

CADAN RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2009

This Management Discussion and Analysis of the financial condition and results of operations has been prepared as at April 15, 2009, and should be read in conjunction with the audited consolidated financial statements of Cadan Resources Corporation (“Company” or “Cadan” or “CNF”) for the years ended December 31, 2008 and 2007. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). Except as otherwise disclosed, all dollar figures included therein, and in the following Management Discussion and Analysis (“MD&A”), are reported in Canadian dollars. Additional information relevant to the activities of the Company can be found on SEDAR at www.sedar.com.

To assist shareholders and potential investors to learn more about the Company and keep up-to-date with its exploration developments, the Company’s website provides maps and details of its main Philippine porphyry copper-gold and gold projects. Readers are encouraged to visit the site at www.CadanResources.com.

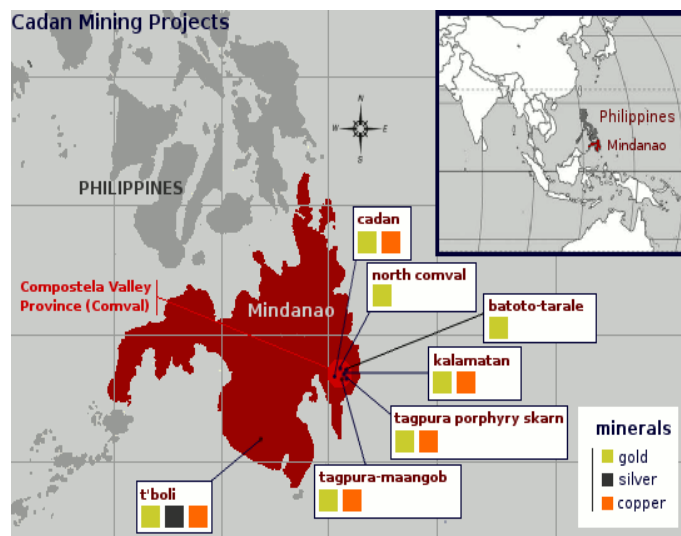
1. Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

2. Use of Mineral Reserve and Resource Terminology

The mineral resources described in this MD&A are estimates and have been prepared in compliance with National Instrument 43-101 of the Canadian Securities Administrators. The definitions of the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in, and required to be disclosed by, National Instrument 43-101.

3. Company Overview



The Company is a mineral exploration company engaged in the exploration and development of precious and base metal projects located in the Philippines (see map opposite). Its corporate objective is to advance the exploration of each project to the point where it can be developed economically, either by itself, or in a development joint venture.

On December 18, 2008, the Company announced the development of the T'oli gold-silver mine and the advancement of its key “lateral development” program.

In the Philippines, the Company operates through its partially-owned affiliates, Philco Mining Corporation (“PMC”), Batoto Resources Corporation (“BRC”) and TMC Tribal Mining Corporation (“TMC”), collectively, the “Philippine companies”.

The Company owns 40% of each of the Philippine companies. These companies have been consolidated as they meet the criteria for variable interest entities. CNF management and resources are focused on the systematic exploration of the Comval porphyry copper-gold deposits and targets owned by the Philippine companies: the Tagpura, Maangob, Kapanawan and Kalamatan porphyry copper-gold deposits; the Cadan porphyry copper-gold prospect; the Batoto-Tarale gold prospect; and the T'oli gold-silver deposit located in East Mindanao, the Philippines.

With the focus on progressive production of the TBoli gold-silver mine and the development of the Comval copper-gold and gold projects in the Philippines, the Company will close the Colombian operation, which has been on a care and maintenance basis. No material cost is anticipated.

As of the date of the MD&A, the Company has not earned any production revenue nor has found any proven reserves. Exploration and operating activities are financed primarily by the issuance of common shares.

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange (“TSXV”).

4. Directors & Management

Mr. Brett Taylor	Director, CEO and President
Mr. John D Anderson	Director, Director Corporate Development
Mr. Bill Goode	Director, Director Technical Development
Mr. Alan S Phillips	Director
Dr. Douglas Evans	Director
Mr. Derick Sinclair, CA	CFO
Ms. Gia Van Tran	Manager, Corporate Relations

5. Direction

The Company continued its focus on its Comval porphyry copper-gold projects, its T’Boli epithermal gold-silver mine and the Batoto-Tarale large tonnage gold project in the Philippines. These projects are located in the structural corridor that hosts the “world class” Tampakan copper-gold project (now 62.5% owned by Xstrata Plc) which has a Measured Resource of 568 million tonnes (“Mt”) at 0.71% Cu and 0.29g/t Au and an Indicated Resource of 836Mt at 0.58% Cu and 0.22g/t Au. Tampakan has an Inferred Resource of 566Mt at 0.49% Cu and 0.18g/t Au. (reference: Indophil Resources NL, published resource JORC Code, September 30, 2006).

Indophil Resources NL has reported that the Tampakan copper-gold project, in all categories stated above, has an in-situ resource of some 11,620,000 tonnes of copper and some 14,560,000 ounces of gold.

6. Exploration and Development

The three known copper-gold deposits in the Tagpura, Maangob, Kapanawan, Kalamatan porphyry copper-gold belt, and the new geophysical discovery at Cadan, have coincident IP and magnetic signatures. In the Philippines and elsewhere, a high IP signature invariably indicates a high sulphide content either as pyrite (iron sulphide) and/or chalcopyrite/bornite (copper iron sulphides), whilst high magnetite content usually indicates hydrothermal magnetite, which is often associated with elevated gold values, with perhaps the best example being Freeport’s Grasberg porphyry copper-gold deposit in Irian Jaya, Indonesia. As there are demonstrated areas of mineralization at all four projects, Cadan is encouraged by its on going exploration results.

Structural Corridor Comval and T’Boli Projects



The map (opposite) identifies the location of the Company’s projects within the structural corridor, which intersects the major Philippine Fault Structure in East Mindanao, the Philippines.

Cadan has conducted a large tenement-wide, induced polarization survey, contracted to geophysical consultants, Elliott Geophysics International Pty Ltd, headed by Dr. Elliott M.Sc, Ph.D, M.AusIMM.

Induced polarization is a standard exploration approach that is used in exploring for porphyry copper-gold ore bodies and was a major factor in the pre-drilling definition of the “world class” Tampakan project.

