CANDENTE GOLD CORP.

Management Discussion and Analysis
From Incorporation on April 24, 2009 to March 31, 2010

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") for Candente Gold Corp. ("Candente Gold") and its subsidiary companies (collectively, the "Company") is prepared as of June 25, 2010 and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended March 31, 2010 ("fiscal 2010"), which were prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. The Company's accounting policies are set out in Note 2 of the audited consolidated financial statements.

All the financial information presented in this document is expressed in U.S. dollars, unless otherwise noted.

Candente Gold's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "CDG".

Additional information on the Company can be found in the Company's Annual Information Form ("AIF"), filed with the Canadian regulators and available on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

Candente Gold is a Vancouver, Canada, based mineral exploration company which has an interest in the El Oro project in Mexico ("El Oro") and in various gold-silver properties in Peru. The Company conducts its operations through wholly-owned subsidiaries.

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

The El Oro project is the Company's highest priority project.

CORPORATE DEVELOPMENTS

On April 24, 2009, Candente Copper Corp. ("Candente Copper", formerly Candente Resource Corp.) and Canaco Resources Inc. ("Canaco") created Candente Gold.

On April 30, 2009, Candente Copper and Canaco completed the transfer to Candente Gold of their respective 50% interests in Minera CCM, S.A. de C.V. ("CCM"), the Mexican company that holds an option on El Oro (the "Option"). As consideration for the transfer of the El Oro interests, Candente Gold issued 5 million common shares and a promissory note 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), 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 the 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.

In addition, on December 17, 2009, Candente Copper transferred its Peruvian gold-silver properties (the "Properties") to Candente Gold and on January 6, 2010, the Company issued 13,500,000 common shares to Candente Copper in return for the transfer of the Properties. Other consideration for the exchange of the Properties included the granting by the Company of a copper net smelter return royalty to Candente Copper. In addition, Candente Gold agreed to issue to Candente Copper an additional 10,000,000 of its common shares once a minimum of US$5 million has been spent cumulatively by Candente Gold on the Properties. The Company accounted for the consideration in respect of the 13,500,000 Candente Gold shares at a value of $4,422,011, comprised of the Candente Copper carrying cost of $4,663,251 less $241,240 due in cash to Candente Copper in respect of annual license costs paid for the Properties in 2009 by Candente Copper.

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 24.06% of the exercise price on the exercise price of the Copper Warrants, based on a predetermined formula that considered the weighted average prices of Candente Copper and Candente Gold on the first five days of Candente Gold's trading on the TSX.

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. A total of 474,600 of these options were forfeited before March 31, 2010. The Company will receive 24.06% of the exercise price on the exercise of the Copper Options, based on a predetermined formula that considered the weighted average prices of Candente Copper and Candente Gold on the first five days of Candente Gold's trading on the TSX.

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 Warrants were valued by the Company at $1,624,195. 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 Agents' Warrants issued as finders' fees were valued by the Company at $105,834.

The Company posted a loss in the period 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.

CANDENTE GOLD EXPLORATION PROJECTS

EL ORO

El Oro is located in central Mexico, and includes historic mines which are past producers of gold and silver. On May 5, 2006, CCM, Candente Copper and Canaco entered into a letter agreement (the "2006 Agreement") with Luismin, S.A. de C.V. ("Luismin") and Desarrollos Mineros San Luis, S.A. de C.V. ("Desarrollos"), subsidiaries of Goldcorp Inc., that provided CCM with an option (the "Option") to acquire up to a 70% undivided interest in El Oro, subject to a 40% back-in right, in 24 mining concessions comprising approximately 14,950 hectares located in the states of Mexico and Michoacan, Mexico. Certain exploration and mining concessions included in El Oro are subject to net smelter returns royalties. 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.

A total of $1,000,000 in exploration expenditures were made on El Oro by November 30, 2007, and on or before November 30, 2008 Candente Copper and Canaco issued to Luismin a total of 125,000 shares in each of their respective registered capital, all as required by the 2006 Agreement as part of the consideration for the exercise of the First Option.

In two separate letter agreements dated February 2, 2009 (the "February 2009 Agreement") and September 30, 2009 (the "September 2009 Agreement"), the parties agreed to certain amendments to the 2006 Agreement. The most significant change was the removal of the back-in right on the historic mining area which covers all known gold and silver bearing veins. 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;

- 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;

- 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.

El Oro is a district scale gold project encompassing one of the largest and most prolific high grade gold dominant epithermal vein systems in Mexico. The El Oro district includes over 50 known veins, but the bulk of the historic district production of 6.4 million ounces of gold and 74 million ounces of silver came from just two of these veins.

