

CADAN RESOURCES CORPORATION

**Consolidated Financial Statements
March 31, 2008 and 2007**

<u>Index</u>	<u>Page</u>
Unaudited Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Deficit	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 10

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying Unaudited Interim Consolidated Financial Statements for the three months ended March 31, 2008 and 2007 have been prepared by management and have not been the subject of a review by the Company's independent auditor.

Vancouver, B.C.
May 26, 2008

CADAN RESOURCES CORPORATION
Unaudited Interim Consolidated Balance Sheets (note 1)

	March 31, 2008 (Unaudited)	December 31, 2007 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 2,300,008	\$ 3,300,369
Amounts receivable and advances	6,855	22,097
Prepaid expenses	150,231	148,982
	2,457,094	3,471,448
Investments in and Expenditures on Resource		
Properties (note 3)	11,955,930	10,994,746
Property, Plant and Equipment	253,394	273,814
	\$ 14,666,418	\$ 14,740,008
Liabilities		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 370,431	\$ 274,390
Non-Controlling Interest in Affiliates		
	90,017	83,751
	460,448	358,141
Shareholders' Equity		
Share Capital (note 4)	26,581,445	26,581,445
Contributed Surplus	4,268,448	4,268,448
Deficit	(16,643,923)	(16,468,026)
	14,205,970	14,381,867
	\$ 14,666,418	\$ 14,740,008

Approved by the Board:

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

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

CADAN RESOURCES CORPORATION
Unaudited Interim Consolidated Statements of Operations and Deficit
Three Months Ended March 31, 2008 and 2007

	Three months ended March 31, 2008	Three months ended March 31, 2007
Expenses		
Legal and professional	\$ 149,985	\$ 35,872
Regulatory and shareholder costs	17,587	8,139
Office and miscellaneous	7,565	21,129
Travel and accommodation	18,484	18,314
Salaries and benefits	-	27,980
Foreign exchange loss	(7,819)	694
Rent	9,548	-
Bank charges and interest	416	925
Telephone and fax	835	292
Depreciation and amortization	190	2,282
Loss Before Other Items	(196,791)	(115,627)
Other Items		
Interest income	27,160	5,098
Loss Before Non-Controlling Interest	(169,631)	(110,529)
Non-Controlling Interest	(6,266)	2,174
Net Loss and Comprehensive Loss for Period	(175,897)	(108,355)
Deficit, Beginning of Period	(16,468,026)	(14,640,041)
Deficit, End of Period	\$ (16,643,923)	\$ (14,748,396)
Loss Per Share – basic and fully diluted	(\$0.001)	(\$0.001)
Weighted Average Number of Common Shares		
Outstanding	117,710,589	84,307,256

CADAN RESOURCES CORPORATION
Unaudited Interim Consolidated Statements of Cash Flows
Three Months Ended March 31, 2008 and 2007

	Three months ended March 31, 2008	Three months ended March 31, 2007
Operating Activities		
Net loss	\$ (175,897)	\$ (108,355)
Items not involving cash		
Depreciation and amortization	190	2,282
Non-controlling interest in subsidiaries	6,266	(2,174)
	(169,441)	(108,247)
Changes in non-cash working capital		
Amounts receivable and advances	15,242	3,552
Prepaid expenses	(1,249)	33,615
Accounts payable and accrued liabilities	96,041	(13,524)
	110,034	23,643
Cash Used in Operating Activities	(59,407)	(84,604)
Investing Activities		
Deferred exploration costs (note 3)	(936,947)	(483,238)
Purchase of capital assets	(4,007)	-
Cash Used in Investing Activities	(940,954)	(483,238)
Inflow (Outflow) of Cash	(1,000,361)	(567,842)
Cash and Cash Equivalents, Beginning of Period	3,300,369	1,365,814
Cash and Cash Equivalents, End of Period	\$ 2,300,008	\$ 797,972

CADAN RESOURCES CORPORATION
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

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**” in 2007 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 months ended March 31, 2008, the Company incurred a net loss of \$175,897 (March 31, 2007 - \$108,355) and had a deficit of \$16,643,923 (December 31, 2007 - \$16,468,026). 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.