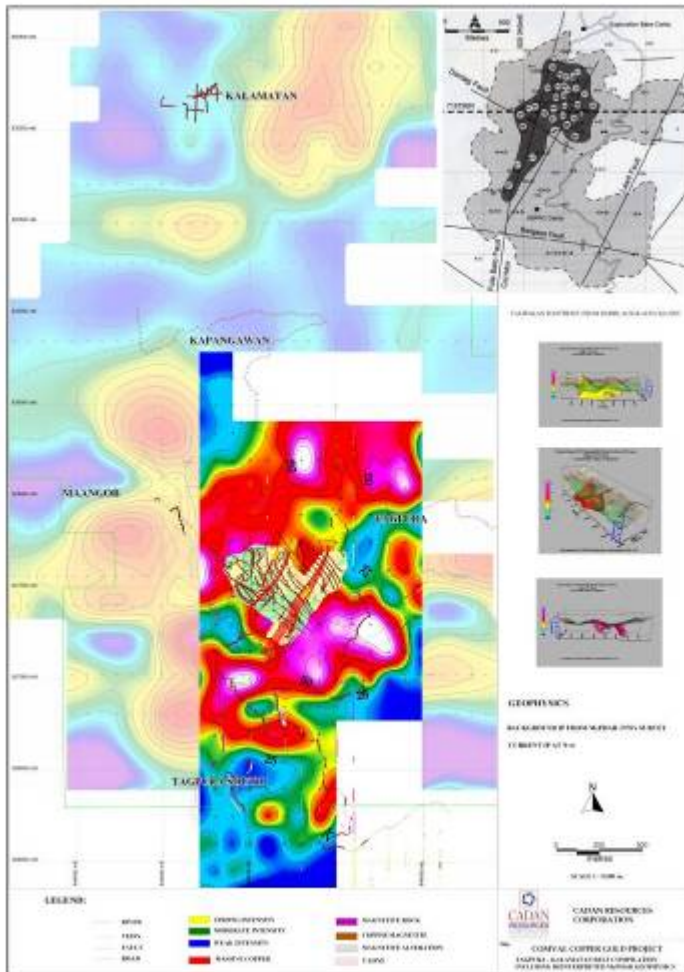
The geophysical survey has, to date, defined four large areas of strong chargeability anomalism.

These are:

**TAGPURA
MAANGOB**

**KALAMANTAN
CADAN**

The plan below shows a comparison of the ‘footprints’ of the Tagpura deposit geophysical anomaly with the outline footprint of the “world class” Tampakan copper-gold project (now 62.5% owned by Xstrata plc). Tampakan has a Measured Resource of 568Mt at 0.71% Cu and 0.29g/t Au and an Indicated Resource of 836Mt at 0.58% Cu and 0.22g/t Au. Tampakan has an Inferred Resource of 566Mt at 0.49% Cu and 0.18g/t Au. (reference: Indophil Resources NL, published resource JORC Code, September 30, 2006).



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Strong IP anomalies in the Philippines, and elsewhere, invariably indicate disseminated sulphide content, either as pyrite (iron sulphide) and/or chalcopyrite/bornite (copper iron sulphides), whilst a high magnetite content usually indicates hydrothermal magnetite, which is often associated with elevated gold values, with perhaps the best example being Freeport’s Grasberg porphyry copper-gold deposit in Irian Jaya, Indonesia.

The large aerial extent (Tagpura approximately three square kilometers) and intensity of the induced polarization, with coincident surface indications of copper-gold minerals, has required a major strategic re-evaluation of the prospectivity and hence the

Company’s exploration approach to the project.

Drilling commenced on October 8, 2007, with the Company operated diamond drill, and, during December 2007, a contractor operated reverse circulation drill rig commenced operations. An initial program of 3,000 meters of reverse circulation percussion (“RC”) drilling was scheduled and has been completed. After assessment of the initial RC drilling program, RC drilling recommenced at the end of April and was completed at the end of September 2008. The Company is pleased to advise that, as of December 31, 2008, 14,944.25 meters of diamond core and RC drilling were completed.

Apart from down hole surveys across the Maangob porphyry copper-gold and skarn deposits, no drilling has been undertaken during the past quarter.

Comval Porphyry Copper-Gold Projects

The Tagpura, Kalamatan and Maangob areas were mined and explored in the 1970s and early 1980s and, during that period, had defined ore grade porphyry copper-gold and associated higher grade skarn copper-gold mineralization.

Tagpura Porphyry Copper-Gold



The Tagpura porphyry copper-gold corridor has a “*conceptual or order of magnitude*” potential tonnage range between 1 billion and 1.7 billion tonnes and a grade range between 0.30% copper and 0.17 g/t gold to 0.7% copper and 0.31 g/t gold. (see News Release dated June 2, 2008)

The Tagpura project has been geologically mapped in detail and state of the art 3D induced polarization and expanded ground magnetic surveys have been completed at the Kalamatan and Maangob projects. The geophysical surveys have successfully identified new targets with signatures that are comparable to known mineralization at the previously identified deposits.

Geological mapping and systematic channel sampling at Tagpura, of the existing open cut mine benches, underground adit exposures and of the area of high grade skarn copper-gold mineralization, (where previous results in drill hole TGD-1 showed that strong copper-gold mineralization commenced at 1.4 meters and continued until 210 meters with the 208.6 meters averaging 0.5% copper and 0.16g/t gold), indicates that mineralization at the Tagpura deposit is associated with the identified large geophysical anomaly and the Company is encouraged by positive sampling results obtained by this work.

Tagpura Porphyry Skarn Copper-Gold



Tagpura porphyry skarn zone has an indicated “*conceptual or order of magnitude*” potential tonnage range of some 10 million to 15 million tonnes with a potential grade range between 0.50% copper and 0.20 g/t gold to 0.70% copper and 0.31 g/t gold. (See News Release dated Tuesday August 5, 2008).

Sufficient drilling has now been completed to allow the calculation of a NI 43-101 compliant resource and an independent qualified person will be appointed to undertake the NI 43-101 Technical Report.

In a News Release dated Tuesday March 3, 2009, Cadan announced initial results of its bacterial heap leach test work on two representative samples of mineralized material from drill core and from channel samples from mining benches of the existing open pit at its Tagpura porphyry copper-gold project.

Amenability test work was undertaken by Pacific Ore (Australia) Pty Ltd, a subsidiary of Pacific Ore Limited (a publicly listed company in Australia: www.pacificore.com.au), using its proprietary technology “**BioHeap™**”.

After 47 days, based on residue assays, the results were:

Mineralized Material	Head Grade	Head Grade	Head Grade
	Au (ppm)	Cu (%)	Fe (%)
Porphyry Bench 2	0.11	0.42	6.04
Porphyry Skarn	0.66	1.96	19.20

Recovery:

Mineralized Material	Recovery Au %	Recovery Cu %	Recovery Fe %
Porphyry Bench 2	90.0	97.4	27.30
Porphyry Skarn	93.7	85.5	14.3

Significantly, these results indicate that the BioHeap™ leaching technology is suitable for the Tagpura porphyry copper-gold and porphyry skarn mineralized material.

