



CANDENTE COPPER CORP

**Candente Copper Corp.
Interim Condensed Consolidated Financial Statements
For the three months ended March 31, 2016 and 2015
(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, 2016 and December 31, 2015 (unaudited)
(Expressed in United States dollars unless otherwise noted)

	Notes	March 31, 2016	December 31, 2015
Assets			
Current assets			
Cash		\$ 226,193	115,257
Prepaid expenses and deposits		12,483	7,301
Total current assets		238,676	122,558
Non-current assets			
Trade and other receivables	10	640,849	611,092
Investments	4	80,005	80,005
Unproven mineral right interests	5	64,852,693	64,947,013
Equipment	6	227,169	239,434
Total non-current assets		65,800,716	65,877,544
Total assets		\$ 66,039,392	66,000,102
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7, 10	\$ 2,190,695	2,453,475
Total current assets		2,190,695	2,453,475
Equity			
Share capital	8	82,105,922	82,105,922
Reserves	8	12,794,928	12,594,310
Accumulated deficit		(31,052,153)	(31,153,605)
Total equity		63,848,697	63,546,627
Total liabilities and equity		\$ 66,039,392	66,000,102

General information and going concern (Note 1)

Commitment (Note 9)

Approved on behalf of the Board of Directors on May 13, 2016

(signed) Andres Milla
Director

(signed) Paul Barry
Director

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

Candente Copper Corp.
Interim condensed consolidated statements of comprehensive (income)
loss

For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

		Three month ended	
	Note	March 31, 2016	March 31, 2015
Expenses			
General and administrative expenses	11	\$ 88,019	\$ 182,333
Other expenses			
Realized loss on investment	4	7,882	
Loss (gain) on foreign exchange		(197,353)	141,022
Interest and other income		-	(18,644)
Net (income) loss		(101,452)	304,711
Other comprehensive loss			
Item that will not be reclassified to profit or loss:			
Change in available for sale assets		-	83,111
		-	83,111
Comprehensive (income) loss		\$ (101,452)	\$ 387,822
Loss per share attributable to shareholders			
Basic and diluted		\$ 0.00	\$ (0.00)
Weighted average number of common shares outstanding: basic and diluted			
		151,718,310	143,506,746

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

Candente Copper Corp.

Interim condensed consolidated statements of changes in equity

For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

	Share Capital		Reserves					Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Available for financial assets	Foreign currency	Total reserves	Deficit	
Balance at January 1, 2016	151,718,310	\$ 82,105,922	\$ 13,023,531	\$ -	\$ (429,221)	\$ 12,594,310	\$ (31,153,605)	\$ 63,546,627
Share-based payment, (Note 8)	-	-	34,718	-	-	34,718	-	34,718
Net loss	-	-	-	-	-	-	101,452	101,452
Cumulative translation adjustment	-	-	-	-	165,900	165,900	-	165,900
Balance as at March 31, 2016	151,718,310	\$ 82,105,922	\$ 13,058,249	\$ -	\$ (263,321)	\$ 12,794,928	\$ (31,052,153)	\$ 63,848,697

	Share Capital		Reserves					Total
	Total common shares	Share capital	Equity settled employee compensation and warrants	Available for financial assets	Foreign currency reserve	Total reserves	Deficit	
Balance at January 1, 2015	143,384,980	\$ 81,532,520	\$ 12,816,453	\$ -	\$ (444,315)	\$ 12,372,138	\$ (29,584,990)	\$ 64,319,668
Common shares issued for financing net of issue costs	5,555,553	379,173.00	5,412	-	-	5,412	-	384,585
Share-based payment (Note 8)	-	-	72,577	-	-	72,577	-	72,577
Net loss	-	-	-	-	-	-	(387,822)	(387,822)
Cumulative translation adjustment	-	-	-	-	(21,326)	(21,326)	-	(21,326)
Balance as at March 31, 2015	148,940,533	\$ 81,911,693	\$ 12,894,442	\$ -	\$ (465,641)	\$ 12,428,801	\$ (29,972,812)	\$ 64,367,682

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

Candente Copper Corp.
Interim consolidated consolidated statements of cash flows
For the three months ended March 31, 2016 and 2015 (unaudited)
(Expressed in United States dollars unless otherwise noted)

	Three months ended	
	March 31, 2016	March 31, 2015
Cash provided by (used in):		
Gain (loss) for the period	\$ 101,452	\$ (387,822)
Items not affecting cash:		
Amortization	12,346	14,407
Share-based payment	37,418	72,577
Impairment of investment	-	83,811
Changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	(7,000)	90,769
Decrease (increase) in prepaid expenses and deposits	(5,182)	17,727
Increase in accounts payable and accrued liabilities	(262,780)	(199,437)
Net cash provided by (used in) operating activities	(123,746)	(307,968)
Investing		
Addition to unproven mineral rights interests	(47,125)	(148,277)
Proceeds from sale of royalty	200,000	-
Changes in value added taxes paid	(58,555)	138,652
Net cash in investing activities	94,320	(9,625)
Financing		
Issuance of common shares for cash	-	379,173
Net cash provided by financing activities	-	379,173
Effect of exchange rate changes on cash	140,362	193,671
Net change in cash	110,936	255,251
Cash at beginning of period	115,257	30,126
Cash at end of period	\$ 226,193	\$ 285,377

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

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (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 December 31, 2015 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 interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2016.

