CADAN RESOURCES CORPORATION

Condensed Consolidated Interim Financial Statements
Three month and nine periods ended September 30, 2015 and 2014
(Expressed in Canadian Dollars)

CADAN RESOURCES CORPORATION
Condensed Consolidated Interim Financial Statements

September 30, 2015

(Unaudited – See “Notice to Reader” below)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the condensed consolidated interim financial statements for the period ended September 30, 2015.

NOTICE TO READER OF THE FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of Cadan Resources Corporation (the "Company"), comprised of the unaudited condensed consolidated interim balance sheet as at September 30, 2015, and the audited balance sheet as at December 31, 2014, and the unaudited condensed consolidated interim statements of loss and comprehensive loss for the three and nine months ended September 30, 2015, and 2014, and the cash flows and changes in shareholders deficiency for the nine months ended September 30, 2015, and 2014, are the responsibility of the Company’s management. The unaudited condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Smythe Ratcliffe Chartered Professional Accountants.

The unaudited condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards.

“Peter Main”	*“Derick Sinclair”*
…………………………	…………………………
Peter Main, Chief Executive Officer	Derick Sinclair, Chief Financial Officer
November 27, 2015	November 27, 2015

CADAN RESOURCES CORPORATION
Condensed Consolidated Interim Balance Sheets
Unaudited
(Expressed in Canadian dollars)

	Notes	September 30 2015	December 31 2014
Assets			
Current			
Cash		$ 246,844	$ 67,645
Amounts and advances receivable		806,082	225,670
Prepaid expenses		548,603	506,226
		1,601,529	799,541
Exploration and evaluation assets	**4**	1,094,881	1,094,881
Property, plant and equipment	**8**	2,186,244	2,121,370
		$ 4,882,654	$ 4,015,792
Liabilities			
Current			
Accounts payable and accrued liabilities	**12**	$ 5,726,957	$ 5,903,386
Loans payable	**14**	358,043	325,360
Convertible notes	**9 & 12**	2,306,994	3,946,363
Deferred income tax liability		245,019	222,654
Due to related parties	**10 & 12**	5,571,816	5,268,371
		14,208,829	15,666,134
Retirement benefit obligation	**13**	230,212	209,198
		14,439,041	15,875,332
Shareholders' deficiency			
Share capital	**11**	59,342,134	57,336,073
Share subcriptions received in advance	**11**	4,155,778	514,251
Reserves		1,305,520	2,083,283
Deficit		(46,137,845)	(44,367,150)
Equity attributable to owners of the Company		18,665,587	15,566,457
Non-controlling interest		(28,221,974)	(27,425,997)
		(9,556,387)	(11,859,540)
		$ 4,882,654	$ 4,015,792

Approved on behalf of the Board:

"Ryan Sander"	*"Peter Main"*
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Ryan Sander, Director	Peter Main, Director

See notes to condensed consolidated interim financial statements

CADAN RESOURCES CORPORATION
Condensed Consolidated Interim Statements Loss of Comprehensive Loss
Unaudited
(Expressed in Canadian dollars)

	Notes	Three months ended September 30 2015	Three months ended September 30 2014	Nine months ended September 30 2015	Nine months ended September 30 2014
Expenses					
Bank charges and interest		$ 164,800	$ 191,049	$ 574,533	$ 991,578
Consulting fees		373,380	150,426	613,085	612,450
Exploration and evaluation expenses	**4(f)**	209,802	228,872	400,770	1,071,461
Legal and professional		13,504	24,044	58,961	99,043
Travel and accommodation		31,298	-	106,972	14,444
Office and miscellaneous		324,950	7,043	917,282	546,821
Regulatory and shareholder costs		52,021	3,412	67,002	39,402
Rent		2,550	5,525	33,305	17,170
Loss before other items		(1,172,305)	(610,371)	(2,771,910)	(3,392,369)
Other items					
Loss on retirment of fixed assets		-	(3,172)	-	(3,172)
Termination fees		-	-	-	(495,000)
Gain on sale of Metallum Limited shares		-	61,911	-	123,822
Share of income (loss) in equity accounted investment		-	(180,000)	323,609	(180,000)
Foreign exchange (loss) gain		(430,521)	(281,885)	(1,028,150)	131,568
Impairment of investment in Agusan		-	-	(179,755)	-
Impairment of Agusan loan		-	-	(143,854)	-
Net loss		(1,602,826)	(1,013,517)	(3,800,060)	(3,815,151)
Deferred income tax expense		-	-	-	-
Net loss		(1,602,826)	(1,013,517)	(3,800,060)	(3,815,151)
Items that will recycle to net loss:					
Recycle loss on shares of Metallum Limited		-	(61,911)	-	(61,911)
Net loss and comprehensive loss		$ (1,602,826)	$ (1,075,428)	$ (3,800,060)	$ (3,877,062)
Net loss attributed to:					
Owners of the Company		$ (1,295,433)	$ (1,054,905)	$ (3,004,083)	$ (3,285,242)
Non-Controlling Interest		(307,393)	(20,523)	(795,977)	(591,820)
		$ (1,602,826)	$ (1,075,428)	$ (3,800,060)	$ (3,877,062)
Loss Per Share – basic and diluted		$ (0.02)	$ 0.025	$ (0.04)	$ (0.21)
Weighted Average Number of Common Shares Outstanding		92,045,467	18,441,026	92,045,467	18,441,026

See notes to condensed consolidated interim financial statements

CADAN RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
Unaudited
(Expressed in Canadian dollars)

