

CADAN RESOURCES CORPORATION
(formerly SUR AMERICAN GOLD CORPORATION)

Unaudited Interim Consolidated Financial Statements
September 30, 2007 and 2006

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying Unaudited Interim Consolidated Financial Statements for the Nine months ended September 30, 2007 and 2006 have been prepared by management and have not been the subject of a review by the Company's independent auditor.

Vancouver, B.C.
November 23, 2007

Cadan Resources Corporation
(formerly Sur American Gold Corporation)
Interim Consolidated Balance Sheets (note 1)

	As at 30 September 2007 (Unaudited)	As at 31 December 2006 (Audited)
Assets		
Current		
Cash	\$ 2,217,396	\$ 1,365,814
Amounts receivable and advances	1,691	66,692
Prepaid expenses	93,788	134,617
	2,312,875	1,567,123
Investments in and Expenditures on Resource Properties (note 3)	10,150,752	8,704,099
Capital	324,320	450,018
	\$ 12,787,947	\$ 10,721,240
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 235,422	\$ 239,289
Non-Controlling Interest in Subsidiaries	73,692	107,421
	309,114	346,710
Shareholders' Equity		
Share Capital (note 4)	21,934,686	20,779,686
Share Subscriptions (Note 4c and 4f)	2,600,500	1,155,000
Contributed Surplus	3,373,551	3,079,885
Deficit	(15,429,904)	(14,640,041)
	12,478,833	10,374,530
	\$ 12,787,947	\$ 10,721,240

Going-Concern and Nature of Operations (note 1), Subsequent Events (note 6)

Approved by the Board:

"Brett Taylor"
..... Director
Brett Taylor

"Doug Evans"
..... Director
Doug Evans

Cadan Resources Corporation
(formerly Sur American Gold Corporation)
Unaudited Interim Consolidated Statements of Operations and Deficit
Three and Nine Months Ended September 30, 2007 and 2006

	Three months ended Sept 30, 2007	Three months ended Sept 30, 2006	Nine months ended Sept 30, 2007	Nine months ended Sept 30, 2006
Expenses				
Legal and professional	\$ 134,855	\$ 33,721	\$ 263,209	\$ 123,982
Regulatory and shareholder costs	24,543	5,352	64,441	44,723
Office and miscellaneous	(7,706)	9,428	39,946	22,406
Travel and accommodation	8,267	5,207	40,904	14,824
Bank charges and interest	399	2,793	2,414	6,908
Telephone and fax	1,269	1,262	2,592	4,901
Depreciation and amortization	185	5,234	2,840	14,766
Salaries and benefits	-	48,308	27,980	143,623
Rent	15,900	6,000	15,900	18,000
Stock based compensation	293,666	372,319	293,666	372,319
Foreign exchange loss/(Gains)	58,246	(16,040)	85,703	25,598
Loss Before Other Item	(529,624)	(473,584)	(839,595)	(792,050)
Other Item				
Gain on sale of asset	-	-	818	-
Interest income	6,397	15,476	15,185	29,718
Loss Before Non-Controlling Interest	(523,227)	(458,108)	(823,592)	(762,332)
Non-Controlling Interest	13,289	(60,536)	33,729	(77,988)
Net Loss for Period	(509,938)	(518,644)	(789,863)	(840,320)
Deficit, Beginning of Period	(14,919,966)	(14,087,732)	(14,640,041)	(13,766,056)
Deficit, End of Period	\$ (15,429,904)	\$ (14,606,376)	\$ (15,429,904)	\$ (14,606,376)
Loss Per Share – basic and diluted	\$ (0.006)	\$ (0.006)	\$ (0.009)	\$ (0.010)
Weighted Average Number of				
Common Shares Outstanding	84,710,589	81,410,352	84,577,622	81,347,205

Cadan Resources Corporation
(formerly Sur American Gold Corporation)
Unaudited Interim Consolidated Statements of Cash Flows
Three and Nine Months Ended September 30, 2007 and 2006