These interim condensed 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, 2016 and 2015, the Company incurred operating gain of \$101,452 and a loss of \$387,822 respectively, and as at March 31, 2016 the Company had \$31.05 million in cumulative losses since inception and current liabilities exceed current assets by \$1.9 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, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

2. Statement of Compliance and Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2015, 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, 2015. 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, 2015.

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, 2016:

	Cost	As at March 31, 2016	As at December 31, 2015
		Fair Values	
Candente Gold Corp.	\$ 1,909,094	\$ 80,005	\$ 80,005

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements

For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

5. Unproven Mineral Right Interests

As of March 31, 2016, the Company's mineral properties consist of the following:

Cañariaco Property, located in Lambayeque, Peru	Balance as at January 1, 2016	Mining property expenditures	Balance as at March 31, 2016
Mineral rights acquisition and surface access	\$ 1,547,161	\$ -	\$ 1,547,161
Community engagement and initiatives	4,364,604	24,609	4,389,213
Drilling	9,759,018	2,253	9,761,271
Environmental health and safety	1,313,559	-	1,313,559
Exploration	9,781,303	1,311	9,782,614
Feasibility study	10,884,797	-	10,884,797
Project field support and administration	22,318,322	18,707	22,337,029
Royalty payment received	(500,000)	(200,000)	(700,000)
	59,468,764	(153,120)	59,315,644
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	29,108	245	29,353
	1,399,914	245	1,400,159
Total mineral properties before value-added tax credit	60,868,678	(152,875)	60,715,803
Value-added tax credit *	4,078,335	58,555	4,136,890
Total mineral properties	\$ 64,947,013	\$ (94,320)	\$ 64,852,693

In March 2016, an optionee made an option payment of \$200,000 as required by the terms of the Joint Venture agreement dated November 28, 2013 with Cobrizo Metals Inc., a wholly owned subsidiary of the Company. In addition, the Company granted the optionee a one-year extension of the period to complete the minimum drilling requirement under the Joint Venture agreement.

*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, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

6. Equipment

	Equipment	Vehicles	Leaseholds	Total
As at January 1, 2016	\$ 233,425	\$ 4,416	\$ 1,563	\$ 239,434
Additions	(10,202)	(916)	(1,147)	(12,265)
As at March 31, 2016	\$ 223,223	\$ 3,500	\$ 416	\$ 227,169

7. Trade Payables and Accrued Liabilities

	March 31, 2016	December 31, 2015
Trade payables	\$ 847,071	\$ 1,104,672
Due to related parties (Note 10)	630,595	666,412
Accrued liabilities	688,029	667,180
Loan payable	25,000	15,211
	\$ 2,190,695	\$ 2,453,475

8. Share Capital

a. Shares authorized

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

b. Common share issues

As at March 31, 2016, the Company had 151,713,310 (December 31, 2015 – 151,713,310) common shares issued and outstanding.

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.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

8. Share Capital

c. Share options (continued)

The changes in stock options were as follows:

	Number of options	Weighted average exercise price (CDN\$)
Options outstanding, January 1, 2015	11,795,875	\$0.54
Options granted	3,700,000	\$0.05
Options forfeited	(480,000)	\$0.57
Options expired	(2,559,700)	\$0.52
Options outstanding, December 31, 2015	12,456,175	\$0.40
Options forfeited	(832,500)	\$0.80
Options expired	(687,500)	\$2.13
March 31, 2016	10,936,175	\$0.30

Grant Date	Exercisable		Outstanding		Expiry Date
	Exercise Price	Number of Options	Exercise Price	Number of Options	
May 20, 2011	\$1.62	125,000	\$1.62	125,000	May 20, 2016
September 30, 2011	\$1.03	500,000	\$1.03	500,000	September 30, 2016
January 4, 2012	\$0.95	50,000	\$0.95	50,000	January 4, 2017
June 25, 2012	\$0.60	100,000	\$0.60	100,000	June 25, 2017
January 7, 2013	\$0.60	695,000	\$0.60	695,000	January 7, 2018
September 5, 2013	\$0.30	2,770,000	\$0.30	2,770,000	September 5, 2018
September 11, 2013	\$0.50	494,175	\$0.50	494,175	(i)
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	1,027,125	\$0.30	1,519,500	August 20, 2019
November 16, 2015	\$0.05	1,825,000	\$0.05	3,700,000	November 16, 2020
Weighted Average	\$0.35	9,401,300	\$0.26	10,936,175	

- (i) On September 11, 2013, Cobriza Metals Corp stock options were converted to 1,218,875 Candente Copper Corp. options as per the completion of the Arrangement between the Company and Cobriza Metals Corp. As at March 31, 2016, 494,175 options remain with expiration dates ranging from September 30, 2016, to February 27, 2017.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

