

CANDENTE RESOURCE CORP.

Interim Consolidated Financial Statements
Quarter and Nine Months Ended September 30, 2009
Unaudited - Prepared by Management
(Expressed in U.S. Dollars)

CANDENTE RESOURCE CORP.

Consolidated Balance Sheets
Unaudited – Prepared by Management
(Expressed in U.S. Dollars)

	September 30, 2009	December 31, 2008
ASSETS		
Current		
Cash and cash equivalents	\$ 1,183,352	\$ 3,448,322
Investments (Note 4)	326,856	281,279
Amounts receivable	397,014	75,437
Prepaid expenses and deposits	63,654	31,484
	1,970,876	3,836,522
Promissory note (Note 6)	1,196,943	-
Equipment	405,028	500,697
Investment (Note 6)	1	-
Mineral properties (see Consolidated Schedule of Mineral Properties and Note 7)	40,540,557	40,918,819
	\$ 44,113,405	\$ 45,256,038
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,506,914	\$ 2,279,889
	1,506,914	2,279,889
SHAREHOLDERS' EQUITY		
Share capital (Notes 9, 10 & 11)	52,051,699	52,051,699
Contributed surplus (Notes 6 & 11)	7,778,600	7,103,443
Deficit	(17,196,222)	(16,146,621)
Accumulated other comprehensive loss	(27,586)	(32,372)
	42,606,491	42,976,149
	\$ 44,113,405	\$ 45,256,038

Nature and continuance of operations and going concern (Note 1)
Commitments and contingencies (Note 13)

On Behalf of the Board of Directors:

“Joanne Freeze”

Director

“Klaus Zeitler”

Director

See accompanying notes to the consolidated financial statements

CANDENTE RESOURCE CORP.

Interim Consolidated Statements of Operations and Comprehensive Loss
Unaudited - Prepared by Management
(Expressed in U.S. Dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
GENERAL AND ADMINISTRATIVE				
Amortization	\$ 7,420	\$ 8,494	\$ 22,866	\$ 24,510
Audit and accounting	3,364	12,487	97,482	158,069
Bank charges and interest	1,100	3,636	7,058	11,621
Consulting	-	-	16,340	-
Corporate development	8,182	167,722	25,538	319,817
Legal	8,866	27,268	42,578	146,625
Salaries and management fees	42,713	101,266	190,060	512,050
Office, rent and miscellaneous	26,455	71,857	100,436	224,214
Travel and accommodations	96	35,203	13,954	130,923
Regulatory and filing fees	13,241	5,327	48,960	65,572
Shareholder communications	6,773	17,947	27,259	26,843
Stock-based compensation	687,423	482,631	823,546	1,589,624
Interest and other income	(24,120)	(57,252)	(47,145)	(185,761)
(Gain) loss on foreign exchange	(170,731)	371,917	(542,539)	388,897
Write-down of mineral properties	223,208	-	223,208	-
Loss for the period	(833,990)	(1,248,503)	(1,049,601)	(3,413,004)
Other comprehensive income (loss):				
Unrealized gain (loss) on available-for-sale marketable securities	955	(18,409)	4,786	(47,305)
Comprehensive loss for the period	\$ (833,035)	\$ (1,266,912)	\$ (1,044,815)	\$ (3,460,309)
Loss per share:				
Basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.05)
Weighted-average number of shares outstanding:				
Basic and diluted	80,943,127	80,943,127	80,943,127	75,609,597

See accompanying notes to the consolidated financial statements

CANDENTE RESOURCE CORP.

Interim Consolidated Statements of Deficit and Accumulated Other Comprehensive Loss
Unaudited - Prepared by Management
(Expressed in U.S. Dollars)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Deficit, beginning of period	\$ (16,362,232)	\$ (13,279,471)	\$ (16,146,621)	\$ (11,114,970)
Loss for the period	(833,990)	(1,248,503)	(1,049,601)	(3,413,004)
Deficit, end of period	\$ (17,196,222)	\$ (14,527,974)	\$ (17,196,222)	\$ (14,527,974)
Accumulated other comprehensive (loss) income, beginning of period	\$ (28,541)	\$ (7,129)	\$ (32,372)	\$ 21,767
Unrealized gain (loss) on available-for-sale marketable securities	955	(18,409)	4,786	(47,305)
Accumulated other comprehensive loss, end of period	\$ (27,586)	\$ (25,538)	\$ (27,586)	\$ (25,538)

See accompanying notes to the consolidated financial statements

CANDENTE RESOURCE CORP.