Candente Gold has begun an underground drifting and drilling program targeting extensions to the high-grade bonanza zones in the first of these two veins – the San Rafael vein – which historically produced over 4 million ounces of gold and 44 million ounces of silver from only the uppermost 150 to 250 metre levels. Mine grades averaged 10 to 12 g/t gold and 120 to 160 g/t silver and reached as high as 50 g/t gold and 500 g/t silver in the San Rafael vein.

Candente Gold believes that the San Rafael vein system is analogous to other epithermal vein systems mined in Mexico such as the Fresnillo, Guanajuato, and Pinos Altos mines where gold and silver occurs over 600 to 1200 metres vertically.

Candente Gold will also concurrently begin a thorough, modern, systematic program of exploration of other known veins, and potential additional veins in the El Oro gold district as well as on their Peruvian gold and silver properties in 2010.

In February 2010 exploration activity by Candente Gold began on the El Oro site. Following the filing of environmental permitting and agreements with local surface rights owners, work began on the cleaning and safety of the San Juan adit located in the southern portion of the San Rafael Vein. The adit is being used to access the San Rafael vein. The first stage of drilling comprises short holes in the footwall to the vein to evaluate the Remnant Resource above the water level in this portion of the vein.

Following the first stage of drilling, work will be carried out to continue the tunnel through the vein into the hanging wall to enable deep drilling of the San Rafael vein below historic working. Coincident with the underground work a surface drilling program has begun in the Zona Oriente region where the combination of geophysical, geochemical as well as a single outcrop (Andrea vein) have highlighted a series of structures that may represent vein zones.

Mark Pryor, Pr.Sci.Nat., Vice President Exploration, Sean Waller, P.Eng., Vice President and Joanne C. Freeze, P.Geo., President and CEO, are the qualified persons responsible for the review of El Oro technical information.

PERUVIAN GOLD-SILVER PROPERTIES

The main Peruvian gold-silver properties transferred from Candente Copper are listed below. The following disclosure has been prepared by or under the supervision of Sean I. Waller, Vice President of the Company and Joanne C. Freeze, President, CEO and director of the Company, both of whom are qualified persons for the purposes of NI-43-101. All of these properties are 100% owned by the Company and are without reserves. Candente Gold's current operations on these properties consist of an exploratory search for mineable deposits of minerals, and previous work completed by Candente Copper on these properties was exploratory in nature.

Tres Marias

The Tres Marias property occurs within the Puno epithermal gold-silver belt that hosts the Aruntani deposit owned by Aruntani SAC, the Corani deposit owned by Bear Creek Mines and the Santa Ana deposit owned by Bear Creek Mines.

The Tres Marias project offers potential for extending to depth and along strike of high grade gold-silver-lead-zinc vein systems and discovery of new gold-silver vein or bulk tonnage deposits in two under-explored high sulphidation gold-silver targets.

Candente Gold is compiling and evaluating available geological, geochemical, and geophysical data related to the Tres Marias property. The Pataqueña vein system is ready for drill testing but prior to drilling it is recommended that the area of the vein system be covered by a Natural Source Audio Magnetic Telluric survey (NSAMT) which might help better define the known veins/structures and also possibly locate other hidden structures with veins. Detailed mapping and rock and soil geochemical sampling is recommended on the Soracha and San Francisco zones to define drill targets.

Lunahuana

Lunahuana is a 5,387 hectare disseminated gold-copper exploration project located in central Peru. The Lunahuana property was formerly known as the Columbia property.

Oro Queropalca

The Oro Queropalca property hosts abundant vein and disseminated gold-silver mineralization in surface showings that gave highly anomalous gold and silver assays. The property has potential to host epithermal gold-silver deposits and mantos style silver-lead-zinc deposits.

Alto Dorado/Toril

Alto Dorado is a 9,400 hectare exploration stage gold project located in the Department of La Libertad in northern Peru. The Company's interest in the Alto Dorado property is based on earlier exploration work by Candente Copper.

The Brujas-Picota Project

The property covers extensive areas of argillic, phyllic, advanced argillic (dickite, alunite, pyrophyllite), silicification (locally vuggy to grey silica) alteration with gold-silver-bearing veins, breccias and structures. The project has potential to host high sulphidation type gold-silver deposits within large areas of vuggy silica and advanced argillic alteration with gold-silver-bearing veins, breccias and structures. The exploration targets include six zones with gold-silver bearing veins, breccias and structures and areas between the six zones which have had little exploration. The property has only had very preliminary exploration.

The property lies just northeast of Buenaventura's La Zanja high sulphidation gold deposit and 12 km west of the Tantahuatay porphyry gold deposit owned by Grupo Mexico and Buenaventura.

