



CANDENTE COPPER CORP

Candente Copper Corp.
Consolidated Financial Statements
For the three months ended March 31, 2017 and 2016
(Expressed in United States dollars, unless otherwise noted)

NOTICE

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

Candente Copper Corp.
Interim condensed consolidated statements of financial position
As at March 31, 2017 and December 31, 2016
(Expressed in United States dollars unless otherwise noted)

	Notes	March 31, 2017	December 31, 2016
Assets			
Current assets			
Cash	\$	168,944	335,781
Prepaid expenses and deposits		14,233	4,308
Total current assets		183,177	340,089
Non-current assets			
Trade and other receivables	10	616,949	625,890
Investments	4	166,379	164,940
Unproven mineral right interests	5	64,983,089	64,788,587
Equipment	6	177,678	188,992
Total non-current assets		65,944,095	65,768,409
Total assets	\$	66,127,272	66,108,498
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7, 10	\$ 1,656,818	1,780,744
Total current liabilities		1,656,818	1,780,744
Equity			
Share capital	8	83,101,197	82,951,197
Reserves	8	12,932,826	12,960,297
Accumulated deficit		(31,563,569)	(31,583,740)
Total equity		64,470,454	64,327,754
Total liabilities and equity	\$	66,127,272	66,108,498

General information and going concern (Note 1)

Commitments (Note 9)

Subsequent events (Note 14)

Approved on behalf of the Board of Directors on May 12, 2017

(signed) Andres Milla

Director

(signed) George Elliott

Director

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

Candente Copper Corp.
Interim condensed consolidated statements of comprehensive loss
For the three months ended March 31, 2017 and 2016 (unaudited)
(Expressed in United States dollars unless otherwise noted)

		Three month ended	
	Notes	March 31, 2017	March 31, 2016
Expenses			
General and administrative expenses	11	\$ 101,266	\$ 88,019
Other expenses			
Realized loss on investment	4	-	7,882
Loss (gain) on foreign exchange		(121,437)	(197,353)
Net and comprehensive income		\$ (20,171)	\$ (101,452)
Earnings per share attributable to shareholders			
Basic and diluted		\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding: basic and diluted			
		165,397,528	151,718,310

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

Candente Copper Corp.
Interim condensed consolidated statements of changes in equity

For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

	Share Capital		Reserves					
	Total common shares	Share capital	Equity settled employee compensation and warrants	Foreign currency	Available for sale assets	Total reserves	Deficit	Total
Balance at January 1, 2017	164,869,750	\$ 82,951,197	\$ 13,325,544	\$ (450,182)	\$ 84,935	\$ 12,960,297	\$ (31,583,740)	\$ 64,327,754
Shares for debt	1,250,000	150,000	-	-	-	-	-	150,000
Net income	-	-	-	-	-	-	20,171	20,171
Cumulative translation adjustment	-	-	-	(27,471)	-	(27,471)	-	(27,471)
Balance as at March 31, 2017	166,119,750	\$ 83,101,197	\$ 13,325,544	\$ (477,653)	\$ 84,935	\$ 12,932,826	\$ (31,563,569)	\$ 64,470,454

	Share Capital		Reserves					
	Total common shares	Share capital	Equity settled employee compensation and warrants	Foreign currency reserve	Available for sale assets	Total reserves	Deficit	Total
Balance at January 1, 2016	151,719,310	\$ 82,105,922	\$ 13,023,531	\$ (429,221)	\$ -	\$ 12,594,310	\$ (31,153,605)	\$ 63,546,627
Share-based payment	-	-	34,718	-	-	34,718	-	34,718
Net income	-	-	-	-	-	-	101,452	101,452
Cumulative translation adjustment	-	-	-	165,900	-	165,900	-	165,900
Balance as at March 31, 2016	151,719,310	\$ 82,105,922	\$ 13,058,249	\$ (263,321)	\$ -	\$ 12,794,928	\$ (31,052,153)	\$ 63,848,697

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

Candente Copper Corp.
Interim condensed consolidated statements of cash flows
For the three months ended March 31, 2017 and 2016 (unaudited)
(Expressed in United States dollars unless otherwise noted)