Interim Consolidated Statements of Cash Flows
 Unaudited - Prepared by Management
 (Expressed in U.S. Dollars)

CASH PROVIDED BY (USED IN):	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net loss for the period	\$ (833,990)	\$ (1,248,503)	\$ (1,049,601)	\$ (3,413,004)
Items not affecting cash:				
Amortization	8,494	8,494	22,866	24,510
Foreign exchange gain	(73,847)		(231,697)	
Stock-based compensation	687,423	482,631	823,546	1,589,624
Write-down of mineral properties	223,207	-	223,207	-
Changes in non-cash working capital items:				
Decrease (increase) in amounts receivable	(96,122)	(49,829)	(336,851)	1,003,631
Decrease (increase) in prepaid expenses and deposits	(3,212)	(13,582)	(32,170)	26,171
Increase (decrease) in accounts payable and accrued liabilities	(75,041)	(350,001)	96,122	(228,748)
Net cash used in operating activities	(163,088)	(1,170,790)	(484,578)	(997,816)
INVESTING ACTIVITIES				
Decrease (increase) in investments	(23,193)	1,332	(36,756)	3,451
Proceeds from sale (purchase) of equipment	-	(50,251)	40,675	(309,728)
Value added tax	(95,641)	(281,415)	(149,817)	(928,145)
Expenditures on mineral properties:				
Acquisition	(1,318)	(98,643)	(373,324)	(405,662)
Exploration	(158,090)	(3,893,355)	(1,261,170)	(10,637,809)
Net cash used in investing activities	(278,242)	(4,322,332)	(1,780,392)	(12,277,893)
FINANCING ACTIVITIES				
Issuance of common shares for:				
Private placements, gross proceeds	-	-	-	11,755,996
Less share issue costs	-	(33,378)	-	(699,170)
Exercise of stock options	-	-	-	674,816
Net cash provided by (used in) financing activities	-	(33,378)	-	11,731,642
Net decrease in cash and cash equivalents	(441,330)	(5,526,500)	(2,264,970)	(1,544,067)
Cash and cash equivalents, beginning of period	1,624,682	13,148,704	3,448,322	9,166,271
Cash and cash equivalents, end of period	\$ 1,183,352	\$ 7,622,204	\$ 1,183,352	\$ 7,622,204
Supplemental Cash Flow Information				
Non-cash investing and financing activities:				
Exploration expenditures included in accounts payable	\$ 1,172,323	\$ 2,601,107	\$ 1,172,323	\$ 2,601,107
Cash received for interest	1,036	57,252	10,254	185,761

See accompanying notes to the consolidated financial statements

CANDENTE RESOURCE CORP.

Consolidated Schedule of Mineral Properties (Note 6) (Unaudited)
(Expressed in U.S. Dollars)