(Expressed in U.S. Dollars, Unless Otherwise Noted)

Las Brujas Claims

Rock samples returned anomalous values of gold (up to 1.57gpt over 10 meters), antimony (up to 570ppm), arsenic (up to 3,680ppm), barium (up to 1,860ppm), silver (up to 22.4gpt), mercury (>100,000ppb), as well as elevated copper (up to 681ppm), lead (up to 836ppm) and zinc (up to 1,135ppm). Silt samples also returned anomalous gold, silver, mercury, barium and arsenic values.

Fredito Project

The property covers a large geophysical target partially overlying a gold-silver-bearing zone of high sulphidation alteration, proximal to a gold-silver-lead-zinc-bearing low sulphidation vein system exploited since colonial times.

The property is located in the same volcanic belt as the operating Arasi (La Rescatada) high sulphidation gold deposit. Other significant deposits in the area include the Berenguela Ag deposit located 23km south of Fredito and the El Cofre (Paratia) mine (Ag-Zn-Pb and minor Au).

Las Sorpresas

Las Sorpresas is an exploration stage epithermal high sulphidation gold-silver project located southeast of the Yanacocha district in northern Peru. Candente Copper's interest in the Las Sorpresas property stemmed from earlier exploration work, as described below, that was done in the area.

El Tigre

The El Tigre property covers an area with potential to host epithermal low sulphidation quartz vein and/or bulk tonnage gold deposits marginal to large diatreme breccias with abundant fragments containing gold-bearing quartz veins and quartz stockwork.

SELECTED ANNUAL FINANCIAL INFORMATION

	Years Ended March 31, 2010	2009	2008
Total revenue	$ -	$ -	$ -
Net loss for the year	(1,623,543)	-	-
Basic and diluted loss per share	(0.15)	-	-

	March 31, 2010	2009	2008
Working capital	$ 5,876,835	$ -	$ -
Mineral properties	6,908,284	-	-
Total assets	14,284,176	-	-

RESULTS OF OPERATIONS

During the period ended March 31, 2010 the Company posted a loss of $1,623,543. The Company is in the exploration stage, with no significant sources of revenue.

The Company was incorporated on April 24, 2009. Accordingly there is no comparative period analysis in this MD&A.

The Company's General and Administrative expenses in fiscal 2010 were $1,211,265. Candente Gold shares certain General and Administrative expenses with Candente Copper. The most significant expenses in the period were stock-based compensation of $404,244 for options vested as of March 31, 2010, followed by management fees, salaries and benefits of $150,272 and legal fees of $148,977. In fiscal 2010 the Company also posted a foreign exchange loss of $108,841.

The Company expects that General and Administrative expenses will increase in fiscal 2011 in support of the Company's development programs. In particular, stock-based compensation expense will increase in fiscal 2011 as only 25% of the options granted by the Company in fiscal 2010 had vested as of March 31, 2010 and stock-based compensation expensed is recorded at option vesting dates.

The Company also incurred Exploration expenses of $412,278 in fiscal 2010. The most significant expenses were geological fees of $278,021, followed by camp, field supplies and travel expenses of $49,296 and exploration administration expenses of $45,995. Most of the Exploration expenses in fiscal 2010 were incurred in respect of the El Oro project.

Exploration expenses will increase substantially in fiscal 2011, mostly in connection with the El Oro drilling program.

(Expressed in U.S. Dollars, Unless Otherwise Noted)

A summary of exploration costs incurred by the Company from inception to date is presented below:

	QE June 30, 2009 ($)	QE Sept. 30, 2009 ($)	QE Dec.31, 2009 ($)	QE March 31, 2010 ($)	Cumulative costs to date ($)
EL ORO					
Depreciation	-	-	-	4,655	4,655
Exploration administration	-	-	-	21,340	21,340
Camp, field supplies & travel	6,035	5,501	8,417	21,102	41,055
Drilling	-	-	-	9,582	9,582
Equipment maintenance & rental	813	1,281	1,334	3,510	6,938
Geological & geophysical	36,970	81,127	48,381	108,027	274,505
Geographical information systems	-	100	276	2,506	2,882
	43,818	88,009	58,408	170,722	360,957
LUNAHUANA					
Exploration administration	-	-	-	8,530	8,530
Camp, field supplies & travel	-	-	-	432	432
Equipment maintenance & rental	-	-	-	499	499
Field support & personnel	-	-	-	2,935	2,935
Geological & geophysical	-	-	-	842	842
	-	-	-	13,238	13,238
ORO QUEROPALCA					
Exploration administration	-	-	-	2,618	2,618
Field support & personnel	-	-	-	1,175	1,175
Geological & geophysical	-	-	-	84	84
	-	-	-	3,877	3,877
ALTO DORADO/TORIL					
Exploration administration	-	-	-	3,891	3,891
Camp, field supplies & travel	-	-	-	174	174
Equipment maintenance & rental	-	-	-	829	829
Field support & personnel	-	-	-	746	746
Geological & geophysical	-	-	-	253	253
	-	-	-	5,893	5,893
FREDITO					
Exploration administration	-	-	-	3,687	3,687
Field support & personnel	-	-	-	1,656	1,656
Geological & geophysical	-	-	-	789	789
	-	-	-	6,132	6,132
LAS BRUJAS					
Exploration administration	-	-	-	2,618	2,618
Geological & geophysical	-	-	-	1,175	1,175
	-	-	-	3,793	3,793
PAMEL					
Exploration administration	-	-	-	331	331
Camp, field supplies & travel	-	-	-	44	44
Equipment maintenance & rental	-	-	-	52	52
Field support & personnel	-	-	-	52	52
	-	-	-	479	479
TRES MARIAS					
Exploration administration	-	-	-	2,980	2,980
Camp, field supplies & travel	-	-	-	146	146
Field support & personnel	-	-	-	1,192	1,192
Geological & geophysical	-	-	-	1,548	1,548
				5,866	5,866
POTENTIAL PROJECTS EVALUATION					
Assays	-	-	-	558	558
Camp, field supplies & travel	-	-	-	7,446	7,446
Field support & personnel	-	-	-	191	191
Geographical information systems	-	-	-	3,848	3,848
	-	-	-	12,043	12,043
	43,818	88,009	58,408	222,043	412,278

(Expressed in U.S. Dollars, Unless Otherwise Noted)

SUMMARY OF QUARTERLY FINANCIAL RESULTS

	QE March 31, 2010	QE Dec. 31, 2009	QE Sept. 30, 2009	QE June 30, 2009
Total revenue	$ -	$ -	$ -	$ -
Net loss	(752,490)	(170,070)	(373,859)	(327,124)
Basic and diluted loss per share	(0.06)	(0.02)	(0.04)	(0.03)
	QE March 31, 2009*	**QE Dec. 31, 2008**	**QE Dec. 31, 2008**	**QE Sept. 30, 2008**
Total revenue	$ N/A	$ N/A	$ N/A	$ N/A
Net loss	N/A	N/A	N/A	N/A
Basic and diluted loss per share	N/A	N/A	N/A	N/A

* The Company was incorporated on April 24, 2009 therefore there are no financial statements for quarters ending prior to that time

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2010 the Company had cash and cash equivalents of $6,944,999 and working capital of $5,876,835.

The Company holds its cash in Guaranteed Investment Certificates ("GIC") issued by British Columbia Credit Unions. The GICs are insured on a no-limit basis by the Credit Union Deposit Insurance Corporation.

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 Warrants were valued by the Company at $1,624,195. 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 Agents' Warrants issued as finders' fees were valued by the Company at $105,834.

The Company is using existing cash to fund acquisitions, exploration activities and general and administrative expenses. Given that it currently does not have a source of revenue, the Company's ability to continue as a going concern remains contingent on its ability to obtain additional financing in future periods.

The Company is sharing with Candente Copper some of its general and administrative overhead.

As of March 31, 2010 the Company had accounts payable and accrued liabilities of $206,828, of which $66,722 is an account payable to Candente Copper in connection with cost-sharing of certain administrative expenses for the period January to March 2010.

The Company also has outstanding a promissory note of $1,275,510 (Cdn$1,300,000) to Canaco which is payable on demand. The repayment terms of the note are Cdn$350,000 by June 30, 2010 and Cdn$950,000 by April 30, 2011.

Operating Activities

Cash used in operations during fiscal 2010, including the changes in non-cash working capital items, was $1,099,445.

(Expressed in U.S. Dollars, Unless Otherwise Noted)

Financing Activities

During fiscal 2010, cash generated from financing activities was $8,036,466. The Company received cash proceeds net of issue costs of $8,032,555 from the private placement described in the preceding paragraphs and $3,911 from the exercise of stock options.

Investing Activities

The Company received cash of $22,247 in connection with the transfer of El Oro in fiscal 2010, purchased plant and equipment of $9,707 and paid VAT tax credits in Peru of $4,562. VAT tax credits in Peru will be recoverable in the long-term by the Company when they are applied as credits against VAT payable from sales generated by the Company.