Near term production and early positive cash flow is possible from the Tagpura porphyry skarn, which demonstrates an additional style of mineralization that may be particularly suitable for “bacterial heap leaching”.

An initial metallurgical test has indicated heap leach amenability. Further analysis of this is underway.

A bacterial heap leach operation with a start up capacity of 2 Mt per year is being reviewed, with an initial supporting potential tonnage range of some 10Mt to 15Mt.

An initial five to seven year plus mine life is thus envisaged, from the Tagpura porphyry skarn alone, with low cost metal production.

The Tagpura porphyry skarn high grade zone is located within an existing open pit. This enables the “box cut” mining method to be considered the most appropriate approach, particularly as there is no overburden to remove and thus mining costs are optimized.

Maangob



Access to the extensive historical adits at Maangob has been achieved and underground mapping and sampling of these adits is almost complete. Pictured left is the Maangob breccia pipe exposure.

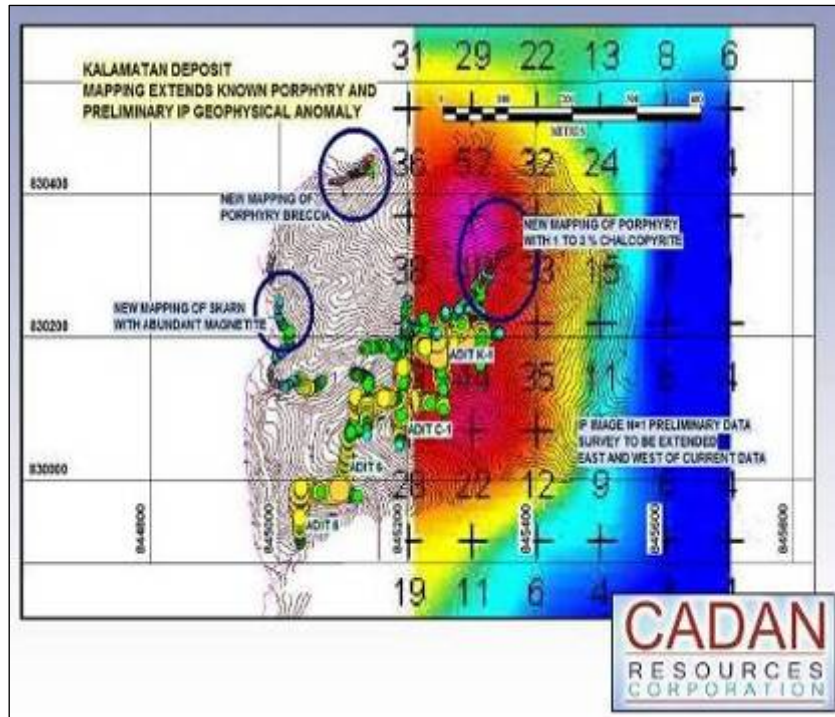
The Company completed the first phase RC drilling program at the Maangob deposit. Some 23 RC holes for a total of 3,831 meters of drilling was completed. Also, some 1,500 meters of the adits system were mapped and sampled. Preliminary results obtained with the Company’s on site Innov-X XRF portable analyzer are encouraging, with reverse circulation drill hole TGRC86, and associated track construction, identifying a sulphide rich breccia pipe containing polymict matrix supported sub rounded to angular clasts. Dimensions of the pipe are still unknown as mapping and sampling continue. However, TGRC86 indicates widths of at least 150 meters.

Kalamatan Porphyry Copper-Gold



Kalamatan porphyry copper-gold has an indicated “*conceptual or order of magnitude*” potential tonnage range of some 100 million tonnes to 525 million tonnes with a potential grade range from 0.31% copper equivalent (0.27% copper and 0.11 g/t gold) to 0.72% copper equivalent (0.55% copper and 0.46 g/t gold). (See News Release dated July 2, 2008)

The Company considers that the quality and quantity of the resource definition data is sufficient to allow the calculation of a NI 43-101 compliant resource, and an independent qualified person will be appointed to undertake this NI 43-101 Technical Report.



Rehabilitation by the Company, during 2007, of approximately 1,130m of adit tunnels at the Kalamatan deposit, which were originally constructed in the 1970s, has allowed surveying, sampling and assaying of some of the mineralized areas showing induced polarization anomalies. Shown in the picture, bottom of page 5, is copper carbonate in the K1 Adit, Kalamatan Deposit.

In news releases, especially May 2007, results were disclosed that continue to show the extent of mineralization of Kalamatan porphyry copper-gold system.

Moreover, combined with the results of 15 RC drill holes for 1,589 meters the 1,130m of Kalamatan adits will be of great benefit for resource estimation and will provide easy access for bulk samples, metallurgical test work and rock characteristics.

Kalamatan lies some 3kms north of Tagpura and was first identified in the early 1970s (the location of the Kalamatan deposit is shown on the location map).

In 1974, geophysics was undertaken which highlighted an induced polarization anomaly of some 1,500m by 1,000m, with a smaller anomaly to the south east of some 300m by 700m. The recent geophysical work, as shown on the map above, and the new mapping of chalcopyrite in creeks, has doubled the strike length of known mineralization at Kalamatan.

Regional mapping is ongoing in the Kalamatan deposit area and nearby Kapanawan prospect area.