	Balance at December 31, 2008	2009 Additions/ (Write-downs)/ (Transfers)	Balance at September 30, 2009
PERU			
Cañariaco Property			
Acquisition costs	\$ 308,175	\$ 38,488	\$ 346,663
Exploration costs			
Assays	1,756,408	10,000	1,766,408
Camp, field supplies & travel	7,148,953	5,554	7,154,507
Drilling	9,032,894	-	9,032,894
Equipment maintenance & rental	869,989	17,903	887,892
Engineering studies	3,264,457	30,293	3,294,750
Field support & personnel	5,298,687	162,473	5,461,160
Geological and geophysical	2,484,829	79,691	2,564,520
Mapping	263,586	39	263,625
	30,427,978	344,441	30,772,419
Other Peruvian Properties			
Acquisition costs	2,039,974	299,392	2,339,366
Exploration costs			
Assays	234,905	-	234,905
Camp, field supplies & travel	653,310	(29)	653,281
Drilling	700,417	-	700,417
Equipment maintenance & rental	304,373	1,104	305,477
Field support & personnel	2,024,498	3,882	2,028,380
Geological and geophysical	1,780,695	93,765	1,874,460
Mapping	139,154	-	139,154
Property option payments received	(1,980,153)	-	(1,980,153)
Write-down of mineral properties	(25,000)	(223,207)	(248,207)
	5,872,173	174,907	6,047,080
Value Added Tax Credits (Note 5)			
	3,571,241	149,817	3,721,058
Total for Peru	39,871,392	669,165	40,540,557
MEXICO			
El Oro Properties			
Acquisition costs	292,173	35,444	327,617
Exploration costs			
Assays	34,267	-	34,267
Drilling	331,635	-	331,635
Equipment maintenance & rental	35,184	826	36,010
Field supplies & travel	23,855	287	24,142
Field support & personnel	101,458	10,488	111,946
Geological and geophysical	220,166	12,266	232,432
Mapping	8,689	-	8,689
Transfer of property	-	(1,106,738)	(1,106,738)
Total for Mexico	1,047,427	(1,047,427)	-
Total of Mineral Properties	\$ 40,918,819	\$ (378,262)	\$ 40,540,557

See accompanying notes to the consolidated financial statements

CANDENTE RESOURCE CORP.

Notes to the Consolidated Financial Statements
Quarter and nine months ended September 30, 2009 (Unaudited)
Expressed in U.S. Dollars, Unless Otherwise Noted

1. Nature and Continuance of Operations and Going Concern

Candente Resource Corp. ("Candente") was incorporated under the Business Corporations Act (British Columbia). Candente and its subsidiary companies and joint venture (collectively, the "Company") are engaged in precious and base-metals exploration in Peru. Candente's common shares are listed on the Toronto Stock Exchange ("TSX") and the Lima Stock Exchanges under the trading symbol "DNT".

The Company has not yet determined whether its mineral properties contain reserves that are economically recoverable.

The accompanying consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern. The Company has made an assessment of its ability to continue as a going concern and is aware of several material adverse conditions as set out below that cast significant doubt on the validity of this assumption. At September 30, 2009, the Company had no source of operating cash flow and an accumulated deficit of \$17,196,222 (December 31, 2008 - \$16,146,621). At September 30, 2009, the Company had working capital of \$463,962 (December 31, 2008: \$1,556,633). Operations for the quarter and nine months ended September 30, 2009 were funded primarily from cash at hand; the Company did not issue share capital during the period.

Management made the strategic decision to hold the Company's precious metals properties in a distinct company, Candente Gold Corp. ("Candente Gold") and on April 30, 2009 completed the transfer of the El Oro property to Candente Gold (Note 6). The transfer to Candente Gold of the Company's Peruvian silver and gold properties is expected to take place in the quarter ending December 31, 2009. This corporate reorganization will include a distribution of certain of the Company's shares in Candente Gold to the Company's shareholders, and will allow the Company to dedicate its resources to copper exploration and development, specifically the Cañariaco property, and will also allow the Company's shareholders to retain their Company shares and receive additional shares in Candente Gold. The reorganization allows the Company to retain an interest in Candente Gold and mitigates the risk to the Company's shareholders resulting from funding the obligations of the silver-gold properties.

Despite the corporate reorganization and the benefits derived from significantly reduced levels of expenditures in 2009, the Company's ability to continue as a going concern remains contingent on its ability to obtain additional financing in the near future.

The consolidated financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities which would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

The amounts shown as mineral properties and related deferred costs represent costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production of proceeds from the disposition of the mineral property interests.

2. Basis of Presentation

The financial statements of the Company have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial statements and therefore do not include all of the information and notes required for annual financial statements. These statements follow the same accounting policies and methods of application as the most recent annual financial statements, except as described in Note 3. Accordingly, they should be read in conjunction with Candente's audited financial statements for the year ended December 31, 2008. Some amounts have been reclassified to be consistent with the current year's presentation.