SUMMARY OF CONTRACTUAL OBLIGATIONS

The Company has commitments relating to the lease of premises in Mexico. The future minimum lease payments by calendar year are approximately as follows:

	Total	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Lease of premises	$ 35,301	$ 35,301	-	-	-

TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2010, a total of $201,085 for geological consulting services rendered was paid or accrued to officers or directors or to private companies associated with directors and officers of the Company. These amounts are included as a component of exploration costs.

During the period ended March 31, 2010, a total of $94,619 was paid as salaries to various officers of the Company and $47,535 was paid or accrued to private companies associated with officers and directors of the Company for management services rendered. These amounts are included in general and administrative expenses.

Included in accounts receivable at March 31, 2010 is $10,842 owed to the Company by certain officers for expense advances. Included in accounts payable and accrued liabilities at March 31, 2010 is $41,869 owed by the Company to certain officers and directors of the Company for services rendered, reimbursement of expenses and directors' fees.

The above transactions have been recorded at the exchange amounts agreed to by the related parties. Amounts due to related parties are considered by the Company to be accounts payable and are unsecured and non-interest bearing.

At March 31, 2010, a director and officer of the Company served as a director and officer of Candente Copper and three of the Company's officers served as officers of Candente Copper. During the period ended March 31, 2010, the Company and Candente Copper shared certain office and administrative expenses and Candente Copper made certain payments on behalf of the Company. As of March 31, 2010, a total of $66,722 was due from the Company to Candente Copper for reimbursement of shared general and administrative expenses.

(Expressed in U.S. Dollars, Unless Otherwise Noted)

FOURTH QUARTER

In the quarter ended March 31, 2010 ("Q4-2010") the Company posted a loss of $752,490, or $0.02 per share. The main expense during the quarter was stock-based compensation of $404,244. Other important general and administrative expenses included $106,072 for regulatory and filing fees, including TSX listing fees and $53,167 for salaries and benefits. The most significant exploration costs were $111,543 in geological and geophysical fees and $45,995 in exploration administration costs.

A summary of expenses incurred on a quarterly basis in fiscal 2010 is presented below:

	Q1-2010 $	Q2-2010 $	Q3-2010 $	Q4-2010 $	FISCAL 2010
GENERAL AND ADMINISTRATIVE					
Depreciation	846	1,270	1,269	(1,264)	2,121
Audit & tax advisory	-	17,636	405	25,456	43,497
Bank charges & interest	132	558	384	982	2,056
Consulting	-	-	6,765	103	6,868
Corporate development	-	23,502	47,610	15,787	86,899
Legal	140,953	6,975	(34,414)	35,463	148,977
Management & office salaries & benefits	18,833	26,244	52,028	53,167	150,272
Office, rent & miscellaneous	12,913	18,049	18,712	29,996	76,670
Travel & accommodations	-	29,153	12,548	13,417	55,118
Regulatory & filing fees	-	-	580	106,072	106,652
Shareholder communications	7,055	638	5,763	17,599	31,055
Stock-based compensation	-	-	-	402,244	404,244
Interest &other income	-	-	-	(12,005)	(12,005)
Loss (gain) on foreign exchange	102,574	161,825	12	(155,570)	108,841
	283,306	285,850	111,662	530,447	1,211,265
EXPLORATION					
Depreciation	-	-	-	4,655	4,655
Assays	-	-	-	559	559
Exploration administration	-	-	-	45,995	45,995
Camp, field supplies & travel	6,035	5,502	8,416	29,343	49,296
Drilling	-	-	-	9,582	9,582
Equipment maintenance & rental	813	1,281	1,334	4,889	8,317
Field support & personnel	-	-	-	9,123	9,123
Geological & geophysical	36,970	81,127	48,381	111,543	278,021
Geographical information systems	-	99	277	2,506	2,882
Other	-	-	-	3,848	3,848
	43,818	88,009	58,408	222,043	412,278
Net loss	327,124	373,859	170,070	752,490	1,623,543

SUBSEQUENT EVENTS

On May 28, 2010 the Company issued 250,000 common shares to Luismin in connection with the 2006 Agreement, as amended, and as referred to earlier in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are summarized in Note 2 of its Audited Consolidated Financial Statements. The preparation of the Company's financial statements in conformity with generally accepted accounting principles in Canada requires management to make judgments with respect to certain estimates and assumptions. These estimates and assumptions, based on management's best judgment, affect the reported amounts of certain assets and liabilities, including disclosure of contingent liabilities. On an ongoing basis, management re-evaluates its estimates and assumptions. Actual amounts, however, could differ significantly from those based on such estimates and assumptions.