	Number of shares issued	Share capital	Share-based payments reserve	Share subscriptions received	Deficit	Equity attributable to owners of the Company	Non-Controlling Interest	Shareholders' Deficency
Balance at December 31, 2013	**18,213,248**	**$56,696,847**	**$3,894,981**	**$ -**	**$(39,501,677)**	**$21,090,151**	**$(25,828,161)**	**$ (4,738,010)**
Common shares issued for cash ($0.40 per share)	500,000	$ 200,000	-	-	-	$ 200,000	-	$ 200,000
Shares issued for debt ($0.40 per share)	1,098,063	439,225	-	-	-	439,225	-	439,225
Reclassification of the fair value of options and warrants on expiry	-	-	(717,310)	-	-	(717,310)	-	(717,310)
Subscriptions received in advance	-	-	-	253,670	-	253,670	-	253,670
Adjustments due to fractional rounding on 8:1 share consolidation	(129)	-	-	-	-	-	-	-
Net loss for nine month period ended September 30	-	-	-	-	(3,285,242)	(3,285,242)	(591,820)	(3,877,062)
Balance at September 30, 2014	**19,811,182**	**$57,336,072**	**$3,177,671**	**$ 253,670**	**$(42,786,919)**	**$17,980,494**	**$(26,419,981)**	**$ (8,439,487)**
Balance at December 31, 2014	**19,811,182**	**$57,336,073**	**$2,083,283**	**$ 514,251**	**$(44,367,150)**	**$15,566,457**	**$(27,425,997)**	**$(11,859,540)**
Common shares issued for cash ($0.05 per share)	15,325,020	766,251	-	(514,251)	-	252,000	-	252,000
Shares issued for debt ($0.40 per share)	24,796,200	1,239,810	-	-	-	1,239,810	-	1,239,810
Discount attributed to the convertible note conversion features	-	-	455,625	-	-	455,625	-	455,625
Subscriptions received ($0.05 per unit)	-	-	-	2,856,000	-	2,856,000	-	2,856,000
Subscriptions debt conversion ($0.05 per unit)	-	-	-	1,299,778	-	1,299,778	-	1,299,778
Reclassification of the fair value of options and warrants on expiry	-	-	(1,233,388)	-	1,233,388	-	-	-
Net loss for nine month period ended September 30	-	-	-	-	(3,004,083)	(3,004,083)	(795,977)	(3,800,060)
Balance at September 30, 2015	**59,932,402**	**$59,342,134**	**$1,305,520**	**$ 4,155,778**	**$(46,137,845)**	**$18,665,587**	**$(28,221,974)**	**$ (9,556,387)**

See notes to condensed consolidated interim financial statements

CADAN RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
Unaudited
(Expressed in Canadian dollars)

	Nine months ended September 30	
	2015	**2014**
Cash flows from operating activities		
Net loss for the period	$ (3,800,060)	$ (3,815,151)
Items not involving cash		
Amortization	282,044	374,723
Gain on sale of Metallum Limited shares		(61,911)
Share of gain in equity accounted investment	(323,609)	180,000
Unrealized loss/(gain) on foreign exchange	1,014,323	(648,201)
Impairment of investment in Agusan	143,854	-
Impairment of investment in Agusan	179,755	-
Accrued interest credit facility and convertible loans	153,104	1,197,505
	(2,350,589)	(2,773,035)
Changes in non-cash working capital		
Amounts and advances receivable	(580,412)	22,065
Prepaid expenses	(42,377)	(264,165)
Accounts payable and accrued liabilities	(176,429)	984,256
Cash used in operating activities	(3,149,807)	(2,030,879)
Cash flows from investing activities		
Proceeds on sale of investment in Metallum Limited	-	233,834
Purchase (dispose) of property and equipment	(346,918)	(11,268)
Cash used in Investing activities	(346,918)	222,566
Cash flows from financing activities		
Proceeds from issuance of common shares	766,251	200,000
Proceeds from credit facility due to related parties	53,673	1,286,253
Subscriptions received in advance	2,856,000	253,670
Cash provided by financing activities	3,675,924	1,739,923
Inflow (Outflow) of Cash	179,199	(68,390)
Cash, Beginning of the period	67,645	93,461
Cash, End of the period	$ 246,844	$ 25,071

See notes to condensed consolidated interim financial statements

1. GOING CONCERN AND NATURE OF OPERATIONS

Cadan Resources Corporation (the "Company" or "Cadan") was incorporated on November 14, 1977 and continued under the laws of British Columbia on August 28, 2007. The Company is an exploration stage company, and its principal business activity is natural resource exploration, focusing on resources located in the Philippines. The head office, principal and registered address, and records office of the Company is Suite 600 – 666 Burrard Street, Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates that the Company will realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed consolidated interim financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The following adverse conditions cast significant doubt on the Company's ability to continue as a going concern. For the nine months ended September 30, 2015, the Company had a net loss of $3,800,060 (2014 - $3,877,062). At September 30, 2015, the Company had an accumulated deficit of $46,137,845 (September 30, 2014 - $42,786,919 and December 31, 2014 - $44,367,150). The Company has not yet demonstrated an ability to produce a sustained source of revenue to satisfy its requirements to conduct its planned exploration, progress the development of the T'Boli mine and processing plant, meet repayment obligations on its debts, meet its administrative overhead and maintain its resource interests. The Company has relied principally upon the issuance of securities and debt to finance operations. The Company's ability to continue as a going concern is dependent on its ability to secure additional financing and, while it has done so in the past, there can be no assurance that it will be able to do so in the future.

Mining and exploration involves a high degree of risk and there can be no assurance that current mining and exploration programs will result in profitable mining operations.