	Three months ended Sept 30, 2007	Three months ended Sept 30, 2006	Nine months ended Sept 30, 2007	Nine months ended Sept 30, 2006
Operating Activities				
Net Loss	\$ (509,938)	\$ (518,644)	\$ (789,863)	\$ (840,320)
Items not involving cash				
Depreciation and amortization	185	41,610	2,840	122,022
Loss on sale/retirement of fixed assets	-	-	606	2,448
Stock based compensation	293,666	372,319	293,666	372,319
Non-controlling interest in subsidiary	(13,289)	60,536	(33,729)	77,988
Operating Cash Flow	(229,376)	(44,179)	(526,480)	(265,543)
Changes in Non-Cash Working Capital				
Amounts receivable and advances	(652)	34,608	65,001	112,989
Prepaid expenses	3,282	(18,579)	40,829	(100,211)
Accounts payable and accrued liabilities	74,229	(992)	(3,867)	(43,556)
	76,859	15,037	101,963	(30,778)
Cash Provided by (Used in) Operating	(152,517)	(29,142)	(424,517)	(296,321)
Investing Activities				
Purchase of capital assets	-	(27,963)	(2,302)	(76,882)
Proceeds from sale of assets	-	(611,289)	7,500	-
Expenditures on deferred exploration costs	(361,046)	-	(1,329,599)	(1,612,750)
Cash Used in Investing Activities	(361,046)	(639,252)	(1,324,401)	(1,689,632)
Financing Activities				
Share subscriptions received (note 11)	2,118,039	-	1,445,500	-
Proceeds from issuances of common shares	-	-	1,155,000	74,930
Cash Provided by Financing Activities	2,118,039	-	2,600,500	74,930
Outflow of Cash	1,604,476	(668,394)	(851,582)	(1,911,023)
Cash, Beginning of Period	612,920	1,629,000	1,365,814	2,871,629
Cash, End of Period	\$ 2,217,396	\$ 960,606	\$ 2,217,396	\$ 960,606

Cadan Resources Corporation
(formerly Sur American Gold Corporation)
Notes to Unaudited Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2007 and 2006

1. GOING-CONCERN AND NATURE OF OPERATIONS

Cadan Resources Corporation (formerly Sur American Gold Corporation) (the “Company”) is incorporated under the laws of British Columbia. The Company changed its name to “**Cadan Resources Corporation**” and continued its incorporation from the federal laws of Canada under the *Canada Business Corporations Act* to the laws of British Columbia under the *Business Corporations Act* (British Columbia), as amended. Its principal business activity is natural resource exploration, presently focusing on unproven mineral interests located in the Philippines.

For the three and nine months ended September 30, 2007, the Company incurred a net loss of \$509,938 and \$789,863 respectively (three months September 30, 2006, \$518,644 and nine months September 30, 2006 \$840,320) and as at September 30, 2007 had a deficit of \$15,429,904 (December 31, 2006 - \$14,606,376) and working capital of \$2,077,453 (December 31, 2006 \$1,327,834). The Company’s ability to continue in operation is dependent on its ability to secure additional financing to fund ongoing administrative and planned exploration expenditures, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

These consolidated financial statements are prepared on a going-concern basis, which contemplates that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going-concern, and therefore, be required to realize its assets and settle its liabilities in other than the normal course of business, possibly at amounts different from those presented in these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial information does not include all disclosures required under generally accepted accounting principles for annual financial statements. The accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are, in the opinion of management necessary for a fair presentation of results for the interim periods. These consolidated financial statements should be read in conjunction with our 2006 audited financial statements and notes.

Significant accounting policies

These interim consolidated financial statements follow the same accounting policies and methods of their applications as our annual financial statements. These interim consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles and include our accounts of our wholly-owned subsidiaries, Exploradora La Esperanza S.A. (a Colombian company), and Sabena Limited (an Australian company) and the accounts of partially-owned affiliates, Philco Mining Corporation (“Philco”), Batoto Resources Corporation (“Batoto”) and TMC Tribal Mining Corporation (“TMC”) referred throughout the financial statements as (“the Philippine companies”). The Company owns 40 percent of each of the Philippine companies and these companies have been consolidated in accordance with Accounting Guideline 15 (“AcG-15”) as they meet the criteria of variable interest entities. All significant intercompany balances and transactions have been eliminated.

Cadan Resources Corporation
(formerly Sur American Gold Corporation)
Notes to Unaudited Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2007 and 2006

3. INVESTMENTS IN AND EXPENDITURES ON RESOURCE PROPERTIES

Through its subsidiaries and the Philippine affiliates, the Company has interests in certain permits and licenses to explore and develop mineral properties located in the Philippines described below. The following table summarizes the Company's investment in the three major Philippine projects Panag, Suriganon and Tagpura, Batoto, and T'Boli.

	Panag, Suriganon and Tagpura	Batoto	T'Boli	Sept 30, 2007 Total	Dec 31, 2006 Total
Acquisition costs	\$ 1,037,981	\$ 1,038,101	\$ 1,017,159	\$ 3,093,241	3,093,241
Deferred exploration costs					
Balance, beginning of year	2,210,469	2,375,001	1,025,388	5,610,858	3,370,321
Incurred during quarter:					
Assaying	134,927	117,731	-	252,658	70,476
Community development	11,909	22,617	9,164	43,690	66,871
Consultants	114,685	147,609	55,388	317,682	502,275
Depreciation and amortization	106,628	5,475	4,969	117,072	145,417
Drilling costs	183,163	-	-	183,163	305,232
Exploration and mineral processing	124,143	30,042	5,422	159,607	164,004
Field supplies and miscellaneous	71,473	112,520	47,127	231,120	744,196
Taxes, Licenses and fees	-	1,990	-	1,990	-
Geological	55,876	-	-	55,876	88,068
Transportation and travel	47,664	22,112	14,019	83,795	153,998
Total for period	850,468	460,096	136,089	1,446,653	2,240,537
Deferred exploration costs					
Balance, end of quarter	3,060,937	2,835,097	1,161,477	7,057,511	5,610,858
Total	\$ 4,098,918	3,873,198	2,178,636	10,150,752	8,704,099

