Corriente Resources Inc.

- Auditor Review
- Consolidated Financial Statements

June 30, 2005

(Unaudited)

AUDITOR REVIEW

August 11, 2005

To the Shareholders of
Corriente Resources Inc.

The company's auditors have not reviewed the unaudited financial statements and accompanying financial information contained in the company's interim report for the period ended June 30, 2005.

"Darryl F. Jones"
Darryl F. Jones, CA
Chief Financial Officer

President's Message

Activities during the second quarter were focused on completion of our optimization work following on from the Mirador feasibility study which was released in April, 2005. The diamond drilling required for the optimization work will be completed by mid-August and the results of that drilling will be geologically modelled in preparation for a new independent resource calculation, which in the opinion of Management should further increase the Mirador indicated resource tonnage. Our July 7, 2005 press release announced that a high grade zone had been intersected as part of this drilling program and this high grade zone will be included in the new resource calculation as well. Overall, this modelling work is expected to lead to an improved mine plan and associated cash flow and should be completed early in the fourth quarter. Corriente has decided to submit its Environmental Impact Assessment following completion of the optimization study so that the EIA can include the results of the study. Our Community Relations Plan continues to advance and significant progress was made during the quarter in identifying and reaching agreement with local Mirador communities to a community program for the next twelve months. Planning for longer term community goals is on-going with a focus on creating a sustainable and environmentally-friendly project.

With our focus on the near term goal of significantly increasing the Net Present Value of the Mirador project with the results from the optimization study Management has decided to carry out the separate Mirador expansion studies (which are reviewing larger mill throughputs of 35,000 to 75,000 tonnes per day) following completion of the optimization work.

Discussions with potential partners continue against a back-drop of steadily rising copper prices (August 10, 2005 spot price of US$1.67/lb Cu versus the Mirador project feasibility forecast of US$1.00/lb Cu). Since we believe that Corriente has one of the few significant copper concentrator projects that could be ready for construction during 2006, we expect such discussions to continue as companies try to position themselves for growth during this period of strong copper prices. As an alternative strategy to taking on a partner, Corriente is moving forward with identifying key additions to the management team to allow us to develop Mirador as the first step in building a significant mid-tier copper producer. The mid-tier segment of the copper producer market has few competitors as most were rationalized during a lengthy consolidation period in the 1990's. The pipeline of development projects in Ecuador that is controlled by Corriente would allow for growth over a period of at least a decade, with no new discoveries or acquisitions being required.

In the larger investment picture, the political situation in Ecuador has stabilized since the resignation of the country's President in April 2005. His successor (former Vice-President Alfredo Palacio) has taken steps to assure investors that Ecuador remains an attractive place for investment capital. Corriente has experienced no material interruptions or delays and Management sees no reasons why the company's project schedules should be materially impacted.

On behalf of the Board,

Kenneth R. Shannon
President and Chief Executive Officer

August 11, 2005

Corriente Resources Inc.
Consolidated Balance Sheet
In Canadian Dollars
As at June 30, 2005 (Unaudited)

	June 30, 2005 (Unaudited)	December 31, 2004
Assets		
Current assets		
Cash and cash equivalents	$ 7,338,273	$ 12,602,827
Marketable securities (note 10)	1,706,000	554,000
Accounts receivable and prepaid expenses	191,062	153,133
	9,235,335	13,309,960
Mineral properties (note 3)	30,341,789	25,220,211
Property, plant and equipment (note 4)	266,603	266,749
Deferred power project costs (note 5)	2,662,765	1,704,662
	$ 42,506,492	$ 40,501,582
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	$ 790,366	$ 746,567
Shareholders' Equity		
Share capital (note 6 (b))	84,164,570	83,525,397
Options (note 6 (c))	1,741,651	1,655,163
Share purchase warrants (note 6 (d))	–	96,455
Contributed surplus	930,660	930,660
Deficit	(45,120,755)	(46,452,660)
	41,716,126	39,755,015
	$ 42,506,492	$ 40,501,582

Approved by the Board of Directors

"G. Ross McDonald" Director *"Richard P. Clark"* Director

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

Corriente Resources Inc.

Consolidated Statement of Operations and Deficit

In Canadian Dollars

For the six month period ended June 30, 2005 (Unaudited)