Significant areas critical in understanding the judgments that are involved in the preparation of the Financial Statements and the uncertainties inherent within them include the determination of impairment of long-lived assets, asset retirement obligations and stock-based compensation.

Impairment of Long-Lived Assets

CICA Handbook Section 3063: "Impairment of Long-Lived Assets" ("Section 3063") established standards for the recognition, measurement and disclosure of impairment of long-lived assets. Long-lived assets are impaired whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable in which case an impairment loss is recognized and charged to operations.

The Company's long-lived assets consist of equipment and mineral properties. Equipment is recorded at cost and amortized on a straight line basis at the following rates: 3 and 3.34 years (Mexico) for computer equipment; and 4 years for vehicles. Acquisition costs relating to mineral properties are capitalized at cost, less recoveries in the pre-production stage, until such time these properties are put into commercial production, sold or abandoned. Upon commencement of production, capitalized mineral property acquisition costs will be charged to the results of operations over the estimated life of the mine in accordance with the unit-of-production method.

At the end of each accounting period, the Company reviews the carrying value of its long-lived assets based on a number of factors. For capitalized mineral property costs, these factors include analysis of exploration results, permitting considerations and current economics. Should the Company determine that an impairment has occurred, the Company would write-down the recorded value of the long-lived asset to the results of operations.

Stock-Based Compensation

CICA Handbook Section 3870: Stock-Based Compensation and Other Stock-Based Payments ("Section 3870") established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. Section 3870 requires a fair value-based method of accounting for stock options granted to employees, including directors, and to non-employees.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. This model requires the calculation of certain variables, including the volatility of the Company's stock price, requiring various estimates and assumptions be made by management. Actual results may be significantly different from those calculated using this model.

CHANGES IN ACCOUNTING POLICIES, INCLUDING INITIAL ADOPTION

Accounting Changes

Effective April 24, 2009 the Company adopted the following new accounting standards:

Goodwill and intangible assets
In February 2008, the CICA issued Handbook section 3064 "Goodwill and intangible assets" which is required to be adopted for fiscal year-ends beginning on or after October 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of Goodwill subsequent to its initial recognition and of intangible assets by profit orientated enterprises. The adoption of this new section did not have any material impact on the Company's financial statements.

Credit Risk and Fair Value of Financial Assets and Liabilities
In January 2009, the CICA issued Emerging Issues Committee Abstracts ("EIC") 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. Adoption of this EIC did not have a significant effect on the financial statements.

Financial Instruments - Disclosures
The CICA amended Section 3862, "Financial Instruments – Disclosures," in 2009 to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosures. Adoption of this standard did not have a significant effect on the financial statements.

Accounting Pronouncements

Business combination, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to its fiscal year commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements." The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard IAS 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") IMPLEMENTATION PLAN

In February 2008, the Accounting Standards Board ("AcSB") approved a strategic plan which requires public companies to converge with IFRS for fiscal periods beginning on or after January 1, 2011. The Company will therefore be required to have comparative financial information prepared under IFRS as of April 1, 2010.

The Company has initiated its IFRS convergence project and has set the following timing objectives: to be in a position to convert its March 31, 2010 Canadian GAAP Balance Sheet to IFRS in Q2-2011, to produce financial statements under Canadian GAAP and IFRS in fiscal 2011 in order for the Company to disclose to users of its financial statements the quantitative differences arising in 2011 under both frameworks, and to produce IFRS financial statements as of April 1, 2011.

In order to meet these objectives the Company's CFO has attended IFRS courses and in-house training sessions in 2009 and 2010. Peruvian and Mexican accountants are also familiar with IFRS.

The Company believes that the adoption of IFRS will not have a major effect on its overall operations except for the fact that the conversion effort may require additional resources (external) to assist with the documentation process and on an ongoing basis, disclosure requirements will increase substantially. The Company will be able to continue using its current information technology platforms in Canada, Mexico and Peru.

The Company has identified key areas affected by the conversion to IFRS: functional currency, impairment analysis, related party transactions and measurement of stock-based compensation.

The changes to functional currency are in respect to the fact that the functional currency of the parent company will be the Canadian dollar and not the U.S. dollar; subsidiaries in Mexico and Peru will need to determine and document their own functional currencies and the Company's presentation currency will continue to be the U.S. dollar. The translation of the financial statements of each company in the group to U.S. dollars under IFRS will be as follows: All assets and liabilities will be translated at closing rates (as opposed to the translation under Canadian GAAP where non-monetary assets and liabilities are translated at historical rates) and income and expenses will be translated at average rates (as they are under Canadian GAAP), with all resulting exchange differences recognized as a separate component of equity (as opposed to including translation gains or losses in income as occurs under Canadian GAAP). Equity will be translated at the Company's choice of historical or current rate (under Canadian GAAP, historical rates are used). The choice of policy for translation of equity items will need to be applied consistently and has not yet been determined by the Company. However, it should be noted that if the historical rate is chosen, resulting exchange differences will be recognized in a separate component of equity, so the policy choice has no impact on total equity.