Cadan Resources Corporation
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Notes to Unaudited Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2007 and 2006

3. INVESTMENT IN AND EXPENDITURES ON RESOURCE PROPERTIES (Continued)

- (a) Panag, Suriganon and Tagpura, Barangay Camanlangan, Municipality of New Bataan, Compostela Valley Province, Philippines.

Panag and Suriganon are located within Exploration Permit ("EP") No. 000001-00-X1 covering an area of approximately 2,170.82 hectares, which was granted on March 1, 2000. Tagpura is located within Exploration Permit Application ("EXPA") EXPA X1-063 covering a revised area of 2,200 hectares, more or less. It was filed in July 1997. Both are owned 100% by Philco. EPA X1-063 is being converted into an EP.

There are no royalties payable to the government of the Philippines as the properties are located in an Indigenous area. The Indigenous peoples will, upon commercial production, be given a royalty equivalent to 1% of the operating cost of any operation. There are no annual work commitments.

- (b) Batoto, Barangay Camanlangan, Municipality of New Bataan, Compostela Valley Province, Philippines

Batoto is located within the Mineral Production Sharing Agreement Application ("MPSA") No. 000246-X1 (formerly MLC 292) covering an area of approximately 648 hectares, and is situated within Exploration Permit Application EXPA-109-X1, which covers an area of approximately 3,205.2937 hectares. The property was transferred in 2004 from Philco EP No 000001-00-X1 to Batoto.

There are no royalties payable to the government of the Philippines as the properties are located in an Indigenous area. The Indigenous peoples will, upon commercial production, be given a royalty equivalent to 1% of the operating cost of any operation. There are no annual work commitments.

In December of 2006, Batoto acquired from local company, Bunawan Mining Corporation, an area of approximately 813.5942 hectares, which lies to the south-east of Batoto EXPA-109-X1.

Batoto EXPA – 109-X1 now has a total area of approximately 4,018.8879 hectares.

- (c) T'boli, Barangay Kematu, Municipality of T'boli, South Cotabato Province, Philippines

T'boli is located within approved Mineral Production Sharing Application ("MPSA") 090-97-X1 84 covering an area of 84.982 hectares, which was granted in November 1997 and Mineral Production Sharing Agreement Application ("MPSA No. 51-X1 Holon Block") covering 2,790.86 hectares. TMC Tribal Mining Corporation is the legal owner of these licenses. There is a 2% mineral royalty payable to the government of the Philippines in respect of any future mineral production.

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4. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued

	Number of Shares	Amount
Balance, December 31, 2005	81,256,851	20,669,260
Issued pursuant to:		
Exercise of warrants	53,738	34,930
Exercise of stock options	100,000	40,000
Reallocation from contributed surplus	-	35,496
Balance, December 31, 2006	81,410,589	\$ 20,779,686
Issued pursuant to		
Private placement (note 4(c))	3,300,000	1,155,000
Balance, September 30, 2007	84,710,589	\$ 21,934,686

(c) Private placements

On January 12, 2007, the Company completed a private placement involving the issuance of 3,300,000 units at \$0.35 per unit for gross proceeds of \$1,155,000. Each unit consists of one common share and one common share purchase warrant. The warrant entitles the holder to purchase an additional common share at a price of \$0.50 during the first 12 months and for \$0.65 during the second 12 months. All securities under this private placement had a four-month hold period that expired on May 12, 2007.

(d) Stock options

The Company has a stock option plan whereby the board of directors is authorized to grant options to a rolling ceiling of 10% of the issued and outstanding common shares of the Company.

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The terms of the option and the option price are fixed by the directors at the time of grant subject to price restrictions imposed by the TSX Venture Exchange. Stock options awarded have a maximum term of five years and vest on the date of award.