The recoverability of the Company's investment in, and expenditures on, exploration and evaluation is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

On November 28, 2014, the Company announced that the TSX Venture Exchange ("TSX-V") approved a share consolidation of the outstanding shares on the basis of eight pre-consolidation common shares for one post-consolidation common share (the "Consolidation") (note 11). The Consolidation was effective at the open of the market on December 1, 2014. As a result of the Consolidation, Cadan's issued and outstanding 158,490,484 common shares were reduced to 19,811,182 common shares. The Company has retroactively amended the share and per share amounts contained in these condensed consolidated interim financial statements, to reflect the effects of the Consolidation.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed consolidated interim financial statements are 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*. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which were prepared in accordance with IFRS in effect at that date, as issued by the IASB.

(b) Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Company for the quarter ended September 30, 2015, were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 27, 2015.

(c) Use of judgments and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. In particular, significant judgments made by management in the application of IFRS during the preparation of the condensed consolidated interim financial statements and estimates with a risk of material adjustment are:

(i) Realization of assets

The investments in exploration and evaluation assets (note 4) and property, plant and equipment (note 8) comprise a significant portion of the Company's assets. Realization of the Company's investments are dependent upon the Company obtaining permits for exploration or development of resource claims, the satisfaction of governmental requirements, satisfaction of possible aboriginal claims, the attainment of successful production from the properties, or from the proceeds upon disposal of the Company's interests therein. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

(ii) Environmental and provision for site reclamation liabilities

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development of mineral resource properties, the potential for production on the properties may be diminished or negated.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

Management must make judgments about the existence and valuation of provisions for site reclamation liabilities. The assessment of provision for site reclamation liabilities requires management to assess the stage of exploration activities in each mineral property, compliance with local environmental regulations, and agreements in place.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

(iii) Valuation of receivable

The loan to Agusan has no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of this receivable. Uncertainty around the collection schedule for the Agusan loan has result in the carrying value of the loan to Agusan being impaired, in accordance with Level 3 of the fair value hierarchy. Events and circumstances arising during the year, or that are foreseeable at year-end, are reflected in the valuation of this receivable in the condensed consolidated interim balance sheets and reflect management's best estimate of the fair value of this financial instrument. As at December 31, 2014, management impaired this loan to $nil. Management's basis for valuation is described in note 6.

(iv) Impairment assessment

Annually, the Company assesses whether indicators of impairment exist. If indicators of impairment are identified, the Company then assesses whether its assets' carrying values are greater than their recoverable values. The recoverable value is the higher of an asset's fair value, less costs to sell, and its value in use. The Company has reviewed its most recent economic models and forecasts in assessing whether there were indicators of impairment for its property, plant and equipment and exploration and evaluation costs incurred. Management uses several criteria in its assessment including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, accessible facilities, existing permits and life of mine plans.

(v) Convertible notes

Management must make judgments about the valuation of convertible notes, principally through the determination of an appropriate discount rate for similar debt without conversion features or attached warrants. The Company reviewed discount rates in use by companies of similar size, and in the same industry and life cycle stage, to determine an appropriate discount rate. Management also considered the Company's history of borrowings, the general economic outlook for junior exploration entities, and its overall access to credit facilities.

(vi) Contingencies

By their nature, contingencies, including the retirement benefit obligation, will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events, including the use of actuarial assumptions.

(vii) Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the balance sheets cannot be derived from active markets, their fair value is estimated using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but, where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management judgments and estimates include: fair value of financial instruments; rates of amortization; balances of accrued liabilities; determination of provision for reclamation liability; the determination of the variables used in the calculation of share-based payments and the value of derivative investments; the determination of the variables used in the calculation of the net present value of the loan to Agusan; and actuarial assumptions for retirement benefit obligations.

(Expressed in Canadian dollars, unless otherwise stated)

While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

The Company has classified its cash as FVTPL; loan to Agusan, as AFS; amounts and advances receivable (excluding GST receivable), as loans and receivables; and accounts payable and accrued liabilities, loans payable, convertible notes and due to related parties, as other financial liabilities.

The carrying values of cash, amounts and advances receivable (excluding GST receivable), accounts payable and accrued liabilities, and secured loans, approximate their fair values due to the short terms to maturity of these financial instruments. The carrying values of amounts due to related parties, excluding convertible notes due to related parties described below, approximate their fair value, as they are non-interest-bearing and due on demand.

The convertible notes matured in June 2014, and continued to accrue interest at 12% per annum compounded monthly (note 9). The carrying values of the notes that matured in June 2014 were determined, in accordance with Level 2 of the fair value hierarchy, by discounting the face value of the notes over the six month to two year terms of the notes by a discount rate of 60%, and accreting the discount over the respective term to the anticipated conversion date of the notes. As the convertible notes matured in June 2014, at September 30, 2015 they are held at face value plus accrued interest which approximates fair value as they are due on demand. At December 31, 2014 the carrying values of convertible notes were determined, in accordance with Level 2 of the fair value hierarchy, by discounting the face value of the notes over the six month to two year terms of the notes by a discount rate of 60%, and accreting the discount over the respective term to the anticipated conversion date of the notes.

During the nine months ended September 30, 2015, uncertainty around the collection schedule for the Agusan loan resulted from Metallum Limited (“Metallum”) putting the project on care and maintenance status. As a result, the carrying value of the loan to Agusan was impaired, in accordance with Level 3 of the fair value hierarchy.

(a) Credit risk

The Company is exposed to credit risk with respect to its cash. Cash has been placed on deposit with major Canadian and Philippine financial institutions. The risk arises from the non-performance of counterparties of contractual financial obligations.

The Company manages credit risk, in respect of cash, by maintaining deposits at major financial institutions with strong investment-grade ratings.

