to Mag Silver Corp. and to Platinum Group Metals Ltd.

Andrew L. Smith, Independent Director

Mr. Smith has been a director of the Company since April 24, 2009.

Mr. Smith is a professional geologist with more than 20 years of experience successfully exploring, developing and operating gold, silver copper, lead, zinc and gemstone mining projects. In 1998, Mr. Smith began to focus his activities on economic evaluation of advanced exploration and development projects for junior exploration and mining companies. He is co-founder and Chairman of True North Gems Inc. since 2001 and is President and Chief Executive Officer of Canaco Resources Inc. since 2004. From 1985 and 1998 supervised the development of Sleeping Giant and Beaufor gold projects for Aurizon Mines Ltd. In 1994 was the co-recipient of the "Mining Entrepreneur of the Year Award" presented by the Quebec Prospector's Association for his work overseeing the exploration and development of Sleeping Giant and Beaufor gold mines.

Larry D. Kornze, Independent Director

Mr. Kornze has been a director of the Company since May 12, 2009.

Mr. Kornze is a professional engineer with more than 35 years of international exploration and development experience. He was General Manager Exploration from 1985 until his retirement in 2001 with Barrick Gold Corp. Mr. Kornze was Chief Geologist and Project Development Geologist at the Mercur Gold Mine/Project for Getty Mining Company from 1981 until 1985.

Andres J. Milla, Independent Director

Mr. Milla has been a director of the Company since January 20, 2010.

Also a director of Candente Copper Corp., since July 2009. He graduated from Universidad del Pacífico, Lima, Perú and has a Master in Economics from Boston University. He has over 15 years of experience in investment banking and capital market transactions, and has been an Associate with First Capital Partners, Peru since 2008. He was a member of the Board of the Lima Stock Exchange from 2006 until March 2008 and general manager of Credibolsa SAB, main broker agent of the Peruvian stock market, from 2006 to August 2008. Mr. Milla was also the Capital Markets Project Manager in the Finance Area of Banco de Crédito del Perú from 2000 to 2005.

Prior to this, he was a member of the Cabinet of Advisors of the Ministry of Economy and Finance of Peru and Head of Fixed Income of the Analysis Department of the Capital Market Division of Banco de Credito. Throughout his career he has participated in several prominent corporate finance operations in Peru, worth in excess of US$2 billion. As part of his involvement with the capital market of Perú, he has been also a Director of the Bolsa de Productos del Perú (Commodity Exchange in Peru) and Director of Cavali ICLV S.A., clearing and settlement institution of the Peruvian Stock Market.

Sean I. Waller, Vice President

Mr. Waller has been an officer of the Company since May 12, 2009. Mr. Waller is the President and a director of Candente Copper.

Mr. Waller is registered Professional Engineer with more than 25 years of experience in mining project management, evaluation, design and operation. Prior to joining the Company he was with AMEC Americas Limited Mining Division ("**AMEC**") in Vancouver where he held the positions of Vice President of Business Development and Senior Project Manager. Prior to AMEC, Mr. Waller worked with Knelson Gravity Solutions and SNC-Lavalin's Mining Division in management and senior technical roles. Mr. Waller also previously worked for Freeport-McMoran at its Grasberg operation in Indonesia. Mr. Waller is a member of the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") and is currently CIM Vice President for District G.

Mark J. Pryor, VP Exploration

Mr. Pryor has been an officer of the Company since January 28, 2010.

Mr. Pryor, Pr.Sci.Nat., has 25 years of experience in international gold exploration with Anglo American in Southern Africa; Monarch Resources, Viceroy and Minefinders in Mexico; and Placer Dome in Mexico, Africa and Eurasia. He has been exploring for gold in Mexico since 1995, including guiding the discoveries of the San Sebastian, La Pitarrilla and San Agustin gold/silver deposits while Exploration Manager for Monarch Resources.

In addition, Mr. Pryor oversaw the 2002 to 2004 El Oro district wide exploration program for Placer Dome, which led to the ore deposit modeling and projection of potential down dip extensions to the bonanza grade gold and silver ore shoots below the old workings within the El Oro and Esperanza Mine leases.