As at September 30, 2007, and December 31, 2006, the following incentive stock options were outstanding and exercisable:

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Expiry Date	Exercise Price	Sept 2007	Dec 2006
December 11, 2007	\$ 0.25	-	50,000
September 5, 2008	\$ 0.11	65,000	115,000
December 11, 2008	\$ 0.45	-	740,000
December 11, 2008	\$ 0.20	165,000	-
September 30, 2009	\$ 0.40	-	4,037,500
September 30, 2009	\$ 0.20	1,462,500	-
August 17, 2010	\$ 0.60	-	1,790,000
August 17, 2010	\$ 0.20	780,000	-
July 12, 2011	\$ 0.48	-	1,000,000
July 12, 2011	\$ 0.20	520,000	-
July 24, 2012	\$ 0.15	2,800,000	-
		5,792,500	7,732,500

Stock option transactions and the number of stock options outstanding and exercisable are summarized as follows:

	September 2007		December 2006	
	Number Of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	7,732,500	\$ 0.46	7,192,500	\$ 0.46
Awarded	2,800,000	-	1,000,000	\$ 0.48
Exercised	-	-	(100,000)	\$ 0.40
Repriced	(2,927,500)	\$0.47	-	-
Repriced	2,927,500	\$0.20	-	-
Cancelled/expired	(4,740,000)	\$ 0.45	(360,000)	\$ 0.60
Outstanding and exercisable, end of period	5,792,500	\$ 0.20	7,732,500	\$ 0.46

Stock options held by officers, directors and employees of the Company expire 30 days following their departure from the Company. During the nine months to September 30, 2007, 4,740,000 options belonging to former officers, directors and employees were not exercised within 30 days of their departure and were cancelled.

On May 31, 2007, the Company amended the exercise price of various outstanding stock options held by certain directors, officers and consultants of the Company. A total of 2,927,500 options were amended to decrease the exercise price to \$0.20 per share,

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including 165,000 options expiring on December 11, 2008; 1,462,500 options expiring on September 30, 2009; 780,000 options expiring on August 17, 2010; and 520,000 options expiring on July 12, 2011. The options are governed by the Company's stock option plan. The Company received approval for the reprice of the options from disinterested shareholders of the Company at its annual meeting held on June 25, 2007. The repricing of the options is subject to regulatory acceptance and therefore none of the repriced options may be exercised prior to such approval being obtained.

On July 24, 2007, the Company, in accordance with its approved stock option plan, granted an aggregate of 2,800,000 incentive stock options to the recently appointed CFO and various consultants working for the Company. The exercise price of the options has been set at \$0.15 and the options are exercisable for a period of 5 years.

(e) Warrants

As at September 30, 2007, and December 31, 2006, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Sept 2007	Dec 2006
August 16, 2007	\$0.75	-	6,250,000
January 12, 2009	\$0.50/\$0.65	3,300,000	-
		3,300,000	6,250,000

Share purchase warrant transactions and the number of share purchase warrants outstanding and exercisable are summarized as follows:

	Sept 2007		Dec 2006	
	Number Of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-		6,819,626	\$ 0.53
Issued	3,300,000	\$0.50/\$0.65	-	
Exercised	-		(53,738)	\$ 0.65
Expired/forfeited	-		(32,243)	\$1.07
Expired/forfeited	-		(483,645)	\$ 2.10
Outstanding and exercisable, September 30, 2007	3,300,000	\$ 0.50	6,250,000	\$ 0.75

Cadan Resources Corporation
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Notes to Unaudited Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2007 and 2006

(f) Share subscriptions

At September 30, 2007, the Company had received proceeds of \$3,373,551 towards a private placement to sell 33,000,000 units ("Units") at a price of \$0.15 per Unit for gross proceeds of \$4,950,000. Each Unit consisted of one common share and one non-transferable share purchase warrant. Each warrant is exercisable for an additional common share of the Company for a period of 24 months from closing at a price of \$0.20 per share during the first 12 months after closing and \$0.30 in the next 12 months. All securities under this private placement have a four-month hold period that will expire on March 1, 2008.

5. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities is \$73,158 (Dec 2006 - \$87,010) payable to a director and officer of the Company.

6. SUBSEQUENT EVENTS

On October 31, 2007, the Company closed a private placement having sold 33,000,000 units ("Units") at a price of \$0.15 per Unit for gross proceeds of \$4,950,000. Each Unit consisted of one common share and one non-transferable share purchase warrant. Each warrant is exercisable for an additional common share of the Company for a period of 24 months from closing at a price of \$0.20 per share during the first 12 months after closing and \$0.30 in the next 12 months. All securities under this private placement have a four-month hold period that will expire on March 1, 2008. In addition, the Company will pay a finders' fee of 5% of the gross proceeds in connection with the sale of a total of 29,183,333 Units and issued 2,918,333 non-transferable finders' warrants entitling the holder to purchase that number of shares at a price of \$0.15 per share for a period of one year after closing.

On November 6, 2007, the Company granted an aggregate of 5,872,500 incentive stock options to various directors and consultants of the Company. The exercise price of the options has been set at \$0.15 and they are exercisable for a period of 5 years.