Kapanawan



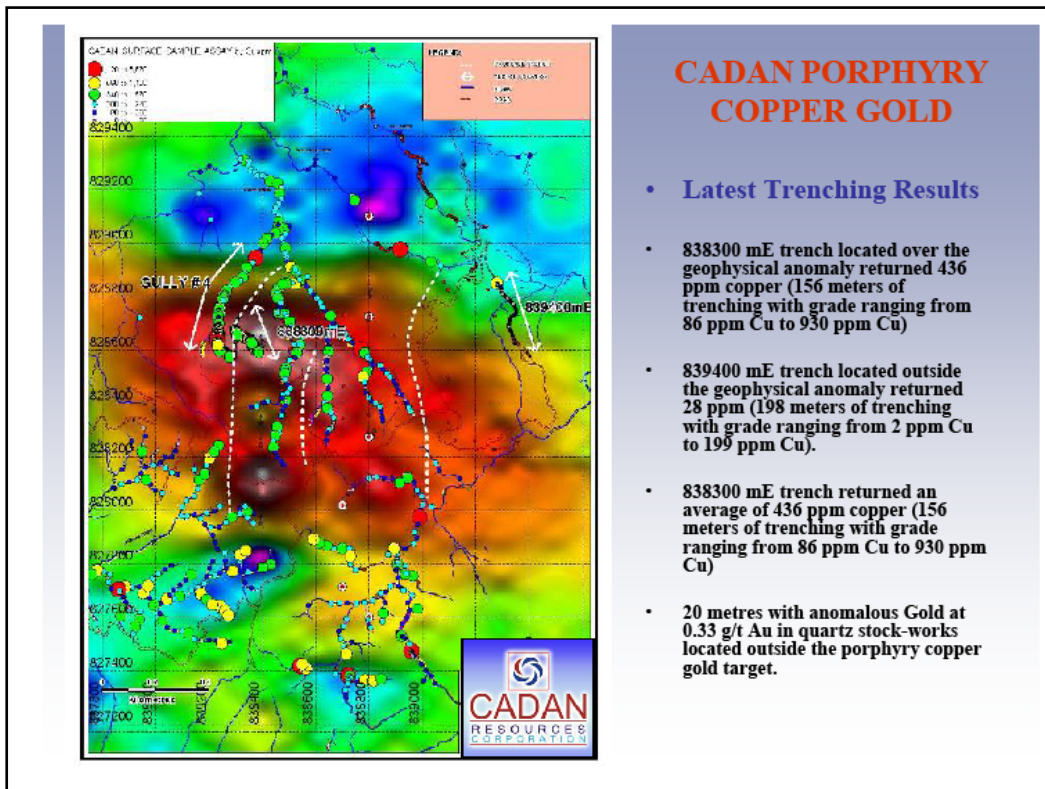
The Kapanawan prospect is located between Tagpura and Kalamatan. Exploration commenced at the Kapanawan prospect where skarn style mineralization of massive magnetite and sulphide (pyrite and chalcopyrite) was identified and is being mapped and sampled. Pictured left is a rock from Kapanawan highlighting massive magnetite with pyrite and chalcopyrite

The Company has previously reported (January 9, 2008) significant gold assays that are coincident with the mapped mineralized zones.

IP geophysics and a magnetic survey over this area have been completed.

Exploration will evaluate gold and copper potential with the possibility of credits from high value metallurgical magnetite byproduct.

Cadan Porphyry Copper-Gold



On April 24, 2007, Cadan announced confirmation of a significant new induced polarization discovery, known as the “*Cadan Copper-Gold Porphyry Target*”. This is the result of the large induced polarization/resistivity geophysical program, undertaken over the Cadan prospect, which completed 157 line km. Company trenching has identified a gossanous sulphide fabric with anomalous copper and gold assays and brecciation.

The anomaly is now known to extend for at least 1,200 meters in an east-west direction, and 1,000 meters in a north-south direction, and is open to the west, southwest, south and perhaps southeast. The survey also indicates that it extends to at least 500 meters in depth, which is the considered limit of penetration by the survey, and is therefore likely to extend deeper. The map above shows the extent of the prospect.

Trenching results returned copper values 15 times the local background copper values and confirmed the large anomalous copper area, first identified by the geophysical anomaly, of the Cadan porphyry copper-gold target.

A 20 meter zone, with anomalous gold at 0.33g/t in quartz stockworks, is located outside the porphyry copper-gold target.

Dr. Elliott, M.Sc., Ph.D., M.AusIMM., consultant geophysicist of Elliott Geophysics International Pty Ltd, comments that Cadan has a:

- “Conceptual (*or order of magnitude*) size, using the 30msec cut off on the chargeability anomaly and an assumed specific gravity of 3.0t/m³ for mineralized rock, conservatively estimated at some 450Mt of the chargeable body.
- If a 25msec cutoff is taken, the chargeable body would give twice the estimated tonnage, approximately 900Mt.”

The foregoing exploration information of “conceptual or order of magnitude” tonnage is based on limited exploration information to date, and as such, does not meet the criteria of a mineral resource as defined in the CIM

Definition Standards, December 11, 2005. Until drilling and other detailed exploration is conducted over the target, the order of magnitude conceptual estimate is highly speculative and should only be considered as indicative of mineralization potential and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Batoto Large Tonnage Gold Project



From April 2003 to September 2006, extensive gold exploration work was done over a large gold-silver stockwork system now covering some 15 km x 3km within which lies the Batoto gold target with a historic Philippine resource of some **38Mt @ 1.8g/t gold, for some two million ounces of gold** (Sabena Mining Corporation, F.C Gervasio & Associates, Geological Consultants, “Estimated Ore Reserves, June 30, 1981”). (See News Release dated Monday, June 23, 2008.) See picture opposite for location between two porphyry copper-gold corridors.

It should be noted that: a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource or mineral reserve; the Company is not treating the historical estimate as a current mineral resource or mineral reserve as defined in sections 1.2 and 1.3 of NI 43-101; and, the historical estimate should not be relied upon. Until drilling and other detailed exploration is conducted over the target, the above historical resource is highly speculative and should only be considered as indicative of mineralization potential.



Large areas of gold stockworks were mapped and sampled with assays mostly in the sub 2 g/t range.

However, two bulk samples of 11.6 and 50 tonnes, taken from a low grade stockwork, returned grades of 4.0g/t Au and 3.2g/t Au and 47.3g/t Ag respectively. Pictured left is the area from which these bulk samples were taken.



A complete review of previous gold exploration occurred during Q1 and continues to refocus exploration activities on the attractive targets, previously partly defined.

Part of the review will involve subjecting a number of previous samples from the initial diamond drill program, to one (“1”) kilogram 24 hour bottle roll analysis. This is a more appropriate assay technique for large gold stockwork systems, and may well show an increase in recovered gold grade.

Sample Preparation and Analysis

All sample preparation, during 2006, was undertaken at the Intertek Laboratory in Surigao, Northern Mindanao, which is an ISO 9002 certified laboratory. From January 2007, all sample preparation was undertaken by McPhar Geoservices (Phil) Inc at its General Santos facility in Southern Mindanao. McPhar is an ISO 9001 certified laboratory.

Drilling samples are pulverized and 200 gram sub-samples are sent to Genalysis Laboratories in Perth, Western Australia (to February 2008), for analysis using the FA 50/SAAS method (fire assay with atomic absorption finish) for gold, and conventional wet chemical methods for copper. From February 2008, the pulverized 200 gram sub-samples are sent to McPhar Geoservices (Phil) Inc, Manila laboratory. McPhar is an ISO 9001 certified laboratory. Analysis using the PM3 method (Fire Assay, Gravimetric [0.05 ppm] finish) for gold, and conventional wet chemical method (GA-1) for copper, is carried out.