Concentration of credit risk exists with respect to the Company’s cash, as the majority of the amounts are held with only a few Canadian and Philippine financial institutions. The Company’s concentration of credit risk and maximum exposure thereto, is as follows:

	September 30, 2015	December 31, 2014
Canadian dollar equivalent		
Canadian dollar	$ 6,026	$ 21,359
Philippine peso	240,818	46,286
Total cash	$ 246,844	$ 67,645

The Company is also exposed to credit risk with respect to its amounts and advances receivable and loan to Agusan (notes 5 and 6). The Company maintains an equity investment in Agusan and receives periodic financial information from Metallum and Agusan with respect to that investment. The Company actively monitors the financial status of Agusan and Metallum to minimize the credit risk related to this loan. Other amounts receivable relate to input tax credits.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on their estimated fair values as of September 30, 2015 and December 31, 2014. Future cash flows from interest income on cash will not be material. The Company manages interest rate risk by investing in highly liquid investments with maturities of one year or less.

The Company's convertible notes and credit facility are at fixed rates of interest.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company is exposed to foreign currency risk with respect to cash, accounts payable and accrued liabilities, and amounts due to related parties, as a portion of these amounts are denominated in Philippine pesos, Australian dollars and US dollars as follows:

	September 30, 2015	December 31, 2014
Canadian dollar equivalent		
Philippine Pesos		
Cash	$ 240,818	$ 46,286
Accounts payable and accrued liabilities	(2,829,324)	(3,305,231)
AUD$		
Accounts payable and accrued liabilities	(1,154,698)	(1,233,883)
US$		
Accounts payable and accrued liabilities	(267,394)	(153,072)
Due to related parties (notes 10 & 12)	(5,571,816)	(5,268,371)
Net exposure		
Canadian dollar equivalent	$ (9,582,414)	$ (9,914,271)

The Company manages foreign currency risk by only holding funds in foreign currencies for short-term requirements. The Company has not entered into any foreign currency contracts and does not utilize derivatives to mitigate this risk.

A 1% fluctuation in the value of the Philippine peso, Australian dollar and US dollar at September 30, 2015, would result in a change to net loss and comprehensive loss of approximately $96,000 (2014 - $99,000).

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Accounts payable are all due within thirty days and amounts due to related parties, excluding convertible notes (notes 9 and 12) due to related parties and excluding amounts due under the credit facility (notes 10 and 12), are without specific terms of repayment, however, they are expected to be repaid within one year.

The Company will require significant cash funding to conduct its exploration programs, meet its administrative overhead costs, meet its repayment obligations, maintain its resource interests and bring its T'Boli gold processing plant to full production capacity. This will require the Company to obtain additional financing.

4. EXPLORATION AND EVALUATION ASSETS

(a) Permits and licences

Through its subsidiaries and the Philippine companies, the Company has interests in certain permits and licences to explore and develop exploration and evaluation assets located in the Philippines, as described below.

At September 30, 2015, the Company had capitalized acquisition costs on its T'Boli project of $1,094,881 (December 31, 2014 - $1,094,881).

(i) Panag, Suriganon, Tagpura and Camanlangan are located in the municipalities of New Bataan and Nabunturan, Compostela Valley Province, Philippines.

The Company completed the sale of 80% of the Company's interests in Agusan (notes 5 and 6) January 17, 2012, and has retained a carried interest of 20% in Agusan (notes 5 and 6).

(ii) Batoto, Barangay Camanlangan, Municipality of New Bataan, Compostela Valley Province, Philippines.

There are no royalties payable to the government of the Philippines because 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.

Under IFRS 6 *Exploration for and Evaluation of Mineral Resources*, an indicator of impairment was determined for the Batoto property, due to a lack of currently available funding or plans for future exploration activities. Management was unable to determine a value in use or fair value less costs of disposal for the Batoto property, which would satisfy the IFRS accounting requirements for measurement of recoverable amount. Therefore, the Batoto property has been impaired to $nil during the year ended December 31, 2014, such impairment determined in accordance with level 3 of the fair value hierarchy.

(iii) T'Boli, Barangay Kematu, Municipality of T'Boli, South Cotabato Province, Philippines.

The Company has received the Mines and Geosciences Bureau's ("MGB") Declaration of Mining Project Feasibility enabling the Company to process ore at the T'Boli gold-silver mine within the Mineral Processing and Sharing Agreement. However, to date, the Company has used this ability only to process incidental ore stockpiles available from exploration activities, and remains in the exploration and evaluation phase.

There is a 2% mineral royalty payable to the government of the Philippines in respect of mineral production.

On May 2, 2013, the Company entered into an agreement with Mighty River International Ltd. ("Mighty River") of Singapore, whereby Mighty River is providing the Company with a US $5 million credit facility (note 10). In connection with the credit facility agreement, Cadan, Mighty River and Cadan's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US $1 million advanced to the Company. As of September 30, 2015, the Company had principal interest and royalties outstanding of US $4,142,706 (CDN $5,571,816) (December 31, 2014 – US $4,541,307; CDN $5,268,371) on the credit facility (notes 10, 12 and 17).