CANDENTE RESOURCE CORP.

Notes to the Consolidated Financial Statements
Quarter and nine months ended September 30, 2009 (Unaudited)
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3. Adoption of New Accounting Standards

Effective January 1, 2009 the Company adopted the following new accounting standard:

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.

4. Investments

Investments of \$326,856 (December 31, 2008: \$281,279) consist of marketable securities and gold bullion.

At September 30, 2009, marketable securities consist of 210,000 (December 31, 2009: \$210,000) common shares of Orex Minerals Inc. acquired by the Company through property option agreements at a total cost of \$47,715 with a market value of \$25,136 (December 31, 2008 : \$16,315). At September 30, 2009 the Company held gold bullion worth \$301,720 (December 31, 2008: \$264,964).

5. Valued Added Tax Credits

Expenses incurred by the Company in Peru, including deferred exploration expenses, are subject to the Peruvian value added tax ("VAT").

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 in Peru is classified as a component of mineral properties. As at September 30, 2009 VAT tax credits in Peru were \$3,721,058 (December 31, 2008: \$3,571,241).

6. Transfer of "El Oro" Property

Management made the strategic decision to hold the Company's precious metals properties in a distinct company, and on April 24, 2009, the Company and Canaco Resources Inc. ("Canaco") created Candente Gold Corp. ("Candente Gold"). It is intended that Candente Gold will focus on exploration and development of precious metals projects in Latin America.

On April 30, 2009, the Company and Canaco completed the transfer to Candente Gold of their respective 50% interests in Minera CCM, S.A. de C.V. ("Minera"), the Mexican company that holds an option on the El Oro gold property in Mexico (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 the Company and Canaco. Each promissory note has a principal amount of Cdn\$1,300,000 (\$1,196,943 at September 30, 2009), payable in cash or convertible into common shares of Candente Gold. The Company expects to convert its promissory note into Candente Gold shares in due course.

In addition, the Company intends to transfer its Peruvian silver and gold properties to Candente Gold in the quarter ending December 31, 2009, and has received Court, regulatory and shareholder approval of a plan of arrangement that will allow it to do so. Candente Gold will issue 13,500,000 Candente Gold shares and grant a copper net smelter return royalty to the Company in return for the transfer of the properties.

The plan of arrangement includes the following:

- the distribution by the Company to its shareholders of a portion of its Candente Gold Shares, specifically one Candente Gold share for every five Company shares held by each shareholder, by way of reduction of the Company's paid up capital;

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Notes to the Consolidated Financial Statements
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6. Transfer of "El Oro" Property (continued)

- a private placement by Candente Gold in accordance with market conditions and then the listing of the common shares of Candente Gold on the TSX and the Lima Stock Exchange.

This corporate reorganization will allow the Company to dedicate its resources to copper exploration and development, specifically the Cañariaco property, while continuing to hold an interest in Candente Gold, and will also allow the Company's shareholders to retain their Company shares and receive shares in Candente Gold. The reorganization mitigates the risk to the Company's shareholders resulting from funding the obligations of the silver-gold properties.

In connection with the transfer to Candente Gold of its interest in El Oro, the Company recorded a \$148,389 reduction in contributed surplus. At September 30, 2009, the Company accounted for its investment in Candente Gold at a nominal value of Cdn\$1 (\$1).

By way of letter agreement dated September 30, 2009 with Luismin, S.A. de C.V. ("Luismin"), a subsidiary of Goldcorp Inc. (the "Amended Letter Agreement"), the Company, Canaco and Minera obtained a reduction in the area subject to Luismin's "back-in" right and an extension to various terms of the Option, subject to certain conditions being met on or before November 30, 2009, including Candente Gold raising the necessary funds to meet the revised terms of the Amended Letter Agreement and receiving conditional approval for the listing of its shares on the TSX, and the receipt of regulatory approvals for the Amended Letter Agreement. The Amended Letter Agreement:

- provides that Luismin's back-in right to buy 40% of the property no longer includes the portion of the El Oro claim that contains the historic workings, and is now limited to the exploration claims
- effectively extends the Option and payment of consideration for the Option to November 30, 2013;
- changes the share consideration portion of the Option payments to shares in Candente Gold (with the majority of such shares to be issued by Candente Gold) and increases the number of shares to be issued, provided that in the event Candente Gold's shares are not listed on the TSX in accordance with the terms of the Amended Letter Agreement, the Company and Canaco will issue to Luismin 125,000 shares in each of their respective capital on or before November 30, 2009.