Channel samples are pulverized and 200 gram sub-samples are sent:

- a) During 2006, to Intertek Laboratory in Jakarta, which is an ISO 9002 certified laboratory, for analysis using the FA 50 method (fire assay) for gold, and conventional wet chemical methods for copper and;
- b) From January 2007, to McPhar Geoservices (Phil) Inc, Manila laboratory. McPhar is an ISO 9001 certified laboratory. Analysis using the PM3 method (Fire Assay, Gravimetric [0.05 ppm] finish) for gold, and conventional wet chemical method (GA-1) for copper, is carried out.

The laboratories mentioned above provide independent analytical services to the Company on normal commercial terms.

TBoli Gold-Silver Mine

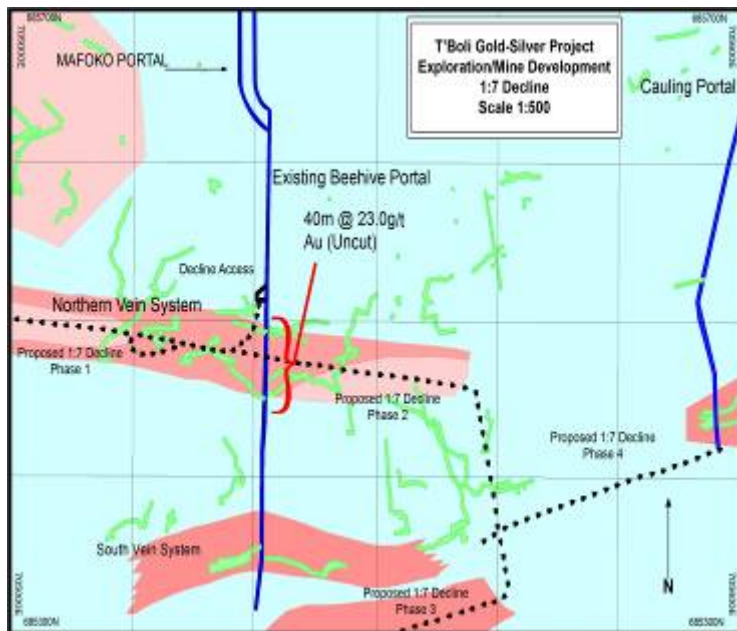


TBoli gold-silver deposit has a National Instrument 43-101 compliant inferred mineral resource of 2.4Mt, grading 5.5g/t gold and 21g/t silver, for some 420,000 ounces of gold and some 1,600,000 ounces of silver.

TBoli gold-silver deposit is a typical epithermal quartz-carbonate hot spring system in which high grade gold and silver mineralization occurs within diatreme related breccias, often with grades in excess of 100g/t gold and 500g/t silver. Diagram one below shows high gold grades and production zones.

The company, during Q1 2009, continued its internal review of the geological data as part of its “internal resource” which will be subjected to NI 43-101 compliant resource scrutiny by an independent qualified person.

By the end of Q1 2009, the Company had completed the 55m “Mafoko Portal” (pictured left) which it commenced in Q4, 2008, to provide improved access for mechanized mining and “lateral development” (as shown in the plan below) to connect the known mineralized zones of the TBoli gold-silver mine.



In addition to completing the Mafoko Portal, Cadan advanced the development of the ventilation shaft being driven on the northern vein sets, located some 100m to the west.

It was from the northern vein zone that a trial parcel of 13.5 tonnes was tested and had a head grade of 14 g/t gold and 38 g/t silver. It returned 9.01 g/t gold and 26 g/t silver –as reported in a News Release dated, November 4, 2008.

In this zone, the NI 43-101 Inferred Mineral Resource was reported at 10.10 g/t gold and 20.30 g/t silver.

Plant Design and Construction



Cadan has received the design and costs for a 20~50 tpd CIP/CIL plant to replace its existing older style plant. It is currently sourcing prices for crusher and ballmill and ancillary equipment from reliable, quality manufacturers from China. CIL/CIP tanks and ancillary equipment will be sourced in the Philippines.

Based on current projections, the new plant is scheduled for completion and operation by end Q2 or by early Q3 2009.

Currently some 250 tonnes has been stockpiled (pictured left).

On December 18, 2008, Cadan announced some assay results from its ongoing mapping and sampling in the northern vein mineralized system highlighted by: TMC 067 with 7.68 g/t gold and 304.17 g/t silver and TMC 068 with 46.68 g/t gold and 154.77 g/t silver.

Assays across the veins:

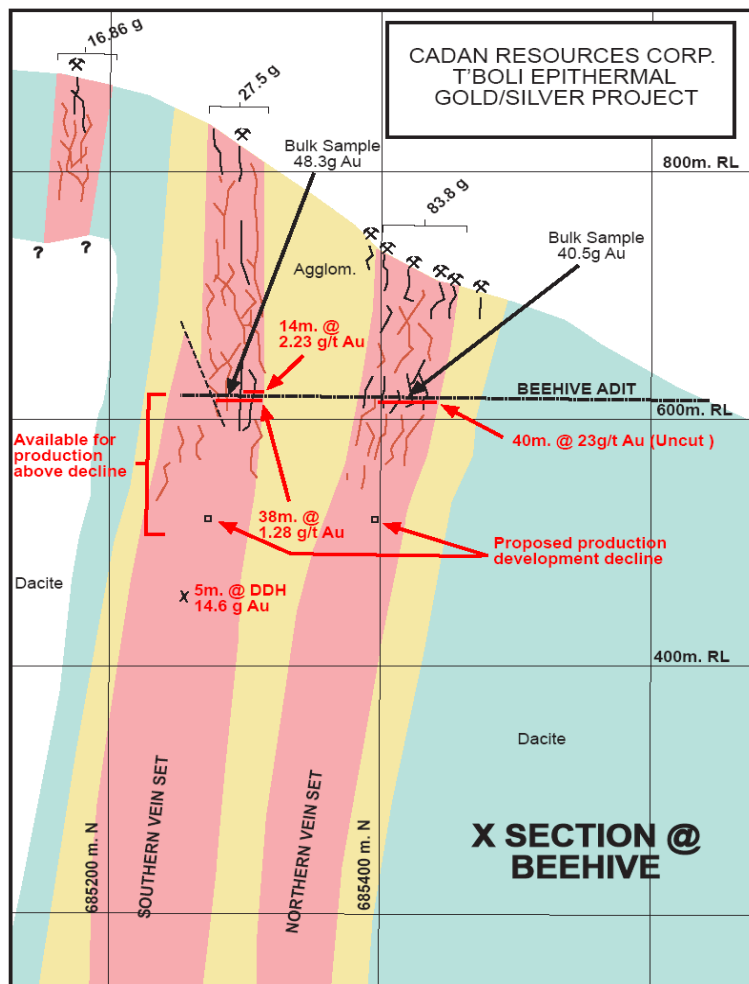
Sample No	Gold g/t	Silver g/t	Width cm
TMC 065	3.00	3.16	80
TMC 066	8.57	5.01	70
TMC 067	7.68	304.17	70
TMC 068	46.68	154.77	85

Assays across the hanging wall:

Sample No	Gold g/t	Silver g/t	Width cm
TMC 069	1.53	2.54	140

Samples were assayed by Ostrea Mineral Laboratories, based in Manila, Philippines. Gold was analyzed by fire assay technique and silver by flame AAS technique.