(b) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its resource exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in a material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

(c) Realization of assets

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the underlying properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(d) Title to exploration and evaluation asset interests

Although the Company has taken steps to verify the title to exploration and evaluation asset interests for which it has a permit and/or licence, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(Expressed in Canadian dollars, unless otherwise stated)

A summary of the exploration costs incurred during the nine months ended September 30, 2015, and 2014 are as follows:

	Batoto	TMC	Nine Months September 30, 2015 Total	Nine Months September 30, 2014 Total
Cumulative exploration and evaluation expenses				
Incurred during year				
Exploration and mine development	88,630	148,915	237,545	1,265,528
Mill Site	-	163,225	163,225	3,408
Exploration and evaluation expenses	**$ 88,630**	**$ 312,140**	**$ 400,770**	**$ 1,268,936**
Recoveries from metal sales	-	-	-	(197,475)
Net exploration and evaluation expenses	**$ 88,630**	**$ 312,140**	**$ 400,770**	**$ 1,071,461**

5. SALE OF AGUSAN METALS CORPORATION

On January 17, 2012, the Company completed the sale of 80% of the Company's interest in Agusan retaining a 20% investment in Agusan (note 6). Pursuant to a shareholders' agreement, Metallum has an obligation to fund AU $48,000,000 in exploration activity in Agusan as follows:

Exploration Expenditures	Annual amount (AU $)	Cumulative amount (AU $)
Year 1	5,000,000	nil
Year 2	5,000,000	nil
Year 3	5,000,000	15,000,000
Year 4	15,000,000	30,000,000
Year 5	18,000,000	48,000,000

The annual amounts in the table above are the expected schedule of expenditures; the cumulative amount is the funding requirement schedule. Should Metallum not meet the funding requirements, the agreement contains dilution provisions. Upon Metallum funding the project to AU $48,000,000, both the Company and Metallum will fund further development pro rata, based on their ownership interests. Metallum reported AU $7.4 million in exploration expenditures to December 31, 2014, an AU $7.6 million shortfall of the minimum exploration amount of AU $15 million required by the end of the third year (January 17, 2015). During the year ended December 31, 2014, Metallum putting that project on care and maintenance. Metallum has kept the project on care and maintenance into 2015. The Company is in discussions with Metallum to establish a long-term strategy for the Agusan project.

(Expressed in Canadian dollars, unless otherwise stated)

6. INVESTMENT IN AND LOAN TO AGUSAN METALS CORPORATION

Pursuant to the January 17, 2012, sale of an 80% interest in Agusan (notes 5 and 12), the Company retained a 20% investment in Agusan. The investment is accounted for as an investment in an associate using the equity method. The 20% retained investment was revalued on the date of sale at $1,231,360. The carrying amounts for the quarter ended September 30, 2015, and year ended December 31, 2014, were $nil calculated as follows:

	September 30, 2015	December 31, 2014
Investment amount	$ 1,231,360	$ 1,231,360
Pro rate share of increase in Agusan paid up capital	112,635	112,635
Share of net loss	(1,164,240)	(1,343,995)
Impairment of investment in Agusan	(179,755)	-
Carrying amount	$ -	$ -
Loan to Agusan	$ -	$ -

The Company's investment in Agusan was written down to zero at December 31, 2014. The Company's equity share of Agusan gain resulted from favourable foreign exchange rates. During the year ended December 31, 2014, the equity share of Agusan's net income (loss) was applied to the loan to Agusan to reduce the write-down of that loan recognized in 2013. The allocations of the Company's share of equity income of Agusan in the nine months ended September 30, 2015, and year ended December 31, 2014 are as follows:

	September 30, 2015	December 31, 2014
Investment in Agusan	$ 179,755	$ -
Share of net gain	143,854	124,962
	$ 323,609	$ 124,962

The Company's loan to Agusan is unsecured, non-interest-bearing and has no specified terms of repayment. Pursuant to a shareholders' agreement, the Company's loan to Agusan will rank equally with amounts advanced by Metallum for exploration expenditures on the Agusan copper-gold project. The advances will be repaid first from distribution of profits on a proportional basis until each advance is repaid.

During the year ended December 31, 2014, uncertainty around the collection schedule for the Agusan loan was created as a result of Metallum putting that project on care and maintenance. Metallum has kept the project on care and maintenance into 2015. As the Agusan gain resulted from favourable foreign exchange rates and as the carrying value of the loan to Agusan continues to be impaired in accordance with Level 3 of the fair value hierarchy and is valued at $nil, the Company's share of the gain has been written down to $nil. The carrying value of the loan to Agusan had the following changes for the nine months ended September 30, 2015, and year ended December 31, 2014:

	September 30, 2015	December 31, 2014
Opening balance of loan to Agusan	$ -	$ 1,470,112
Capital contributions	-	-
Impairment	(143,854)	(1,595,074)
Share of net gain	143,854	124,962
	$ -	$ -

(Expressed in Canadian dollars, unless otherwise stated)

7. INVESTMENT IN METALLUM LIMITED

Pursuant to the January 17, 2012, sale of an interest in Agusan (note 5), the Company acquired 3,100,000 common shares of Metallum and 2,000,000 share purchase options. Each option was exercisable to acquire one Metallum common share for AU $0.20 until January 17, 2014. On March 14, 2013, the Company accepted 5,952,381 common shares of Metallum valued at $316,500 as partial settlement of a debt (note 5). During the year ended December 31, 2014, the Company liquidated its investment in Metallum for proceeds of $233,834 and recognized a gain on sale of the investment in Metallum of $61,911. The options expired unexercised on January 17, 2014.