7. Mineral Properties

At September 30, 2009, mineral properties are comprised of interests in mineral claims and mining concessions located in Peru. These interests are held by the Company, or through option agreements under which the Company, directly or through a joint venture arrangement, has a right to acquire an interest in mineral properties.

Refer to Schedule of Mineral Properties for a summary of capitalized mineral property expenditures incurred in 2009 by major expenditure type.

Cañariaco Property

The Company has a 100% interest in 21 mineral claims comprising approximately 17,200 hectares located in Lambayeque, Peru. Refer to the Consolidated Schedule of Mineral Properties for a summary of capitalized mineral property expenditures by major expenditure type for the Cañariaco Property.

CANDENTE RESOURCE CORP.

Notes to the Consolidated Financial Statements
Quarter and nine months ended September 30, 2009 (Unaudited)
Expressed in U.S. Dollars, Unless Otherwise Noted

7. Mineral Properties (continued)

Other Peruvian Properties

The following are the capitalized mineral property acquisition and exploration expenditures at September 30, 2009 and December 31, 2008:

	September 30, 2009	December 31, 2008
Alto Dorado/Toril Project		
Acquisition costs	\$ 249,286	\$ 221,386
Exploration costs	1,990,771	1,981,858
Property option payments received	(401,587)	(401,587)
	1,838,470	1,801,657
Pamel Project		
Acquisition costs	162,665	158,979
Exploration costs	1,498,317	1,491,779
Property option payments received	(1,140,938)	(1,140,938)
	520,044	509,820
Lunahuana Project		
Acquisition costs	319,772	238,771
Exploration costs	264,726	273,615
	584,498	512,386
Remaining Peruvian Properties		
Acquisition costs	1,607,643	1,420,838
Exploration costs	2,182,260	2,090,100
Property option payments received	(437,628)	(437,628)
Write-down of mineral properties	(248,207)	(25,000)
	3,104,068	3,048,310
Total of Other Peruvian Properties	\$ 6,047,080	\$ 5,872,173

Refer to the Consolidated Schedule of Mineral Properties for a summary of capitalized mineral property expenditures by major expenditure type for Other Peruvian Properties.

Alto Dorado/Toril Property

The Company has a 100% interest in 21 mineral claims comprising approximately 10,400 hectares located in La Libertad, Peru, subject to a 2.5% net smelter return royalty which may be reduced to 1.0% by payment of \$1.5 million.

Pamel Property

The Company has a 100% interest in two mineral claims comprising approximately 1,650 hectares located in Lima, Peru.

CANDENTE RESOURCE CORP.

Notes to the Consolidated Financial Statements
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7. Mineral Properties (continued)

By a property option agreement dated November 24, 2005, Orex Minerals Inc. (formerly Orex Ventures Inc.) ("Orex") had the right to earn up to a 51% interest in the Pamel Property ("Pamel Agreement") by incurring an aggregate \$2.5 million of exploration expenditures and the issuance of 250,000 common shares to the Company in various stages by May 31, 2010. Effective June 30, 2007, Orex withdrew from the Pamel Agreement without earning any interest in the Pamel Property. During 2007 and 2006, the Company received a total of 110,000 common shares of Orex under the Pamel Agreement.

Lunahuana Property

The Company has a 100% interest in 12 mineral claims comprising approximately 5,790 hectares located in Lima, Peru.

Remaining Peruvian Properties

The Company has a 100% interest in a total of 72 mineral claims comprising approximately 47,600 hectares located throughout Peru.