Impairment requirements under IFRS are stronger than under Canadian GAAP. Annual impairment testing will be required in respect of the Company's mineral properties.

Under IFRS there are no special recognition or measurement requirements for related party transactions. Under Canadian GAAP, related party transactions are subject to special recognition or measurement requirements, as was the case with the transfer of properties from Candente Copper to Candente Gold (transferred at their carrying value). The transfer of properties will need to be re-measured under IFRS.

The Company has considered the potential effect of share based payments under IFRS and has concluded that there will be no material impact on its financial statements on adoption of IFRS, as these payments are normally restricted to stock options granted by the Company which all vest within the year granted. Under IFRS, the concept of "graded vesting" frontloads the stock based compensation expense for options granted such that the expense is higher in initial quarters and reduces as options vest, as opposed to "straight line vesting" under Canadian GAAP. However, the effect on annual results is the same under IFRS and Canadian GAAP provided options vest in full within the year granted. The calculation of the underlying fair value under both IFRS and Canadian GAAP is the same and the changes are only with respect to the timing of the allocation of the resulting cost as options vest.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management as is appropriate to permit timely decisions regarding public disclosure.

The Company engaged legal counsel to formalize its disclosure controls and procedures. Based on those recommendations, a corporate disclosure policy was presented to the Company's board and formally adopted on June 25, 2010. The disclosure policy includes the setting up of a Disclosure Policy Committee that consists of the Company's CEO, Vice-President and Corporate Secretary.

The disclosure policy and committee have been in place since the adoption date. Management is reasonably confident that material information relating to the Company, including its consolidated subsidiaries, is being made known to senior management in a timely manner, and that the Company's disclosure controls and procedures are effective not only with respect to the Company's annual filing requirements but on an ongoing basis.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Management is also responsible for designing, establishing and maintaining a system of ICFR to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner in accordance with generally accepted accounting principles.

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's design and operating effectiveness of the Company's internal control over financial reporting as of March 31, 2010.

Management has concluded that, as March 31, 2010, the Company's ICFR was not effective due to the existence of material weaknesses, including the requirement to accommodate for reduced staff levels in Canada, the requirement to test effectiveness of ICFR under a design that is appropriate to the Company's size and operations and lack of adequate segregation of duties in the financial close process in Canada. The Company believes however, that adequate segregation of duties exists in Peru and Mexico with respect to domestic accounting in those countries and with respect to subsidiary reporting to head office, as financial statements produced by the Company's accountants both in Peru and Mexico are subject to a review process by the Company's Chief Financial Officer. As of March 31, 2010, the Company's Chief Financial Officer is responsible for preparing, authorizing and reviewing information that is key to the preparation of financial reports. She is also responsible for preparing and reviewing the resulting financial reports. This weakness has the potential to result in material misstatements in the Company's financial statements and should be considered a material weakness of the Company's system of ICFR.

Management has concluded, and the audit committee has agreed that, taking into account the present stage of the Company's development, the Company does not have sufficient size and scale to warrant the hiring of additional staff to correct the weakness at this time. Management is in the process of designing ICFR to accommodate for the Company's current level of operations; the Company will also need to test the effectiveness of ICFR.

RISKS AND UNCERTAINTIES

The Company is subject to a number of significant risks due to the nature and the present stage of its business and the effect of worldwide economic conditions. Exploration of mineral properties involves a high degree of financial risk. While discovery of an ore body may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities, developing metallurgical processes and extracting base and precious-metals from ore. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Risk factors that should be taken into account in assessing the Company's activities and any investment in the Company include, but are not limited to, those listed below. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all-inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

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. Equity market conditions, funding environments and the price of the Company's common shares may make it dilutive and difficult to raise funds by the sale of the Company's shares. An investment in the shares of a junior resource company is considered to be a high-risk investment. While the Company currently has the necessary cash resources to fund operations and exploration work at its properties for a period of at least one year, there is no assurance that financing will be available to the Company in future periods.
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Limited Operating History

The Company has limited operating history. The Company is exploring its mineral properties for precious metals. The Company currently does not generate any revenues from production. Its success will depend largely upon its ability to locate commercially productive mineral reserves. As a result of these factors, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer history of operations.