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Vehicles and exploration equipment	Construction in progress	Office furniture and equipment	Total
Cost						
Balance, December 31, 2013	$182,548	$408,336	$ 2,696,664	$ 17,403	$ 68,429	$ 3,373,380
Disposals	-	-	(479,663)	-	737	(478,926)
Additions	-	-	280,011	-	(17,068)	262,943
Balance, December 31, 2014	182,548	408,336	2,497,012	17,403	52,098	3,157,397
Disposals	-	-	-	-	2,241	2,241
Additions	-	-	346,918	-	(2,241)	344,677
Balance, September 30, 2015	$182,548	$408,336	$ 2,843,930	$ 17,403	$ 52,098	$ 3,504,315
Accumulated amortization and impairment losses						
Balance, December 31, 2013	$ -	$ 84,323	$ 864,193	$ -	$ 45,178	$ 993,694
Amortization on disposals	-	-	(406,361)	-	-	(406,361)
Amortization	-	16,783	427,538	-	4,373	448,694
Balance, December 31, 2014	-	101,106	885,370	-	49,551	1,036,027
Amortization	-	15,573	263,087	-	3,384	282,044
Balance, September 30, 2015	$ -	$116,679	$ 1,148,457	$ -	$ 52,935	$ 1,318,071
Net book value						
Balance, December 31, 2014	$182,548		$ 1,611,642	$ 17,403	$ 2,547	$ 2,121,370
Balance, September 30, 2015	**$182,548**	**$291,657**	**$ 1,695,473**	**$ 17,403**	**-$ 837**	**$ 2,186,244**

9. CONVERTIBLE NOTES

a. On November 12, 2013, the Company announced that it had successfully negotiated the refinancing of a total of $3,637,661 in principal and interest payable on maturity of convertible debentures that became due June 21, 2013, and July 14, 2013. Pursuant to the refinancing, which was effective October 1, 2013, the Company issued a total of 2,728,248 common shares and $2,546,362 of new convertible debentures. The new convertible debentures were convertible into common shares of the Company at a price of $0.64 per share until June 1, 2014, and had a coupon rate of interest of 12%. In connection with the refinancing, the Company also issued a total of 4,913,539 common share purchase warrants of the Company, each warrant exercisable into a common share of the Company at a price of $0.64 until June 1, 2015.

(Expressed in Canadian dollars, unless otherwise stated)

b. Effective October 1, 2013, the Company successfully negotiated the refinancing of the remaining convertible notes, a total of $1,230,066 in principal and interest payable on outstanding convertible debentures. Pursuant to the refinancing, the Company issued a total of 922,553 common shares and $861,045 of new convertible debentures. The new convertible debentures are convertible into common shares of the Company at a price of $0.64 per share until June 1, 2014, and have a coupon rate of interest of 12% per annum. In connection with the refinancing, the Company also issued a total of 1,364,516 common share purchase warrants of the Company, each warrant exercisable into a common share of the Company at a price of $0.64 per share until June 1, 2015. A loss on early retirement of debt was recognized in the amount of $372,242.

c. The convertible notes matured in June 2014, and the Company has successfully negotiated the refinancing of all convertible notes with a portion being converted into units and new convertible notes being issued for the remainder (note 17). The notes continued to accrue interest at 12% per annum compounded monthly up to the renewal date. At September 30, 2015, the company had closed on $1,814,152 with the remaining $867,360 closed in November 2015 (note 17).

d. The carrying values of the convertible notes at September 30, 2015, and December 31, 2014, were:

		September 30, 2015		December 31, 2014
Face value on issue	$	2,681,512	$	3,407,407
Accrued interest		81,108		538,956
Unamortized discount conversion		(455,626)		-
	$	**2,306,994**	**$**	**3,946,363**

10. DUE TO RELATED PARTIES

On May 2, 2013, the Company entered into an agreement with Mighty River (note 4(a)(iii)), a related party (note 12), being a company that had a director in common with Cadan during part of 2014 and at September 30, 2015, and December 31, 2014, owned over 10% of the issued and outstanding shares of the Company, whereby Mighty River is providing the Company with a US $5 million loan facility. Amounts drawn bear interest at a rate of 8% per annum and are repayable in 12 months from the draw date. In connection with the loan agreement, Cadan provided the lender with security over all its assets and Cadan, Mighty River and Cadan's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US $1 million advanced to Cadan.

On May 27, 2014, the Company and Mighty River amended the agreement extending the Final Maturity Date and Repayment date to December 31, 2015.

The Company has reached an agreement with Mighty River to refinance $904,000 (US $800,000), being a portion of the amounts owed on the Credit Facility for interest and royalties (note 17). On November 27, 2015, the Company received TSX-V approval and issued 18,080,000 units at $0.05 each with each unit consisting of a common share and a warrant to purchase a common share for 12 months at $0.10 (note 17).

At September 30, 2015, the Company had total principal, interest and royalties owing to Mighty River of $5,571,816 (US $4,142,706) (December 31, 2014 - $5,268,371(US$4,541,307)).

11. SHARE CAPITAL

On December 1, 2014, the Company completed a consolidation of the issued and outstanding common shares in the capital of the Company on an 8 old for 1 new basis. All shares issued, and per share amounts in these financial statements, have been changed to reflect the share consolidation (note 1).

(a) Authorized

Unlimited common shares without par value

(b) Issued

At September 30, 2015, 59,932,402 (December 31, 2014 - 19,811,182) common shares were issued and outstanding.

On July 24, 2015 the Company received TSX-V approval and issued 24,796,200 units ($1,239,801) as follows 22,196,200 units ($1,109,810) to convertible noteholders see (a) below and 2,600,000 ($130,000) see (b) below.