Gold lode block access and development commenced



On Tuesday September 23, 2008, the Company announced that underground gold lode block access and development had commenced at the T'Boli epithermal gold-silver deposit.

This work involves a proposed initial 400m decline with a 1:7 ratio designed to access the defined higher grade gold lodes located between RL 500 – 600.

This will also enable progressive testing (bulk, face, drill and trial mining) to increase confidence in the grade of mineralization as defined in the NI 43-101, dated February 12, 2003.

A recent technical review of the geological data base, as outlined below, now indicates that the possible actual grade and size of the resource may well be higher and larger.

This is because of technical difficulties with, and the limited extent of, the previous drilling program with limited access to known high grade underground workings for sampling.

The review included:

- (a) Results of recent high grade sampling, (see New Release dated June 4, 2008), for example:

Sample No	Gold g/t	Silver g/t	Width cm
TMC 17	61.84	35.16	40
TMC 21	58.04	159.38	60

- (b) Bulk samples of 48.3 g/t gold & 40.5 g/t gold (See News Release dated March 25, 2004).
- (c) Sampling of Beehive crosscut 40m @ 23 g/t gold (uncut) – this compares with a TD005 drill intercept of some 0.7 g/t gold in a drill hole TD 005 elevated over the same section of crosscut. (see Diagram Two).

(d) Face samples of accessible high grade workings returned:

Sample Number	Gold g/t	Width (m)
220431	656.40	0.18
220432	466.70	0.10
220433	426.50	0.25
220434	430.60	0.25
220429	561.30	0.21
220430	166.90	0.10
220762	480.70	0.40
220872	295.20	0.21
220869	264.20	0.15
220871	253.10	0.20
220866	222.60	0.15
220499	205.80	0.40

The above twelve ultra high-grade samples are from the 476 samples of the underground workings that are part of the data base for the NI 43-101 report dated February 12, 2003. It is believed that samples of this tenor are under represented in the underground portion of the data base due to:

1. the inaccessibility of some underground workings for sampling areas known to be high-grade
2. in a portion of the underground workings sampled, high grade vein material had been removed by mining; and
3. where ultra high-grade samples are present appropriate sample preparation and gold determination procedures should be used. Industry standard 50 gms determinations may underestimate grades.

The summary of the 476 underground samples together with drill intercepts are available in the NI 43 -101 cited above.

(e) A topcut of 40 g/t gold was used in calculating the resource. If the database were to contain a higher ratio of high grade samples, then a higher topcut might well be used. This higher topcut, together with the additional high grade samples, then may well lift the average grade of the resource.

(f) A Company internal desktop study based on all geological and geophysical information within the approx 2,800 ha T'Boli project area indicates a resource potential of between 2 to 5 million ounces of gold and 8 to 25 million ounces of silver (see News Release, November 13, 2006).

It should be noted that the exploration information of potential resource, outlined herein, is conceptual in nature and that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource as defined in the CIM Definition Standards, December 11, 2005.

- (g) Gold-silver ratios within the project area vary from 50 ounces of silver to one ounce of gold in the topographically highest mineralization, to one ounce of silver to one ounce of gold in the deepest drill hole.

Deep drill holes show more substantially increased intercept widths than the shallow mineralization:

Drill Hole	Intercept/m	True Width / m	Gold g/t
TD 008	5	3.1	15.60
TD 003	5	3.1	14.60

Significantly, these above two parameters are classical epithermal gold signatures and are suggestive of a larger gold only resource at depth.

Background



In October 2007, TMC Tribal Mining Corporation advised Cadan Resources Corporation that it had appointed mining engineer Edgar D Martinez as Director and President. Mr. Martinez will lead TMC Tribal Mining Corporation as the company implements its strategy to undertake further detailed underground exploration and development of its T'Boli gold-silver project

Mr. Martinez (pictured right with Technical Director Bill Goode) is a mining engineer, a Member of the Mindanao Association of Mining Engineers, and has more than 30 years' experience in mining operations and government regulatory requirements. He is the President of the Mindanao Association of Mineral Industries Inc.

He is a Mining Industry Advisor to the Office of the Presidential Assistant on the Peace Process and the Mindanao Economic Development Council; Large Scale Mining Representative, Provincial Mining Regulatory Board (PMRB) COMVAL Province; Chairman, Mining Cluster, Economic Development Council RXI; Representative Mining Sector MinBC ("Mindanao Business Council") Technical Working Group and a Director of the Philippine Mining Development Foundation Inc.

Mr. Martinez leads TMC Tribal Mining Corporation as it advances its plans to undertake further detailed underground exploration and development of its T'Boli gold-silver project -- MPSA No 090-97-(X1) granted in November 20, 1997, and comprising 84.98 ha, in which lies the JORC/CIM Inferred Mineral Resource stated above. In addition, the Company has APSA No 051-XI, for an area of approximately 2,700 ha, which surrounds the granted MPSA 090-97.

7. Outlook

The exploration program of the COMVAL project is designed to expand the size of the potential bulk tonnage and open pit resources. Of the styles of mineralization, the porphyry breccia and the skarn zones have the potential for bulk tonnage deposits. The total extent of these targets is currently unknown, beyond the potential to host over 1 billion tonnes of mineralization.

With two Company operated diamond drill rigs drilling on priority targets, definition of mineralized zones for resource calculations will be enhanced. The RC rig will achieve faster penetration rates and more reliable samples in broken ground. Combination of diamond and cheaper RC drilling will result in the more efficient use of exploration funds.

Drill targeting will be multi disciplinary, with the highest priority given to targets where geological, geochemical and geophysical parameters are coincident.

In response to current market conditions, the Company has deferred an airborne radiometric survey. The survey's objective was to expedite identification of new targets. The fact that the Cadan target shows as a prominent bulls-eye magnetic signature gives a high degree of confidence that any unknown targets present would be detected. Magnetite skarns in the other areas of the Philippines have shown a uranium affiliation and radiometrics is expected to detect any uranium presence. In addition, valuable structural information would be provided by an airborne survey.