	Three month ended	
	March 31, 2017	March 31, 2016
Cash provided by (used in):		
Income for the period	\$ 20,171	\$ 101,452
Items not affecting cash:		
Amortization	11,037	12,346
Share-based payment	-	37,418
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	23,074	(7,000)
Decrease (increase) in prepaid expenses and deposits	(9,925)	(5,182)
Increase in accounts payable and accrued liabilities	26,074	(262,780)
Net cash provided by (used in) operating activities	70,431	(123,746)
Investing		
Addition to unproven mineral rights interests	(63,610)	(47,125)
Proceeds from option payment	-	200,000
Changes in value added taxes paid	(130,892)	(58,555)
Net cash provided by (used in) investing activities	(194,502)	94,320
Effect of exchange rate changes on cash	(42,766)	140,362
Net change in cash	(166,837)	110,936
Cash at beginning of period	335,781	115,257
Cash at end of period	\$ 168,944	\$ 226,193

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

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements

For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

1. General Information and Going Concern

Candente Copper Corp. and its subsidiaries (the "Company") are engaged in the exploration of its mining properties located in Peru. Its principal property is the Cañariaco Copper Project in the District of Lambayaque. The Company was incorporated on May 1, 1997 under the Business Corporation Act of British Columbia and its principal office is located at Suite 1100-1111 Melville Street, Vancouver British Columbia, V6E 3V6.

The principal subsidiaries of the Company as at March 31, 2017 are as follows:

Subsidiary	Interest	Functional currency
Canariaco Copper Peru S.A.	100%	US Dollars
Canariaco Copper (BVI) Corp.	100%	US Dollars
Inversiones Mineras Las Palmas S.A.	100%	US Dollars
Minera Candente Peru S.A.	100%	US Dollars
Cobrizo Metals Corp.	100%	CDN Dollars
Candente Resource (BVI) Corp.	100%	US Dollars
Cobrizo Metals Peru S.A.	100%	US Dollars

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") and the Lima Stock Exchange under the trading symbol "DNT". The Company's share options and warrants are not listed.

These consolidated financial statements were authorized for issue by the Board of Directors on May 12, 2017.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the three months ended March 31, 2017 and 2016, the Company had operating income of \$20,171 and \$101,452 respectively, and as at March 31, 2017 the Company had \$31.56 million in cumulative losses since inception and a working capital deficit of \$1.5 million. The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of securities, resource secured debt or joint venture projects. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. The Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

2. Statement of Compliance and Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS issued by the IASB.

3. Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Company for the year ended December 31, 2016. The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements (“IAS 1”). Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2016.

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

4. Investments

Investments include the following as at March 31, 2017:

	Cost	As at March 31, 2017	As at December 31, 2016
		Fair Values	
Candente Gold Corp.	\$ 1,909,094	\$ 166,379	\$ 164,940

At March 31, 2017, the Company held 5,536,373 (2016 – 5,536,373) shares of Candente Gold Corp. (“Candente Gold”), a company with common officers and directors.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements

For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

5. Unproven Mineral Right Interests

As of March 31, 2017, the Company's mineral properties consist of the following:

Cañariaco Property, located in Lambayeque, Peru	Balance as at January 1, 2017	Mining property expenditures	Balance as at March 31, 2017
Mineral rights acquisition and surface access	\$ 1,659,427	\$ -	\$ 1,659,427
Community engagement and initiatives	4,390,568	20,807	4,411,375
Drilling	9,770,307	-	9,770,307
Environmental health and safety	1,313,559	-	1,313,559
Exploration	9,834,981	756	9,835,737
Feasibility study	10,884,797	-	10,884,797
Project field support and administration	22,533,465	42,047	22,575,512
Royalty payment received	(500,000)	-	(500,000)
Option payments received	(200,000)	-	(200,000)
	59,687,104	63,610	59,750,714
Cobrizo Metals Peruvian properties			
Mineral rights acquisition and surface access	1,152,160	-	1,152,160
Concession and surface right acquisition costs	157,912	-	157,912
Option payments received	(50,000)	-	(50,000)
Community engagement and initiatives	977	-	977
Environmental health and safety	15,785	-	15,785
Exploration	93,972	-	93,972
Project management and field support	37,208	-	37,208
	1,408,014	-	1,408,014
Total mineral properties before value-added tax credit	61,095,118	63,610	61,158,728
Impairment of unproven mineral rights interest	(453,159)	-	(453,159)
Value-added tax credit *	4,146,628	130,892	4,277,520
Total mineral properties	\$ 64,788,587	\$ 194,502	\$ 64,983,089

The optionee discontinued the option agreement dated November 28, 2013 to earn interest in the Arikepay project held by Cobrizo

*Expenses incurred by the Company in Peru, including exploration expenses, are subject to Peruvian Value Added Tax ("VAT"). Given that the Company is in the exploration stage and has no sources of revenue, the VAT is not currently refundable to the Company, but can be used in the future to offset amounts due to the Peruvian taxation authorities by the company resulting from VAT charged to clients on future sales. The VAT has been included as part of mining properties.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