(a) On July 24, 2015 the Company received TSX-V approval and issued 22,196,200 units ($1,109,810) to convertible noteholders as described below, and on November 27, 2015 (note 17) received TSX-V approval and issued the remaining 7,915,560 Units ($395,778) as described below. The Company renewed two groups of existing convertible notes in total $2,623,658 (note 9). The first group renewed 809,506 notes with an effective date of December 1, 2014, that have a $0.12 conversion price and 6,745,884 warrants also at $0.12. These notes expire on December 1, 2015, and warrants expire on December 1, 2016. The second group renewed 1,814,152 notes with an effective date of July 1, 2015, that have a $0.10 conversion price and 18,141,520 warrants also at $0.10. These notes expire on December 1, 2016 and warrants expire on July 1, 2017. Additionally these note holders converted $1,505,588 of their debt to $0.05 Units. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The Company issued 30,111,760 Units for gross debt reduction of $1,505,588.

(b) On July 24, 2015, the Company reached agreement with creditors to converted $130,000 in debt and issued 2,600,000 Units. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 8, 2015, the Company closed the first tranche of a non-brokered private placement of Units at a price of $0.05 per Unit and issued 15,325,020 Units for gross proceeds of $766,251. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On August 14, 2014, the Company issued 1,098,063 common shares to retire outstanding debts of $439,226.

On February 11, 2014, the Company issued 500,000 shares for total proceeds of $200,000 pursuant to a private placement of shares offered at $0.40 per share.

(c) Subscriptions received in advance

At September 30, 2015, the Company had received in total $4,155,778 consisting of $2,196,000 in cash and $1,959,778 in signed agreements to convert debt. The Company is committed to issue 83,155,560 Units. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. Following the quarter's end the Company received TSX-V approval and issued the u (note 17).

(Expressed in Canadian dollars, unless otherwise stated)

(c) 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 restrictions imposed by the TSX-V. Stock options awarded have a maximum term of ten years. The vesting terms of the options are determined by the directors; however, options granted to investor relations consultants are subject to a minimum twelve-month vesting schedule whereby no more than 25% vest in any three-month period. Stock options held by officers, directors, employees or consultants of the Company expire one year following their departure from the Company.

No options were granted in the nine months ended September 30, 2015, and year ended December 31, 2014. During the nine months ended September 30, 2015, 536,250 options expired unexercised. Included in the expired options were options held by former officers, directors, or consultants of the Company which expired one year following their departure from the Company. The options had exercise prices from $1.20 to $7.60. As at September 30, 2015, and December 31, 2014, the following incentive stock options were outstanding and exercisable:

Expiry Date	Exercise Price	**September 30, 2015**	**December 31, 2014**
01-Mar-15	$7.60	-	18,750
17-Aug-15	$4.00	-	6,250
12-Jul-16	$4.00	1,750	3,500
21-Sep-16	$3.60	68,750	68,750
06-Dec-16	$1.60	152,500	273,750
24-Jul-17	$4.00	23,738	23,738
06-Nov-17	$4.00	44,750	133,000
25-Oct-17	$1.20	175,000	475,000
		466,488	1,002,738

The options outstanding and exercisable at September 30, 2015, and December 31, 2014, have a weighted average remaining contractual life of 2.11 years and 2.43 years, respectively.

Stock option activity is as follows:

	September 30, 2015		**December 31, 2014**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	1,002,738	$2.06	1,287,113	$2.32
Expired	(536,250)	$2.02	(284,375)	2.62
Outstanding and exercisable, end of period	466,488	$2.11	1,002,738	$2.06

The fair value of options that expired in 2015 was $1,006,145 (2014 - $712,035).

(Expressed in Canadian dollars, unless otherwise stated)

Share-based payments

The Company did not grant any share-based payments during the nine months ended September 30, 2015, or year ended December 31, 2014.

(d) Warrants

On July 24, 2015 the Company received TSX-V approval and issued 22,196,200 warrants to convertible noteholders as described above (note 11 (b)). Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 24, 2015, the Company reached agreement with creditors and issued 2,600,000 warrants as described above (note 11 (b)). Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On July 8, 2015, the Company closed the first tranche of a non-brokered private placement and issued 15,325,020 warrants as described above (note 11 (b)). Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

As at September 30, 2015, and December 31, 2014, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	September 30, 2015	December 31, 2014
June 1, 2015	$ 0.64		6,278,054
September 15, 2015	$ 10.00 (2)		259,981
October 18, 2015	$ 10.00 (2)	372,524	372,524
December 8, 2015	$ 8.80 (1)	1,375,000	1,375,000
July 17, 2016	$ 0.10	15,325,020	-
July 24, 2016	$ 0.10	24,796,200	-
		41,868,744	8,285,559

(1) On April 10, 2012, the Company extended the expiry date of 1,375,000 warrants from December 8, 2012, to December 8, 2015.

(2) The warrants were exercisable at $8.00 for the first two years and $10.00 for the remaining three years.

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

	September 30, 2015		December 31, 2014	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	8,285,559	$2.71	12,621,163	$2.40
Issued	40,121,220	$0.10	-	-
Expired	(6,538,035)	$1.01	(4,335,604)	$1.75
Outstanding, end of year	41,868,744	$0.47	8,285,559	$2.71

The fair value of warrants that expired in 2015 was $227,244 (2014 - $469,200).