W. John Foulkes, Vice President Corporate Development

Mr. Foulkes has been an officer of the Company since January 28, 2010.

Mr. Foulkes brings to the Company over 10 years of experience managing Corporate Development and Investor Relations programs for Canadian and US public companies. From 2003 through 2008 he was the Manager of Corporate Development for Platinum Group Metals Ltd. (PTM:TSX), where he helped raise over C$40 million and grow the company from an early stage exploration company into one of South Africa's most promising potential platinum producers. Mr. Foulkes was also actively involved in the Corporate Development and Investor Relations programs of MAG Silver (MAG:TSX) and West Timmins Mining, now Lakeshore Gold (LSG:TSX),throughout his tenure with the group.

Prior to his corporate activities, Mr. Foulkes had a notable seven-year career as an exploration geologist, including leading the exploration teams that discovered the Jericho and Gahcho Kué diamond mines in the Canadian Arctic. He holds Bachelor degrees in Geology and Education from the University of British Columbia.

Aurora Davidson, Chief Financial Officer

Ms. Davidson has been an officer of the Company since May 12, 2009.

Ms. Davidson holds a Certified General Accountant designation from the Certified General Accountants Association of British Columbia and a BSc in Business Administration from Alliant International University in San Diego, California. She has over 18 years of experience in financial and general business management assisting private and public companies in the roles of Chief Financial Officer, Vice-president, Finance and Corporate Controller within the mining and high technology sectors. Since 2003,

Ms. Davidson has focused on providing part-time CFO services predominantly to companies in the mining sector, including Amerigo Resources Ltd.

Maria Eugenia (Lola) Montagne, Corporate Secretary/Treasurer

Ms. Montagne has been Corporate Secretary and Treasurer of the Company since May 12, 2009.

Ms. Montagne has been the Corporate Secretary, Treasurer and Officer of Candente Copper since July 2002. Prior to joining Candente Copper she held the position of Executive Assistant with Manhattan Minerals Corp. from 1994 until 1998. Ms. Montagne was born and educated in Peru and is fluent in Spanish.

The table below sets out further particulars required to be disclosed:

Name and municipality of residence	**No. of common shares beneficially owned, directly or indirectly, or controlled (3)**		**No. of securities held on a fully-diluted basis (3)**
Joanne C. Freeze Vancouver, BC, Canada	261,185 (1) 309,200 (2)	Shares: Warrants Stock options: Total:	570,385 128,252 565,000 ***1,263,637***
Peter K.M. Megaw Tucson, AZ, USA	4,400 (1) 500,000 (2)	Shares Warrants Stock options Total	504,400 250,000 250,000 ***1,004,400***
Darin W. Wagner Maple Ridge, BC, Canada	12,000 (1)	Shares Warrants Stock options Total	12,000 NIL 250,000 ***262,000***
Andrew L. Smith Vancouver, BC, Canada	10,000 (1)	Shares: Warrants: Stock options: Total:	10,000 NIL 200,000 ***210,000***
Larry D. Kornze Eagle, Idaho, U.S.A.	302,000 (1)	Shares: Warrants: Stock options: Total:	302,000 125,000 250,000 ***677,000***
Andres J. Milla Lima, Peru	52,200 (1)	Shares: Warrants: Stock options: Total:	52,200 20,000 150,000 ***222,200***
Sean I. Waller North Vancouver, BC, Canada	16,000 (1)	Shares: Warrants: Stock options: Total:	16,000 NIL 400,000 ***416,000***
John Foulkes Vancouver, BC, Canada	NIL	Shares: Warrants: Stock options: Total:	NIL NIL 150,000 ***150,000***

Mark J. Pryor United Kingdom	NIL	Shares: Warrants: Stock options: Total:	NIL NIL 250,000 ***250,000***
Aurora Davidson Vancouver, BC, Canada	NIL	Shares: Warrants: Stock options: Total:	NIL NIL 100,000 ***100,000***
Maria Eugenia (Lola) Montagne North Vancouver, BC, Canada	28,550 (1)	Shares: Warrants: Stock options: Total:	28,550 NIL 198,000 ***226,550***

(1) Shares are common shares held directly
(2) Shares are common shares held indirectly
(3) As of March 31, 2010.