8. Share capital (continued)

The Company used the Black-Scholes option-pricing model under the following weighted average assumptions and recorded total stock based compensation for the years ended March 31, 2016 and 2015 of \$37,418 and \$72,577 respectively:

	Three months ended	
	March 31, 2016	March 31, 2015
Dividend yield	0%	0%
Risk-free interest rate	0.99%	1.32%
Volatility range	72.28%	78.82%
Expected life	5 years	2.55 years
Forfeiture rate	0%	2.28%

d. Warrants

	Number of Warrants	Weighted Average Exercise Price
Warrants Outstanding, January 1, 2014	4,968,944	CDN\$0.25
Issued (Note 8(b)(i) and 8(b)(ii))	4,441,622	CDN\$0.15
Warrants Outstanding, December 31, 2015 and March 31, 2016	9,410,566	CDN\$0.20

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 on monetary items.

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, 2016 and 2015 (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. The Company has committed \$550,000 (approximately \$400,000 remaining) 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.

In April 2013, the Company entered into an agreement to support capacitation for businesses in the Cañaris District in Northern Peru with the goal of improving the quality of life of rural families in the district of Cañaris through value chain development in coffee, quinoa and forestry. The Company has a commitment of \$172,000 remaining, over a period of three years, to fund sustainable development programs subject to approval by parties.

10. Related Party Disclosures

The Company's related parties consist of companies owned by executive officers and directors and Companies with common officers and directors. The following is a list of the related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – Management and exploration fees;
- SW Project Management – President, project management and engineering fees;
- Michael Thicke Geological Consulting Inc. – Exploration fees; and
- Candente Gold Corp. – Shared expenses with a Company related by common directors and management.

a. Related party transactions

The Company incurred the following fees and expenses and mineral property costs in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

	Three months ended	
	March 31, 2016	March 31, 2015
Share-based payments	\$ 29,222	\$ 39,564

Share-based payments are the fair value of options expensed to directors and key management personnel during the year.

The Company does not remunerate the directors of the Company unless its market capitalization is greater than \$75 million. In 2015, the Company paid \$nil in directors' fees (2014 - \$nil).

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

10. Related Party Disclosure (continued)

Amounts due to and from related parties are unsecured, non-interest bearing and due on demand. Trade payables and accrued liabilities at March 31, 2016 included \$630,595 due to related parties (December 31, 2015 – \$666,412). Trade and other receivables at March 31, 2016 included \$626,336 (December 31, 2015 - \$598,040) due from Candente Gold Corp., a company with common officers and directors.

b. Loan payable

During the period ended March 31, 2016, certain directors of the Company loaned funds to the Company. The funds were advanced to assist in the operations of the Company. The amounts are unsecured and have no fixed terms of repayment. The amounts are included in trade payables and accrued liabilities.

11. General and Administrative Expenses

Included in the general and administrative expenses are the following:

	Three months ended	
	March 31, 2016	March 31, 2015
GENERAL AND ADMINISTRATIVE		
Amortization	\$ 12,346	\$ 14,407
Audit and tax advisory fees	9,156	1,128
Bank charges and interest	678	1,981
Consulting	-	23,164
Legal	-	122
Management fees, office salaries and benefits	11,890	8,309
Office, rent and miscellaneous	10,600	31,137
Travel and accommodations	265	827
Regulatory and filing fees	4,360	25,200
Shareholder communications	1,306	3,481
Share-based payment	37,418	72,577
Total general and administrative expenses	\$ 88,019	\$ 182,333

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.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

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 and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

Maturity analysis of financial instruments

Financial liabilities	Carrying amount	2015	2016	2017	2018
Trade payables and accrued liabilities	\$ 2,190,695	\$ 2,190,695	\$ -	\$ -	\$ -

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a 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 some 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. Credit risk arises from cash and trade and other receivables.

Cash are 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, \$388,083 of the trade receivable balance as at March 31, 2016 is due from Candente Gold Corp., a related party.

As at March 31, 2016, the Company's maximum exposure to credit risk is the carrying value of its cash and trade and other receivables.

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

14. Financial risk and capital management (continued)

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, December 31, 2015 and 2014 is as follows:

	As at March 31, 2016	As at December 31, 2015
Total working capital deficiency	\$ (1,952,019)	\$ (2,330,971)
Total equity	63,848,697	63,546,627
Total capital	\$ 61,896,678	\$ 61,215,656

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

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).

Candente Copper Corp.

Notes to the interim condensed consolidated financial statements

For the three months ended March 31, 2016 and 2015 (unaudited)

(Expressed in United States dollars unless otherwise noted)

14. Financial risk and capital management (continued)

Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
Assets				
Cash	\$ 226,193	\$ -	\$ -	226,193
Investments	80,005	-	-	80,005
Total	\$ 306,198	\$ -	\$ -	306,198

There were no transfers between levels during the year.