	Three months ended June 30, **2005**	2004	Six months ended June 30, **2005**	2004
Exploration				
General exploration	$ **8,263**	$ -	$ **8,372**	$ -
Administration				
Management fees, wages and benefits	**103,111**	103,967	**206,302**	212,626
Investor relations and promotion	**27,021**	19,393	**65,591**	45,246
Printing and shareholder information	**54,261**	54,207	**58,238**	60,795
Legal and accounting	**19,140**	24,095	**41,802**	39,507
Regulatory fees	**5,000**	7,000	**39,245**	25,660
Travel	**18,300**	18,727	**38,535**	45,998
Rent and utilities	**18,504**	18,610	**36,025**	41,381
Insurance	**17,016**	11,632	**33,855**	22,702
Office and miscellaneous	**6,925**	7,910	**13,372**	17,526
Transfer agent fees	**9,161**	11,319	**10,289**	13,519
Depreciation	**3,857**	4,472	**7,052**	7,520
	282,296	281,332	**550,306**	532,480
Other				
Recovery on mineral property previously written off (notes 3 and 9)	**–**	–	**(1,882,000)**	–
Gain on sale of marketable securities (note 10)	**–**	–	**(265,318)**	(199,323)
Stock-based compensation	**148,302**	155,529	**215,356**	591,098
Write-down of marketable securities (note 10)	**–**	–	**176,000**	–
Interest income	**(53,267)**	(99,800)	**(124,347)**	(215,874)
Foreign exchange loss (gain)	**(7,823)**	6,308	**(10,274)**	3,502
	87,212	62,037	**(1,890,583)**	179,403
Loss (gain) for the period	**377,771**	343,369	**(1,331,905)**	711,883
Deficit – beginning of period	**44,742,984**	46,107,112	**46,452,660**	45,738,598
Deficit – end of period	**$ 45,120,755**	$ 46,450,481	**$ 45,120,755**	**$** 46,450,481
Basic and diluted loss (gain) per share	$ **0.01**	$ 0.01	**$ (0.03)**	**$** 0.02
Weighted average number of shares outstanding	**46,134,726**	45,141,393	**45,539,625**	43,963,318

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

Corriente Resources Inc.

Consolidated Statement of Cash Flows
In Canadian Dollars
For the six month period ended June 30, 2005 (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2005	2004	**2005**	2004
Cash from (applied to) operating activities:				
(Loss) gain for the period	$ **(377,771)**	$ (343,369)	**$ 1,331,905**	$ (711,883)
Items not affecting cash				
Shares received on mineral property written off	**–**	–	**(1,882,000)**	–
Gain on sale of marketable securities	**–**	–	**(265,318)**	(199,323)
Stock-based compensation	**148,302**	155,529	**215,356**	591,098
Write-down of marketable securities	–	–	**176,000**	–
Depreciation	**3,857**	4,472	**7,052**	7,520
	(225,612)	(183,368)	**(417,005)**	(312,588)
Changes in non-cash working capital				
Accounts receivable and advances	**85,471**	20,966	**(37,929)**	63,520
Accounts payable and accrued liabilities	**145,719**	233,526	**43,799**	178,559
	5,578	71,124	**(411,135)**	(70,509)
Investing activities				
Mineral property costs	**(2,742,331)**	(2,441,012)	**(5,065,467)**	(4,205,568)
Deferred power project costs	**(482,167)**	–	**(958,103)**	–
Proceeds from sale of marketable securities	**–**	–	**819,318**	529,323
Payments to acquire property, plant and equipment	**(54,434)**	(356,980)	**(63,017)**	(390,407)
	(3,278,932)	(2,797,992)	**(5,267,269)**	(4,066,652)
Financing activities				
Proceeds from issuance of share capital, net of issue costs	**413,850**	–	**413,850**	4,005,562
Increase (decrease) in cash and cash equivalents	**(2,859,504)**	(2,726,868)	**(5,264,554)**	(131,599)
Cash and cash equivalents – beginning of period	**10,197,777**	21,283,298	**12,602,827**	18,688,029
Cash and cash equivalents – end of period	**$ 7,338,273**	$18,556,430	**$ 7,338,273**	$18,556,430

Supplemental cash flow information (note 9)

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

1 Nature of operations

Corriente Resources Inc. and its subsidiaries (collectively, "Corriente" or "the company") are engaged in the exploration and development of mineral properties primarily in Ecuador, South America. The company considers itself to be an exploration and development stage company.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the company to obtain financing to complete their development and future profitable operations or sale of the properties.

Although the company has taken steps to verify the title to mineral properties in which it has an interest, 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.

2 Significant accounting policies

Basis of presentation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual audited financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2004.

3 Mineral properties

Corriente Copper Belt, Ecuador

Under various agreements signed with certain Ecuadorian subsidiaries of BHP Billiton LLC ("BHP Billiton"), the company has earned a 100% interest in BHP Billiton's resource properties located in the Rio Zamora copper porphyry district (Corriente Copper Belt), in Ecuador. This required the issue of shares to BHP Billiton and the expenditure of exploration funds under the terms of these agreements. Additionally, these resource properties are subject to a 2% Net Smelter Royalty ("NSR") payable to BHP Billiton, though the company has the option to reduce the NSR to 1% for the Mirador/Mirador Norte, Panantza and San Carlos resource properties upon the payment of US$2 million to BHP Billiton.

During 2004, J. David Lowell exercised his option to acquire the company's interest in the Warintza resource concession in exchange for his 10% interest in Corriente's interests in the remaining concessions in the Corriente Copper Belt. As a result, the company has complete ownership of its Corriente Copper Belt resource properties. Mineral property costs associated with the Warintza property, in the amount of $2,461,946, have been re-allocated to the company's other Corriente Copper Belt resource properties.