(Expressed in Canadian dollars, unless otherwise stated)

12. RELATED PARTY TRANSACTIONS AND BALANCES

At September 30, 2015, the Company owed $6,302,171 (December 31, 2014 - $6,650,435) to related parties, of which, amounts to officers and directors are included in accounts payable, as follows:

		September 30, 2015		December 31, 2014
Officers and directors for:				
Consulting and directors fees	$	629,552	$	370,752
Reimburse expenses		4,459		14,075
Convertible notes (note 9)		96,344		997,237
Due to related parties		5,571,816		5,268,371
	$	6,302,171	$	6,650,435

During the nine months ended September 30, 2015, and 2014, the Company incurred key management compensation as follows:

		September 30, 2015		September 30, 2014
Short-term benefits	$	406,000	$	462,096
Termination fees		-		495,000
	$	406,000	$	957,096

13. RETIREMENT BENEFIT OBLIGATION

The Company has a legislated obligation to provide a retirement payment to employees in the Philippines equal to 22.5 days pay for every year of credited service at attainment of a retirement age of 60. The Company completes an actuarial valuation of the present value of the obligation annually. The last actuarial valuation of the present value of the obligation was carried out at September 30, 2015, based on obligations at December 31, 2014. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The current and past service costs for the nine month period ended September 30, 2015, totaled $Nil (year ended December 31, 2014 - $82,362), and are included as part of the exploration and evaluation expenses. The principal assumptions used for the purposes of the actuarial valuation were as follows:

	September 30, 2015	December 31, 2014
Discount rate	4.89	4.89
Expected rate of salary increase	5%	5%
Normal retirement age	60	60
Projected retirement benefit	22.5 days per year of service	22.5 days per year of service
Actuarial cost method	projected Unit Credit Method	projected Unit Credit Method
Manner of benefit payment	Lump sum	Lump sum

(Expressed in Canadian dollars, unless otherwise stated)

14. LOANS PAYABLE

On December 3, 2012, the Company entered into a loan agreement with Philtia Resources Pty Ltd. for $280,000. The loan bears interest of 8% per annum, and was payable at maturity, which was three months after the loan was granted. As at September 30, 2015, the loan remains in default and continues to accrue interest. The interest and principal of the loan at September 30, 2015, totaled $358,043 (December 31, 2014 - $325,360).

15. CAPITAL MANAGEMENT

In October 2012, the Company's Philippines affiliate, TMC, received the MGB Declaration of Mining Project Feasibility enabling the Company to commence commercial mining production at the T'Boli gold-silver mine and the Carbon-in-leach ("CIL") plant. From receipt of the Declaration of Mining Project Feasibility in 2012 to September 2014, the T'Boli mine and mill processed a total of 17,460 tons of material, resulting in the production of 80,065 grams of gold at an average grade of 4.59 grams per ton. Total sales to date from production were approximately $3.4 million. Mining operations were suspended and the mine allowed to flood in June of 2014 and the mill stopped processing in September due to lack of funding for required upgrades to the mine, mill and related facilities. With the financing and debt settlements described in note 11 the Company is taking the necessary steps to resume of operations at T'Boli.

The Company continues to rely on debt and issuance of shares to generate capital to fund operations and exploration costs. The Company considers capital to consist of shareholders' equity, loans due to related parties and convertible debt.

The Company's objectives of capital management are intended to safeguard its ability to meet normal operating requirements on an ongoing basis and continue the development and exploration of its resource properties. To effectively manage the Company's capital requirements, the Company has a planning process in place to determine and secure the funds required to ensure appropriate liquidity to meet its operating and growth objectives (notes 11 and 17). The Company monitors actual expenses on all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company's objectives for managing capital has not changed from prior years.

16. SEGMENTED INFORMATION

The Company has one operating segment: resource property exploration. The Company's corporate assets are located in Canada. The Company has investments in corporations located in the Philippines and natural resource exploration activities have occurred in Colombia in past years.

	September 30, 2015		
	Canada	Philippines	Consolidated
Current assets	$ 33,922	$ 1,567,607	$ 1,601,529
Exploration and evaluation assets	-	1,094,881	1,094,881
Property, plant and equipment	-	2,186,244	2,186,244
Total Assets	$ 33,922	$ 4,848,732	$ 4,882,654
Total Liabilities	$ 11,097,237	$ 3,341,804	$ 14,439,041

	December 31, 2014		
	Canada	Philippines	Consolidated
Current assets	$ 53,533	$ 746,008	$ 799,541
Exploration and evaluation assets	-	1,094,881	1,094,881
Property, plant and equipment	-	2,121,370	2,121,370
Total Assets	$ 53,533	$ 3,962,259	$ 4,015,792
Total Liabilities	$ 12,138,249	$ 3,737,083	$ 15,875,332

17. EVENTS AFTER THE REPORTING DATE

On October 7, 2015 the Company received TSX-V approval and issued the shares announced on July 20, 2015. The Company closed the second tranche of a non-brokered private placement of Units at a price of $0.05 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The Company issued 13,200,000 Units for gross proceeds of $660,000, paid a finder's fee of 1,267,000 Units in connection with the placement and issued 24,796,200 Units to existing creditors who have agreed to convert $1,239,810 into Units. The Company will issue the Units once the issuance has been approved by the Exchange.

On October 18, 2015, 372,524 warrants with an exercise price of $10.00 expired unexercised.

On October 23, 2015 the Company received TSX-V approval and issued the shares announced on August 25, 2015, the Company closed the final tranche of its previously announced private placement of Units at a price of $0.05 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The Company raised $2,196,000 and issued 43,920,000 Units to a single cornerstone investor (the "Investor"). On closing the Investor owns 30.9% of Cadan. The shares are subject to a 4 month hold period.

On November 27, 2015 the Company received TSX-V approval and issued 7,915,560 Units for previously announced conversion of convertible debt of $395,778. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On November 27, 2015 the Company received TSX-V approval and issued 18,080,000 Units for previously announced debt conversion of $904,000 (US$800,000). Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On November 27, 2015 the Company received TSX-V approval and issued 1,040,000 shares to related parties (note 10) for the conversion debt totalling $52,000. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

On November 27, 2015 the Company received TSX-V approval and issued 150,000 Units for the conversion of debt of $7,500. Each Unit consists of one common share of the Company and one common share purchase warrant, with each warrant exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.