8. Related Party Transactions

During the nine months ended September 30, 2009, \$22,885 (nine months ended September 30, 2008: \$41,692) was paid or accrued to a private company associated with a director and officer of the Company for geological consulting services rendered and \$29,639 was paid or accrued as salaries to a director and officer of the Company, allocated to geological fees. These amounts are included as a component of deferred exploration costs.

During the nine months ended September 30, 2009, \$103,603 (nine months ended September 30, 2008: \$76,404) was paid or accrued as salaries to various officers of the Company, allocated to general and administrative expenses and \$43,853 (nine months ended September 30, 2008: \$97,500) was paid or accrued to private companies associated with officers of the Company for management services rendered. These amounts are included in general and administrative expenses.

9. Share Capital

- a) Authorized: Unlimited number of common shares without par value
- b) Issued and Outstanding:

	Number of Common Shares	Amount
Balance at December 31, 2007	71,823,127	\$ 41,274,029
Issued for cash:		
Private placement, net of issue costs of \$860,007 (c)	7,940,000	9,475,794
Exercise of stock options	1,105,000	674,816
Issued for mineral property acquisition (d)	75,000	128,955
Fair value of stock options exercised	-	498,105
	9,120,000	10,777,670
Balance at December 31, 2008 and September 30, 2009	80,943,127	\$ 52,051,699

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9. Share Capital (continued)

c) Private Placements

In June 2008, the Company completed a private placement of 7,940,000 units at a price of CAD\$1.50 per unit for gross proceeds of CAD\$11,910,000 (\$11,755,996). Each unit consisted of one common share and one half of a share purchase warrant, each full warrant exercisable at a price of CAD\$2.00 to purchase one additional common share until expiry on June 26, 2010. The share purchase warrants were assigned a fair value of \$1,420,195. Warrants to purchase 394,449 common shares of the Company at a price of CAD\$1.75 per share until expiry on June 26, 2010 ("Agents' Warrants") and having a fair value of \$162,757 were issued as part of the private placement. Total share issue costs of \$860,007 were incurred, resulting in net proceeds of \$10,895,989 from the private placement.

d) Mineral Properties

During 2008 the Company issued 75,000 common shares at price of CAD\$1.75 per share for a total value of CAD\$131,250 (\$128,955) relating to mineral properties.

10. Stock Options

The Company has a stock-based compensation plan (the "Plan") that allows for the issuance of options up to a maximum of 15% of the Company's issued and outstanding common shares at any given time. At September 30, 2009 the Company had options outstanding to purchase a total of 9,803,500 of its common shares, and was entitled to issue options to purchase 2,337,969 additional common shares under the Plan.

The purpose of the Plan is to attract, retain and motivate directors, officers, key employees and consultants of the Company and to advance the interests of the Company by providing eligible persons with the opportunity to acquire an increased proprietary interest in the Company. Under the Plan, all stock options, including vesting provisions, if any, are granted at the discretion of the Company's board of directors. The term of any stock option granted may not exceed ten years and the exercise price may not be lower than the closing price of the Company's shares on the last trading day immediately preceding the date of grant. In general, stock options granted under the Plan have a term of five years with varying vesting provisions.

A continuity summary of the stock options granted under the Plan is presented below:

	Nine Months Ended September 30, 2009		Year Ended December 31, 2008	
	Number of Common Shares	Weighted- Average Exercise Price (CAD\$/Share)	Number of Common Shares	Weighted- Average Exercise Price (CAD\$/Share)
Balance, beginning of period	7,901,500	\$1.13	9,003,000	\$0.70
Granted (Note 12)	3,070,000	\$0.42	1,950,000	\$1.05
Exercised	-	-	(1,105,000)	\$0.62
Expired	(663,000)	\$0.73	(405,000)	\$0.72
Forfeited	(505,000)	\$2.04	(1,541,500)	\$1.10
Balance, end of period	9,803,500	\$0.89	7,901,500	\$1.13

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Notes to the Consolidated Financial Statements
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10. Stock Options (continued)