History of Losses

The Company incurred net losses of $1,623,543 in the period ended March 31, 2010 and is expected to continue to generate losses while it continues to be a development-stage company. The Company anticipates significant expenditures for its mineral exploration programs. Since most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full, the Company expects to report net losses at least into the foreseeable future.

The long-term profitability of the Company's operations will be in part directly related to the success of its exploration programs, which are affected by numerous factors including the cost of such programs, the amount of mineral reserves discovered and fluctuations in the price of any minerals produced.

No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues from production and does not have sufficient financial resources to undertake by itself all of its planned exploration programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Further exploration programs will depend on the Company's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties. Also, failure to meet the Company's share of costs incurred under joint venture arrangements to which it is a party may result in a reduction of its interests in mineral properties. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete the recommended programs.

No Known Mineral Reserves

All of the Company's mineral properties are in the exploration stage and are without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. However, few mineral properties that are explored are ultimately developed into producing mines.

In the event a commercially productive mineral reserve is discovered, substantial expenditures are required to develop mineral reserves for production through drilling, development of metallurgical processes for extraction and to develop the mining and processing facilities and infrastructure at the production site. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Title to Mineral Properties

The Company believes it has diligently investigated title to all of its mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, the properties may be subject to prior unregistered agreements or transfers, which may affect the validity of the Company's ownership of such properties.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of the Company's mineral properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. The Company makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to the Company, all reasonable steps would be taken to perfect title to the particular claims in question. The Company is not aware of any material defect in the title to its mineral properties.

A claim on any of the Company's mineral properties, especially if commercially productive mineral reserves have been located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim would affect the Company's current operations due to the high costs of defending against such claims and its impact on senior management's time.

Key Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, certain management personnel of the Company are officers and/or directors of other publicly-traded companies and will only devote part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration expertise. In the event a commercial ore deposit is discovered on any of the Company's properties, the Company will likely require the expertise of such consultants and others for the development and operation of a producing mine.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped base-metal and precious-metal properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

Industry Operating Hazards and Risks

Mineral exploration involves many risks, including location of commercially productive mineral reserves, which may not occur even with a combination of experience, knowledge and careful evaluation. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the operation of mines and the conduct of exploration programs. Other risks include injury or loss of life, severe damage to or destruction of property, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. The occurrence of any of these operating risks and hazards may have an adverse effect on the Company's financial condition and operations.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that may have a material adverse effect upon its financial condition and operations.

Government Regulations and Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupation health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, 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 mining operations 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 violations of applicable laws or regulations.

To the best of the Company's knowledge, the Company is and will be operating in compliance with all applicable regulations. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of any future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new requirements.

Environmental Liability

Although the Company is not aware of any claims for damages related to any impact that its operations have had on the environment, it may become subject to such claims in the future. An environmental claim could adversely affect the Company's business due to the high costs of defending against such claims and its impact on senior management's time.

The Company conducts exploration activities in Mexico and Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees.

Although the Company is committed to ensure compliance with all environmental regulations currently applicable, environmental hazards may exist on the Company's mineral properties, which hazards are not known to the Company at present, that have been caused by previous or existing owners or operators.

Also, environmental regulations may change in the future which could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations will become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves, its future revenues, if any, are expected to be in large part derived from the future mining and sale of precious metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

OTHER MD&A REQUIREMENTS

As of June 25, 2010, Candente has outstanding 49,828,327 common shares, 14,518,397 warrants (at prices ranging from Cdn$0.60 to $2.00 per share) and 3,938,250 exercisable options (at prices ranging from Cdn$0.33 to Cdn$1.80 per share).

Additional information, including the company's most recent Annual Information Form, is available on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Report contains "forward looking statements". These forward looking statements include, but are not limited to, statements regarding the Company's strategic plans, property search and evaluation plans, estimated levels of expenditures, acquisition targets and commitments. Forward-looking statements express, as at the date of this Report, The Company's plans, estimates, forecasts, projections, or beliefs as to future events or results and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", or does not expect", is expected", "budget", "schedule" , "estimates", "intends", "anticipates", or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken, "occur", or "be achieved". We caution that forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events may differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward – looking statements include, but are not limited to the success of the Company's acquisition criteria, the success in completing further financing and closing on any target acquisitions, currency fluctuations, the ability of the Company to conduct its business in Peru, risks inherent with the mining industry, unexpected regulatory changes, delays in the completion of critical activities and other risks inherent to the Company's activities and other risks more fully described in Candente Copper's Annual Information Form filed with the Securities Commissions of the provinces of Alberta, British Columbia and Ontario which is available on SEDAR at www.sedar.com