The directors and officers of the Company in the aggregate beneficially owned, directly or indirectly, or exercised control or direction or direction of 1,495,535 common shares or 3.01% of the issued and outstanding 49,578,327 shares as at March 31, 2010.

Committees:

Audit Committee Charter

The Audit Committee Charter is attached as Schedule "A" to this Annual Information Form. This charter was adopted by the Audit Committee and the Board of Directors.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Andres J. Milla, Chairman of Committee	Independent Director	Financially Literate	Appointed February 15, 2010
Larry D. Kornze	Independent Director	Financially Literate	Appointed January 20, 2010
Darin W. Wagner	Independent Director	Financially Literate	Appointed January 20, 2010

Relevant Education and Experience

The following table discloses the relevant education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member:

Andres J. Milla (Chairman)	Mr. Milla´s main experience is in the finance area, where he has been working during the past 15 years, with extensive knowledge of capital markets. He has been on the board of directors of the Bolsa de Valores de Lima (Lima Stock Exchange) and of several publicly listed companies, including Candente Copper. Mr. Milla is currently a member of the audit committee and board of Candente Copper. He is an economist, familiar with project financing and understands the financial statements and financial issues affecting mining companies.
Larry D. Kornze	Mr. Kornze has been in the mining business for more than 40 years and at the senior management level of public companies for in excess of 20 years. He is an economic geological engineer familiar with the evaluation and feasibility of mining projects and understands the financial statements and financial issues affecting mineral exploration and mining companies.
Darin W. Wagner	Mr. Wagner has been in the mineral exploration and development business for more than 20 years and at the senior management level of public companies for close to 10 years. He holds a Masters degree in economic geology and as an experienced economic geologist is familiar with the economic evaluation of exploration and mining projects and understands the financial statements and financial issues affecting mineral exploration and mining companies.

Composition of the Compensation Committee

The following are the members of the Compensation Committee:

Andrew L. Smith	Independent Director	Appointed on January 20, 2010
Peter K.M. Megaw	Independent Director	Appointed on January 20, 2010
Darin W. Wagner, Chairman of Committee	Independent Director	Appointed on June 25, 2010

Reliance on Certain Exemptions

At no time has the Company relied on the exemptions in Section 2.4 of MI 52-110 (*De Minimis Non-Audit Services*), Section 3.2 of MI 52-110 (*Initial Public Offerings*), Section 3.4 of MI 52-110 (*Events Outside the Control of Member*), Section 3.5 of MI 52-110 (*Death, Disability or Resignation of Audit Committee Member*) or an exemption from Multilateral Instrument 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of MI 52-110.

Reliance on Exemption in Subsection 3.3(2) or Section 3.6

At no time has the Company relied on the exemptions in Subsection 3.3(2) (*Controlled Companies*) or Section 3.6 of MI 52-110 (*Temporary Exemption for Limited and Exceptional Circumstances*).

Reliance on Section 3.8

At no time has the Company relied upon Section 3.8 of MI 52-110 (*Acquisition of Financial Literacy*).

Audit Committee Oversight

At no time was a recommendation of the Company's audit committee to nominate or compensate an external auditor not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Relationship with External Auditor" of the Audit Committee Charter set out in Schedule "A" to this Annual Information Form.

External Auditor Service Fees (By Category)

The table below sets out details concerning all fees billed by the Company's external auditor in respect of its first fiscal year which ended March 31, 2010. In the table "Audit Fees" are fees billed by our external auditor for services provided in auditing our financial statements for the fiscal year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditor for products and services not included in the foregoing categories.