6. Equipment

	Equipment	Vehicles	Leaseholds	Total
As at January 1, 2017	\$ 186,878	\$ 551	\$ 1,563	\$ 188,992
Additions	(10,545)	(551)	(218)	(11,314)
As at March 1, 2017	\$ 176,333	\$ -	\$ 1,345	\$ 177,678

7. Trade Payables and Accrued Liabilities

	March 31, 2017	December 31, 2016
Trade payables	\$ 596,513	\$ 730,750
Due to related parties (Note 10)	372,447	357,881
Accrued liabilities	674,452	678,707
Loan payable	13,406	13,406
	\$ 1,656,818	\$ 1,780,744

8. Share Capital

a. Shares authorized

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

b. Common share issue

As at March 31, 2017, the Company had 166,119,750 (December 31, 2016 – 164,869,750) common shares issued and outstanding.

On February 22, 2017, the Company issued 1,250,000 units of the Company in settlement of \$150,000 of debt owed to Energold Drilling Per S.A.C. Each unit consists of one common share and one-half warrant at an exercisable price of \$0.15 per warrant.

c. Share options

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

The changes in stock options were as follows:

	Number of options	Weighted average exercise price (CDN\$)
Options outstanding, December 31, 2016	13,656,175	\$0.22
Options expired	(431,675)	\$0.46
Options outstanding, March 31, 2017	13,224,500	\$0.21

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

8. Share Capital (continued)

Grant Date	Exercisable		Outstanding		Expiry Date
	Exercise Price	Number of Options	Exercise Price	Number of Options	
June 25, 2012	\$0.60	100,000	\$0.60	100,000	June 25, 2017
January 7, 2013	\$0.60	675,000	\$0.60	675,000	January 7, 2018
September 5, 2013	\$0.30	2,570,000	\$0.30	2,570,000	September 5, 2018
January 21, 2014	\$0.30	200,000	\$0.30	200,000	January 21, 2019
January 23, 2014	\$0.30	1,615,000	\$0.30	1,615,000	January 23, 2019
August 20, 2014	\$0.30	1,369,500	\$0.30	1,369,500	August 20, 2019
November 16, 2015	\$0.05	2,475,000	\$0.05	2,475,000	November 16, 2020
May 20, 2016	\$0.11	4,220,000	\$0.11	4,220,000	May 20, 2026
Weighted Average	\$0.21	13,224,500	\$0.21	13,224,500	

d. Warrants

	Number of Warrants	Weighted Average Exercise Price
Warrants Outstanding, December 31, 2016	10,404,842	CDN\$0.15
Issued	625,000	CDN\$0.15
Expired	(617,377)	CDN\$0.15
Warrants Outstanding, March 31, 2017	10,412,465	CDN\$0.15

The Company extended the expiry dates of 2,160,399 subscriber warrants, 274,960 finders' warrants, 1,374,443 subscriber warrants and 60,200 finders warrants to July 29, 2018;

c. Reserves

Equity settled employee compensation and warrants reserve:

The equity settled employee compensation and warrants reserve recognized as stock-based compensation expense and other warrant payments. At the time that the stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Available for sale reserve:

The available for sale reserve records unrealized gains and losses arising on available for sale financial assets except for impairment losses and foreign exchange gains and losses.

Foreign currency reserve:

The foreign currency translation reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

9. Commitments

Community engagement and initiatives

In July 8, 2012, the Company signed a land use agreement with the community of San Juan de Cañaris, by which the community authorized the Company to use the land for exploration purposes for three years. The Company had committed 1,500,000 soles (\$550,000) to fund sustainable development programs subject to specific project approval by the parties. The Company also committed to issue 1,000,000 shares of the Company to the community upon the earlier of the commencement of the construction phase of the Cañariaco Copper Project or the transfer of at least 51% of the Cañariaco Copper Project to a third-party. While much of this funding was completed by July 8 2013 there are still some remaining commitments related to this which will be negotiated as part of the next Community Agreement.

10. Related Party Disclosure

Key management compensation:

Key management consists of the Company's directors, executive officers and senior management. Compensation includes amounts paid to these individuals and companies they control.

	Three months ended March 31,	
	2017	2016
Salaries and fees	\$ 25,981	\$ -
Share-based payments	-	29,222
	\$ 25,981	\$ 29,222

The Company does not remunerate the directors of the Company unless its market capitalization is greater than \$75 million. In 2017, the Company paid \$nil in directors' fees (2016 - \$nil).