A summary of stock options outstanding and exercisable at September 30, 2009 is presented below:

Range of Exercise Prices per Share (CAD\$)	Stock Options Outstanding			Stock Options Exercisable	
	Stock Options Outstanding to Purchase Common Shares	Weighted-Average Exercise Price (CAD\$/Share)	Weighted-Average Remaining Contractual Life (Years)	Stock Options Exercisable to Purchase Common Shares	Weighted-Average Exercise Price (CAD\$/Share)
\$0.33 to \$0.48	3,135,000	\$0.42	4.88	2,367,500	\$0.42
\$0.69 to \$0.85	3,300,000	\$0.76	1.69	3,050,000	\$0.76
\$1.09 to \$1.55	2,933,500	\$1.39	2.55	2,871,000	\$1.38
\$1.80 to \$2.05	435,000	\$1.90	2.47	435,000	\$1.90
	9,803,500	\$0.89	2.99	8,723,500	\$0.93

A total of 400,000 options with an exercise price of Cdn\$0.70 per share expired subsequent to September 30, 2009.

Stock options outstanding expire between December 2009 and September 2014.

The fair value-based method of accounting is applied to stock options granted to employees, including directors, and non-employees. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Nine Months Ended Sept. 30, 2009	Year Ended Dec. 31, 2008
Risk-free interest rate	2.33%	2.81%
Expected stock price volatility	95.96%	72.77%
Expected life	3.45 years	2.86 years
Expected dividend yield	-	-
Weighted-average fair value per share under options granted	\$0.28	\$0.36

11. Share Purchase Warrants

Share purchase warrants were issued as part of a private placement of units or as agent's warrants relating to private placements. A continuity summary of the share purchase warrants issued is presented below:

	Nine Months Ended September 30, 2009		Year Ended December 31, 2008	
	Number of Common Shares	Weighted-Average Exercise Price (CAD\$/Share)	Number of Common Shares	Weighted-Average Exercise Price (CAD\$/Share)
Balance, beginning of period	4,925,042	\$1.91	560,592	\$1.37
Issued	-	-	4,364,450	\$1.98
Expired	(560,592)	\$1.37	-	-
Balance, end of period	4,364,450	\$1.98	4,925,042	\$1.91

CANDENTE RESOURCE CORP.

Notes to the Consolidated Financial Statements
Quarter and nine months ended September 30, 2009 (Unaudited)
Expressed in U.S. Dollars, Unless Otherwise Noted

11. Share Purchase Warrants (continued)

All share purchase warrants outstanding at September 30, 2009, including Agents' Warrants, will expire in June 2010 if unexercised.

The fair value-based method of accounting is applied to the issuance of share purchase warrants on the date of issuance using the Black-Scholes model. The weighted-average fair value of the warrants is CAD\$0.36 calculated using the following weighted-average assumptions: 3.05% risk-free interest rate; expected stock price volatility of 65.05%; expected life of 2 years; and no expected dividend yield.

12. Contributed Surplus

A continuity summary of contributed surplus is presented below:

	Nine months ended Sept. 30, 2009	Year ended Dec. 30, 2008
Balance, beginning of year	\$ 7,103,443	\$ 4,128,905
Stock-based compensation as a result of stock options vested	823,546	1,889,692
Stock-based compensation as a result of share purchase warrants issued	-	1,582,951
Value of stock options assigned to share capital upon exercise of stock options	-	(498,105)
Reduction in contributed surplus in connection with El Oro transfer (Note 6)	(148,389)	-
Balance, end of period	\$ 7,778,600	\$ 7,103,443

13. Contingencies

During 2008 a claim was filed against Exploraciones Milenio S.A. ("Milenio"), a fully owned Peruvian subsidiary, for alleged breach of contract with respect to a contract for the lease with option to purchase of offices in Lima, Peru. In August 2009 amounts equivalent to \$36,191 were garnished from Milenio's bank accounts pursuant to a court order. The Company has engaged legal counsel in Peru to respond to these matters. A charge of \$36,191 has been recorded by the Company in respect of these matters as at September 30, 2009.