8. Qualifications

Technical aspects of this MD&A were prepared and verified by William Donald Goode, a member of the AusIMM and Technical Director of Cadan Resources. He is the qualified person as required by National Instrument 43-101, and is the technical person responsible for this news release. The qualified person has verified the data disclosed in this news release.

Mr. Goode is a graduate of the West Australian School of Mines in Mining Geology and Mine Surveying and holds a current Underground Supervisor's Certificate of Competency. He has more than 45 years' experience in geology, mining and mineral exploration, including resource calculations. His experience covers gold, silver, base metals and uranium exploration and mining in Australia and Asia.

He has previously held the position of Chief Geologist at Lake View and Star's Fimiston underground gold mine and was assistant Chief Geologist for Great Boulder Mine's three underground nickel mines, where he gained extensive experience in nickel exploration. He was Chief Mine Geologist for Metals Exploration in the Philippines (1974-76) and Australia.

Since 1981, he has worked as a consulting geologist and owned and operated underground gold mines. During this period, he conducted resource calculations for several major international mining companies. Mr. Goode also has industry experience in financing and prospect identification, ranging from the development to the pre-mining feasibility stage.

9. Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

All amounts in Cdn\$,000, except per share data	Three months ended	Years ended December 31,			
	March 31	2009	2008	2007	2006
	\$	\$	\$	\$	\$
Operations:					
Revenues	-	-	-	-	-
Income (loss)	(169)	(820)	(1,828)	(874)	
Income (Loss) per share	(0.001)	(0.01)	(0.02)	(0.01)	
Dividends per share	-	-	-	-	
Balance Sheet:					
Working capital/(deficit)	(60)	368	3,197	1,328	
Total assets	16,460	16,223	14,740	10,721	
Total Long-term liabilities	-	-	-	-	

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company prepared in accordance with Canadian GAAP

		2008				2008			
		Mar 31	Dec 31	Sept 30	Jun 30	Mar.31	Dec 31	Sept 30	Jun 30
quarters ended	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operations:									
Revenues	-	-	-	-	-	-	-	-	-
Net income (loss)	(169)	(217)	(148)	(279)	(176)	(1,038)	(510)	(172)	
Income (loss) per share	(0.001)	(0.002)	(0.001)	(0.002)	(0.001)	(0.012)	(0.006)	(0.002)	
Dividends per share			-	-	-		-	-	
Balance Sheet:									
Working capital	(60)	368	1,443	1,625	2,087	3,197	2,077	550	
Total assets	16,460	16,223	16,417	14,912	14,666	14,740	12,788	10,825	
Total long-term liabilities			-	-	-	-	-	-	

a. Results of Operations

During the Quarter ended March 31, 2009, the Company recorded a loss of \$168,597 compared with a loss of \$175,897 for 2008, a decrease of \$7,300 from the prior year. The Company continues to manage expenses and cash flows in recognition of the global economic downturn. Controllable expenses were down \$70,000 while foreign exchange losses and reduced interest income cost the company \$63,000.

This variance consisted of:

- Legal and professional fees \$26,000 lower due to a reduction of services being provided by the Company's lawyers.
- Consulting fees were \$21,000 lower primarily due an adjustment in Q1 2008 related to 2007 services.
- Non Controlling Interest ("NCI") were lower by \$13,000. In 2008 NCIs reported a gain of \$6,266 compared to a loss in 2009 of 7,302.
- Travel expenses were down in 2009, by approximately \$12,000 as travel was reduced.

Partially offset by:

- Foreign exchange was \$37,000 higher. Weakening of the Canadian dollar against the Philippine peso and Colombian peso, as compared with 2007, produced foreign exchange losses in 2009 of \$29,698 compared with a gain in 2008, of \$7,819.
- Interest income in was \$27,000 lower. In 2009 less cash on hand to earn interest combined with lower interest rates produced interest income of \$515 compared to \$26,645 in 2008.
- Office and miscellaneous expenses were \$2,000.

b. Financial Condition and Capital Resources

At March 31, 2009, the Company had working capital deficit of approximately \$60,000 (December 31, 2008 \$368,000). During Q1 2009, the Company invested \$540,885 (2008 - \$936,947) on the exploration of its Philippine properties, excluding non-cash depreciation expenses of \$9,149 (2008 - \$24,237), described below, and used \$39,661 (2008 - \$4,007) for operating activities.

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 and incurred exploration and development costs that have been capitalized as described below.

In response to the continuing global financial instability, the Company has in place across the board reductions in its operating and exploration expenses. The Company expects to generate cash flows from bulk sampling at its T'Boli property to supplement its existing cash reserves.

In February 2009, the Company announced a non-brokered private placement of 33,333,333 common shares at \$0.06 per share to raise up to \$2,000,000 to undertake its targeted resource definition program using a company operated diamond drill on its Philippine properties, advance the gold-silver bulk testing and development at its T'Boli project and meet administration costs. On May 21, 2009, the Company closed the private placement having sold a total of 15,635,982 Shares for gross proceeds of \$938,159.

c. Exploration and Development Costs Capitalized in Q1 2009 and 2008:

	Panag, Suriganon &Tagpura	Batoto	T'Boli	Q1 2009	Q1 2008
Incurring during year					
Assaying	-	-	-	-	27,503
Community					
Development	9,639	12,621	15,372	37,632	35,091
Consultants	21,667	24,555	35,915	82,137	104,140
Depreciation and					
Amortization	5,021	2,425	1,701	9,147	24,238
Drilling costs	44,626	-	-	44,626	365,758
Exploration and					
mineral processing	31,827	8,897	132,125	172,849	108,121
Field supplies and					
miscellaneous	27,456	32,209	70,852	130,517	196,867
Taxes, licenses and					
Fees	706	1,974	2,997	5,677	2,068
Geological	22,613	-	-	22,613	17,342
Transportation and					
Travel	28,533	2,096	14,205	44,834	80,056
Deferred exploration costs	192,088	84,777	273,167	550,032	961,184

d. Related Party Transactions and Balances

During the quarter, the Company incurred consulting fees totaling \$123,500 (2008 - \$153,503), which include consulting fees capitalized as part of deferred exploration costs from individuals who are officers and/or directors and/or shareholders of the Company or an affiliated company in the Philippines. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At March 31, 2009, the Company owed \$299,571 (2008 - \$226,815) to the individuals. Amounts due to related parties are non-interest bearing, unsecured and without specific terms of repayment. Amounts are expected to be repaid within one year.