Included in salaries and fees is \$13,523 (2016 - \$nil) which was capitalized to unproven mineral right interests.

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand. Trade payables and accrued liabilities at March 31, 2017 included \$372,365 due to related parties (December 31, 2016 – \$371,287). Trade and other receivables at March 31, 2017 included \$589,561 (December 31, 2016 - \$595,362) due from Candente Gold Corp., a company with common officers and directors.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

11. General and Administrative Expenses

Included in general and administrative expenses are the following:

	Three month ended	
	March 31, 2017	March 31, 2016
GENERAL AND ADMINISTRATIVE		
Amortization	\$ 11,037	\$ 12,346
Accounting, audit and tax advisory fees	16,899	9,156
Bank charges and interest	879	678
Legal	5,523	-
Management fees, office salaries and benefits (Note 10)	34,872	11,890
Office, rent and miscellaneous	10,908	10,600
Travel and accommodations	-	265
Regulatory and filing fees	7,261	4,360
Shareholder communications	13,887	1,306
Share-based payment	-	37,418
Total general and administrative expenses	\$ 101,266	\$ 88,019

12. Segmented Information

The Company operates in one segment being the exploration of mineral properties in Peru. The Company operates in two geographical areas, being Peru and Canada. All of the Company's non-current assets are located in Peru.

13. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

a. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables, which are either past due or due within the next 12 months and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's subsidiaries is the United States and Canadian dollars and

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements

For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

13. Financial risk and capital management (continued)

certain of the subsidiaries transactions are denominated in Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies. Therefore, the risk is considered minimal.

c. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations.

Cash is deposited in highly rated corporations and the credit risk associated with these deposits is low.

Historical levels of receivable defaults are negligible, thus the credit risk associated with trade receivables is considered to be low. As mentioned in Note 10, \$595,362 of the trade receivable balance as at March 31, 2017 is due from Candente Gold Corp., a related party. At March 31, 2017, Candente Gold Corp's assets are in the exploration stage and the Company does not have sufficient cash or cash flows to pay the amount due. Management considers that this receivable is recoverable. However, credit risk associated with this receivable is considered high.

As at March 31, 2017, the Company's maximum exposure to credit risk is the carrying value of its cash and trade and other receivables.

d. Capital management

The Company's capital structure is comprised of working capital (current assets minus current liabilities) and equity. The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met. The total capital being managed by the Company as of the balance sheet dates, March 31, 2017 and December 31, 2016 is as follows:

		As at March 31, 2017		As at December 31, 2016
Total working capital deficiency	\$	(1,473,641)	\$	(1,440,655)
Total equity		64,470,454		64,327,754
Total capital	\$	62,996,813	\$	62,887,099

There were no changes in the Company's approach to capital management during the period and the Company is not subject to any restrictions on its capital.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2017 and 2016 (unaudited)

(Expressed in United States dollars unless otherwise noted)

13. Financial risk and capital management (continued)

Fair value hierarchy

The consolidated statements of financial position carrying amounts for cash, trade and other receivables and trade payables, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Assets				
Cash	\$ 168,944	\$ -	\$ -	168,944
Investments	166,379	-	-	166,379
Total	\$ 335,323	\$ -	\$ -	335,323

There were no transfers between levels during the period.

14. Subsequent events

- 14,443 warrants expire unexercised
- On May 12, 2017, the Company announced it has entered a binding Memorandum of Understanding ("MOU") to option the Don Gregorio copper-gold ("Cu-Au") porphyry project, located in Jaen Province, Peru, to Plan B Minerals Corp. ("Plan B").

In accordance with the MOU, Plan B has the right to earn a 60% interest in the Don Gregorio property from the Company by:

1. Making staged payments of USD\$500,000 to Candente Copper; and
2. Drilling 10,000 metres ("m") within 3 years of receiving drilling permits.

To date, the Company has received an initial payment of USD\$10,000 and, under the terms of the MOU, is to receive an additional USD\$40,000 upon signing the definitive agreement (the "Definitive Agreement") with respect to this transaction, within 30 days of signing the MOU. A further USD\$50,000 is due 90 days after signing the Definitive Agreement. One-half of the aforementioned payments are to be used to fund Candente Copper team's work in community engagement and agreements. The Company is to also receive USD\$100,000 on or before 30 days of receipt of drill permits for the first phase drill program, a further USD\$100,000 within 30 days of completing the first phase drill program (5,000 m) and the final USD\$200,000 within 60 days of completing the second phase drill program (an additional 5,000 m).