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 2007 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 the 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 (“PMC”), Batoto Resources Corporation (“BRC”) 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
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

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	2008 Total		
Acquisition costs	\$	1,037,981	\$	1,038,101	\$	1,017,159	\$	3,093,241
Deferred exploration costs								
Balance, beginning of year		3,577,130		3,074,257		1,250,118		7,901,505
Incurring during period								
Assaying		27,503		-		-		27,503
Community development		7,746		21,910		5,435		35,091
Consultants		46,153		19,077		38,910		104,140
Depreciation and amortization		20,563		1,893		1,782		24,238
Drilling costs		365,758		-		-		365,758
Exploration and mineral processing		62,366		44,575		1,180		108,121
Field supplies and miscellaneous		26,340		147,210		23,317		196,867
Taxes, licenses and fees		-		2,068		-		2,068
Geological		17,342		-		-		17,342
Transportation and travel		34,406		38,287		7,363		80,056
Deferred exploration costs								
Total for period		608,177		275,020		77,987		961,184
Deferred exploration costs								
Balance, end of period		4,185,307		3,349,277		1,328,105		8,862,689
Balance, March 31, 2008	\$	5,223,288	\$	4,387,378	\$	2,345,264	\$	11,955,930

CADAN RESOURCES CORPORATION
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

- (a) Panag, Suriganon, and Tagpura are located in the Municipality of New Bataan, Compostela Valley Province, Philippines. Cadan's area lies partly in New Bataan but mostly in the Municipality of Nabunturan Compostela Valley Province.
- (b) Batoto Barangay Camanlangan, is located in the Municipality of New Bataan, Compostela Valley Province, Philippines

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.

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

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

4. SHARE CAPITAL

- (a) Authorized
Unlimited common shares without par value
- (b) Issued
Issued 117,710,589
- (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 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.

CADAN RESOURCES CORPORATION
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

As at March 31, 2008, and December 31, 2007, the following incentive stock options were outstanding and exercisable:

Expiry Date	Exercise Price	March 15, 2008	December 31, 2007
September 5, 2008	\$ 0.11	65,000	65,000
December 11, 2008	\$ 0.20	165,000	165,000
September 30, 2009	\$ 0.20	1,462,500	1,462,500
August 17, 2010	\$ 0.20	780,000	780,000
July 12, 2011	\$ 0.20	520,000	520,000
July 24, 2012	\$ 0.15	2,300,000	2,800,000
November 6, 2012	\$ 0.15	5,872,500	5,872,500
April 15, 2013	\$ 0.15	500,000	-
		11,665,000	11,665,000

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

	March 31, 2008		December 31, 2007	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	11,665,000	\$ 0.46	7,732,500	\$ 0.46
Awarded	-	-	8,672,500	\$ 0.15
Repriced	-	-	(2,927,500)	\$ 0.47
Repriced	-	-	2,927,500	\$ 0.20
Forfeited/expired	-	-	(4,740,000)	\$ 0.45
Outstanding and exercisable, end of period	11,665,000	\$ 0.16	11,665,000	\$ 0.16

Stock options held by officers, directors and employees of the Company expire 30 days following their departure from the Company.

CADAN RESOURCES CORPORATION
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

(d) Warrants

As at March 31, 2008, and December 31, 2007, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Exercise Price	March 31, 2008	December 31, 2007
January 12, 2009	\$ 0.65	3,300,000	3,300,000
October 31, 2009	\$ 0.20/\$ 0.30	33,000,000	33,000,000
October 31, 2009	\$ 0.15	2,918,333	2,918,333
		39,218,333	39,218,333

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

	March 31, 2008		December 31, 2007	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	32,218,333	\$ 0.22	6,250,000	\$ 0.75
Issued	-	-	3,300,000	\$0.50/\$ 0.65
Issued	-	-	33,000,000	\$ 0.20/\$ 0.30
Issued finders' warrants	-	-	2,918,333	\$ 0.15
Expired	-	-	(6,250,000)	\$0.75
Outstanding end of period	39,218,333	\$ 0.23	39,218,333	\$ 0.22

5. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities is \$73,065 (December 31, 2007 - \$69,744) payable to directors and a corporation controlled by a director.

CADAN RESOURCES CORPORATION
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2008 and 2007

6. SUBSEQUENT EVENTS

On April 15, 2008 500,000 options held by a consultant to the Company were cancelled.

On April 15, 2008 in accordance with its approved stock option plan, the Company granted 500,000 incentive stock options to a consultant 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 five years and vest immediately.