10. Significant Accounting Policies and Estimates

The preparation of our financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of expenditures during the reporting period. Management has identified the following significant accounting policies and estimates. Note 2 of the Company's 2008 consolidated financial statements describe all of the significant accounting policies.

a. Investments in and Expenditures on Resource Properties

The Company follows generally accepted accounting policies applicable to companies involved in the exploration and development of resource properties. The Company records expenditures on resource properties, which consist of costs attributable to the exploration of mineral property interests, at cost. In accordance with Canadian generally accepted accounting principles, all direct and indirect costs relating to the acquisition and exploration of its resource interests are capitalized on the basis of specific claim blocks

until the resource interests to which they relate are placed into production, the resource interests are disposed of through sale or where management has determined there to be an impairment. Included in the Company's Investments in, and Expenditures on, Resource Properties, is depreciation on plant and equipment used in its exploration activities. The Company will continue to capitalize these expenditures net of any sales from mineral recoveries, until the commencement of commercial production. If a resource interest is abandoned, the resource interests and deferred exploration costs will be written off to operations in the period of abandonment.

b. Consolidation of Variable Interest Entities

The Company follows the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 15 ("AcG-15") "*Consolidation of Variable Interest Entities*". A variable interest entity is an entity that does not have sufficient equity investment at risk to permit it to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest. The primary beneficiary of a variable interest entity is the enterprise that is obligated to absorb the majority of the expected losses, if any, the expected residual returns, or both.

Accounting Guideline 15 applies to interim periods beginning on or after November 1, 2004. The Company has adopted this guidance as of January 1, 2005, and as such, the Company's December 31, 2005, and subsequent periods consolidated financial statements, include the financial position and operations of the Philippine corporations in which the Company holds a 40% equity interest, as the Company has determined that it holds variable interests in these corporations and is the primary beneficiary.

The effect on the Company's financial statements is material as the investments in, and advances to, affiliates, as well as any interest income on the advances, were eliminated upon consolidation. Commencing January 1, 2005, the operations and the assets and liabilities of the Philippine corporations are reflected in the Company's consolidated financial statements for all years presented.

c. Stock-based Compensation

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees. Under the fair value method, stock-based compensation expense is recognized at the time of award with an offsetting increase in contributed surplus after 2003.

d. International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Corporation's reporting no later than in the first quarter of 2011, with restatement of comparative information presented.

The Company is currently evaluating the future impact of IFRS on its financial systems and reporting and will continue to invest in training and additional resources to ensure a timely conversion.

11. Risks and Uncertainties

Mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to conduct its planned explorations, meet its administrative overhead and maintain its mineral interests. The Company's ability to continue in operation is dependent on its ability to secure additional financing to fund planned exploration and its ongoing administrative 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.

The value of the Company's investment in, and expenditures on, resource properties 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 mineral interests.

The Company is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations, and actions, could cause additional expense, capital expenditures, restrictions, and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in the Philippines and Colombia, and consequently, are subject to certain risks, including currency fluctuations and possible political and economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations to the mining industry.

12. Shareholder information

a. Common Shares

The Company has authorized an unlimited number of common shares without par value and at March 31, 2009, there were 127,735,589 (December 31, 2008, 127,735,589) common shares outstanding.

In February 2009, the Company announced a non-brokered private placement of 33,333,333 common shares at \$0.06 per share to raise up to \$2,000,000. On May 21, 2009, the Company closed the private placement having sold a total of 15,635,982 Shares for gross proceeds of \$938,159. All securities issued pursuant to the private placement bear a four month hold period.

b. 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.

At March 31, 2009, there were 10,735,000 (December 31, 2008, 11,435,000) incentive stock options to purchase common shares at prices between \$0.15 and \$0.20 and that expire between September 30, 2009, and April 12, 2013, issued and outstanding to various officers, employees and consultants. Stock options awarded have a term of five years and vest on the date of award.

During the three months to March 31, 2009, 700,000 options granted to consultants were cancelled and/or expired.

As of the date of this report, there are a total of 10,735,000 stock options outstanding with exercise prices between \$0.15 per share and \$0.20 per share.

c. Warrants

At December 31, 2008, there were 46,300,000 (December 31, 2007, 39,218,333) warrants to purchase common shares outstanding with exercise prices between \$.30 per share and \$0.65 per share.

As of the date of this report, there are a total of 43,000,000 warrants outstanding with exercise prices of \$0.30 per share.

d. Amended the terms of various outstanding share purchase warrants and incentive stock options.

On May 21, 2009, the Company announced that it has amended the terms of various outstanding share purchase warrants and incentive stock options.

Warrants to purchase up to 43,000,000 common shares in the capital of the Company are being amended, including: (i) reducing the exercise price from the current price of \$0.30 per share to \$0.16 per share and extending the expiry date from October 31, 2009, to October 31, 2012, on 33,000,000 warrants including a

total of 841,667 warrants held by directors or officers of the Company; and (ii) extending the expiry date from August 14, 2009, to August 14, 2013, on 10,000,000 warrants with an exercise price of \$0.30, including 2,500,000 warrants held by a director and officer of the Company. The amendments to the warrants are subject to acceptance for filing by the TSX Venture Exchange and the approval of the warrant holders.

The Company also announced that it has amended the exercise price of 10,735,000 existing stock options to directors, officers and consultants and has extended the expiry date to the date that is 10 years from the date of the original grant of the options. The 10,735,000 options are being repriced to \$0.10 per share and consist of: 2,300,000 options repriced from \$0.15 per share and now expiring on July 24, 2017; 2,562,500 options repriced from \$0.20 per share that were previously repriced in July 2007, and with new expiry dates ranging from September 30, 2014, to July 12, 2016; 5,872,500 options repriced from \$0.15 per share and now expiring on November 6, 2017; and 500,000 options repriced from \$0.15 and now expiring on April 15, 2018.

The Company has also amended the terms of the Plan to allow for options to be granted with a maximum term of 10 years from the date of grant in accordance with recent changes to the policies of the TSX Venture Exchange. The amendment to the Plan is subject to TSX acceptance and shareholder approval which will be sought at the Company's annual general meeting of shareholders to be held on June 18, 2009. The amendments to the options are subject to acceptance for filing by the TSX Venture Exchange and the approval of the disinterested shareholders of the Company, and therefore none of the amended options may be exercised at the new price prior to such approval being obtained. The extension of the expiry dates for the options are also subject to the approval of the amendments to the Plan.

13. Internal Controls Over Financial Reporting

The Company's certifying officers have designed a system of disclosure controls and procedures which provides reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Such controls and procedures are also designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the certifying officers, as appropriate to allow timely decisions regarding required disclosure.

The certifying officers of the Company have also designed a system of internal control over financial reporting which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with the Generally Accepted Accounting Principles. During the year ended December 31, 2008, there were no substantive changes in the nature of the Company's policies or procedures that have materially affected, or are reasonably likely to materially affect, the Company's system of internal control over financial reporting.