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
March 31, 2010	Cdn$27,500 [(1)]	-	-	-

[(1)] Estimated fees, not yet finalized or billed to the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's directors or executive officers or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF or has been, within the ten years before the date of this AIF, a director or executive officer of any company, that while that person was acting in that capacity;

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with

creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder; or

(c) has been subject to:

(i) any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of our officers and directors may be or become associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. Our directors and officers are required by law to act honestly and in good faith with a view to our best interests and to disclose any interest which they may have in any of our projects or opportunities. In general, if a conflict of interest arises at a meeting of the board of directors, any director or officer in a conflict will disclose his or her interest and abstain from voting on such matter or, if he or she does vote, his or her vote will not count. In determining whether or not we will participate in any project or opportunity, the directors will primarily consider the degree of risk to which we may be exposed and our financial position at that time.

PROMOTERS

Not applicable.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of any current legal proceedings against it or its properties as of the date of this Annual Information Form.

Legal Proceedings/Regulatory Actions

(a) There are no legal proceedings imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's financial year

(b) There are no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and

(c) There are no settlement agreements the Company entered into with a court relating to securities legislation or with securities regulatory authority during the Company's most recent financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Not applicable.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Investor Services Inc., located at 2nd Floor, 510 Burrard Street, Vancouver, B.C., Canada V6C 3B9. The telephone number is (604) 689-9853 and the Facsimile number is (604) 689-8144.

MATERIAL CONTRACTS

There are no material contracts required to be filed as defined in National Instrument 51-102.

INTEREST OF EXPERTS

Names and Interest of Experts

D+H Group LLP, Chartered Accountants ("**D+H**"), of 10th Floor, 1333 West Broadway, Vancouver, British Columbia, Canada V6H 4C1 are the Company's auditors D+H audited the annual financial statements of the Company for the year ended March 31, 2010. D+H reports that it is independent from the Company in accordance with the rules of professional conduct in British Columbia.

Mark Pryor, B.Sc (Hons.) FGS, FSEG, Pr.Sci.Nat, and Candente Gold's VP Exploration, is a "qualified person" as defined in NI 43-101. Mr. Pryor held no common shares of the Company and no options to purchase common shares in the capital of the Company when he was involved in preparing the 43-101 Technical Report on the El Oro Property filed on Sedar on January 4, 2010. Other than as set out in this AIF, and as disclosed in all other documents filed by the Company on Sedar, Mark Pryor when or after he prepared the Technical Report, has not received nor is about to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by them) or is or is expected to be elected, appointed or employed for the first time as an officer of the Company or of any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's financial statements and MD&A for its most recently completed financial year.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interest of insiders in material transactions, where applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors, and that additional financial information is provided in the Company's comparative financial statements for its most recently completed financial year.

Dated at Vancouver, British Columbia this **29th** day of **June 2010**.

"Joanne C. Freeze"
Joanne C. Freeze, President & CEO

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee is elected by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

A. Oversee the process of selecting and appointing an auditor.

B. Oversee the conduct of the audit.

C. Identify and monitor the management of the principal risks that could impact the financial reporting of the Company.

D. Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance.

E. Ensure the independence of the Company's auditor in accordance with applicable standards and monitor his performance.

F. Provide an avenue of communication among the Company's auditors, management and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

II. COMPOSITION AND QUORUM

A. The Audit Committee shall consist of a minimum of three independent directors and shall be elected at the first meeting of the Board after any Annual General Meeting.

B. The Chair of the Audit Committee shall be elected by the Audit Committee from among their number and shall be financially literate.

C. The members of the Audit Committee other than the Chair shall also be financially literate, subject to the exception that the Board of Directors may appoint to the Audit Committee any independent director who is not financially literate on the condition that such director become financially literate within a reasonable amount of time following his or her appointment to the Audit Committee and provided that the Board of Directors at the time of such appointment determine in writing (as evidenced by the Board's consent resolution or minutes of the Board meeting appointing such director to the Audit Committee) that the reliance on such exception from the requirement that all members of the Audit Committee be financially literate will not materially adversely affect the ability of the Audit Committee to satisfy the requirements of applicable corporate and securities laws pertaining to audit committees, including Multilateral Instrument 52-110.

D. A quorum for the transaction of business at all meetings of the Audit Committee shall be a majority of members.

III. DUTIES OF THE CHAIR OF THE AUDIT COMMITTEE

A. Lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the Terms of Reference established by the Board.

B. Report to the Board of Directors on the outcome of the deliberations of the Audit Committee and periodically report to the Board of Directors on the activities of the Audit Committee.

C. Meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

IV. TERMS OF REFERENCE

A. The Audit Committee must recommend to the Board of Directors:

(a) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

(b) the compensation of the auditor.

B. The Audit Committee must determine the scope and terms of reference of the audit engagement and the process by which and the terms under which the auditor formally reports to the Company.

C. The Audit Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

D. The Audit Committee must pre-approve all non-audit services to be provided to the Company or any subsidiary of the Company by the Company's auditor.

E. The Audit Committee must determine that the audit fees charged by the auditor with respect to the audit are, in the opinion of the Audit Committee, appropriate in relation to the work required to support an audit opinion, without regard to fees that are paid, payable or might be paid to the auditor for other services.

F. The Audit Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

G. The Audit Committee shall prepare annually a report to the shareholders describing the steps it has taken to ensure that the auditor is independent of the Company, including:

(a) the policies and procedures followed so that any contracts for non-audit services with the auditor do not compromise the auditor's independence; and

(b) the nature of any non-audit service contracts with the auditor and the amount of the related fees.

H. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived it from the Company's financial statements, other than the public disclosure referred to in paragraph E above, and must periodically assess the adequacy of those procedures.

I. The Audit Committee will review all post-audit or management letters containing the recommendations of the Company's auditor and management's response/follow-ups in respect of any identified weakness.

J. The Audit Committee will have the right, for the purpose of performing its duties, to inspect all of the books and records of the Company and its affiliates and to discuss such accounts and records and any matters relating to the financial position or condition of the Company with the officers and auditors of the Company and its affiliates.

K. The Audit Committee must establish procedures for:

(a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) Confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.

L. The Audit Committee must establish and monitor compliance with the Company's policies regarding:

(a) The auditor's provision of services beyond the scope of the Company's audit; and

(b) The Company's hiring of partners, employees and former partners and employees of the present and former external auditor of the Company to fill senior officer positions of the Company.

M. The Audit Committee will have such other duties, power and authorities, consistent with applicable corporate and securities laws, as the Board may, by resolution, delegate to the Audit Committee from time to time.

V. REGULATIONS

The following regulations shall apply to the proceedings of the Audit Committee:

A. The Audit Committee shall meet on such dates as the Chair of the Audit Committee determines. Notice of any meeting shall be given by letter, telecopy, email or other means of recorded electronic communication or by telephone not less than 24 hours before the time fixed for the meeting. Members may waive in writing notice of any meeting before or after the holding thereof.

B. The business of the Audit Committee shall be transacted either at meetings thereof or by conference telephone or other communications facilities that permit all persons participating in

the meeting to hear each other, or by resolution in writing. All questions at a meeting shall be decided in accordance with the vote of a majority of those present and the Chair of the meeting shall not have a second or casting vote.

C. A resolution in writing signed by all members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee shall be as valid as if it has been passed at a duly called and constituted meeting. Such resolutions in writing may be in one or more counterparts, all of which, when taken together, shall be deemed to constitute one resolution.

D. The auditor of the Company shall, at the expense of the Company, be entitled to attend and be heard at any meeting of the Audit Committee.

E. The Audit Committee shall meet with the auditor regularly at a frequency that is reasonable in the circumstances and when otherwise reasonably necessary, without management present, to determine whether there are any disagreements between the auditor and management relating to the Company's financial disclosure and, if so, whether those issues have been resolved to the auditor's satisfaction.

F. The auditor and senior management of the Company shall have the opportunity to meet separately with the Audit Committee.

G. The minutes of the proceedings of the Audit Committee and any resolutions in writing shall be kept in a book provided for that purpose which shall always be open for inspection by any director of the Company.

H. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such advisors.

I. Subject to the foregoing, the calling, holding and procedure at meetings of the Audit Committee shall be determined from time to time by the Audit Committee.

DATED: June 25, 2010