In Canadian Dollars

Following is a summary of the company's deferred mineral property expenditures.

Corriente Copper Belt	**Mirador/ Mirador Norte**	**Other** (1)	**San Carlos**	**Panantza**	**Total**
Balance December 31, 2004	$19,884,240	$ 1,791,875	$ 64,918	$ 3,479,178	$ 25,220,211
Option / acquisition payments	63,311	–	–	–	63,311
Deferred exploration and development costs and re-allocation	2,135,684	25,888	3,149	105,470	2,270,191
Balance March 31, 2005	$ 22,083,235	$ 1,817,763	$ 68,067	$ 3,584,648	$ 27,553,713
Option / acquisition payments	46,088	–	–	–	46,088
Deferred exploration and development costs and re-allocation	2,719,964	–	3,003	19,021	2,741,988
Balance June 30, 2005	$ 24,849,287	$ 1,817,763	$ 71,070	$ 3,603,669	$30,341,789

(1) – comprised of the La Florida, San Luis, San Marcos, San Miguel, Sutzu and Trinidad copper and copper-gold exploration targets in the Corriente Copper Belt

Other

In 2003, the company sold its shares of its wholly-owned subsidiaries, Corriente Argentina Inc. (Cayman) and Corriente Argentina S.A. (Argentina), including its 100% interest in the Taca-Taca property in Argentina. Over five years from the date of the sale agreement, the company was originally scheduled to receive a total of US$1,150,000 and 300,000 shares of the purchaser. On March 22, 2005, the company and the purchaser executed an amending agreement whereby the purchase price of the Taca-Taca property was changed to US$ 50,000 and 400,000 shares of the purchaser. Coincident with this amendment, the company received 100,000 shares of the purchaser, which represents the balance of any purchase consideration owing to the company by the purchaser. These shares together with another 100,000 shares of the purchaser received earlier in March 2005 are subject to a regulatory hold period which expires in July 2005 (note 10). Additionally, the purchaser is obligated to pay the company US$ 1,000,000 upon the Taca-Taca property achieving commercial production. As the collectibility of the remaining consideration is uncertain, the foregoing payment obligation will be recorded when received.

Corriente continues to review joint venture projects that are offered under the terms of the December, 2001 Global Exploration Alliance ("Exploration Alliance") with BHP Billiton. To keep the Exploration Alliance agreement in good standing, Corriente has agreed to allocate US$500,000 in exploration funds for future planned Exploration Alliance joint venture expenditures.

In Canadian Dollars

4 Property, plant and equipment

		Cost		Accumulated Depreciation		Net
Computer equipment	$	207,038	$	151,677	$	55,361
Vehicles		199,617		42,181		157,436
Office furniture and equipment		71,047		57,209		13,838
Field equipment		48,186		18,742		29,444
Communications equipment		18,284		7,760		10,524
	$	544,172	$	277,569	$	266,603

5 Deferred power project costs

In March 2004, the company entered into a joint venture (JV) with Hidrelgen, S.A. (Hidrelgen), an associated company of Caminosca Caminos y Canales C. Limitada (collectively referred to as Caminosca), to develop, construct, and operate a 30 megawatt run-of-river hydroelectric generation facility with the associated switchgear and transmission lines on the Sabanilla River (Sabanilla Power Project, or SPP), to supply power to Corriente's planned Mirador copper mine.

Under the terms of the JV Agreement:, Caminosca would contribute the results of all of its engineering design, environmental and other studies as well as any assets and rights obtained by Caminosca with respect to the SPP. Pursuant to the JV Agreement, Corriente was responsible for arranging for the equity and/or debt financing for the then construction and completion costs for the SPP and required completion guarantees by June 30, 2005 (as amended) or the company would lose all interest in the JV and be obligated to pay a US$ 122,500 withdrawal fee to Caminosca. .

However, as a result of unfavourable Ecuador power project financing market conditions, Corriente was unable to meet the June 30, 2005 deadline and is in negotiations with Caminosca on replacing the JV Agreement to better meet the parties' objectives. Notwithstanding the above, Corriente was made a 5% shareholder of Hidrelgen Upon the conclusion or substantial completion of these negotiations, Management will determine whether the value of the company's contributions to the SPP, totalling $2,662,765 (US$2,173,000) to June 30, 2005, has been impaired, and the appropriateness of any recognition of the withdrawal fee.

In Canadian Dollars

6 Share capital

a) Authorized

100,000,000 common shares without par value

b) Issued

	Number of shares		Amount
Balance – December 31, 2004 and March 31, 2005	45,421,393	$	83,525,397
Issued during the period			
For cash			
Exercise of options	235,000		213,850
Exercise of warrants	250,000		200,000
For other consideration			
Fair value of options transferred on exercise (note 6 (c))	–		128,868
Fair value of warrants transferred on exercise (note 6 (d))	–		96,455
Balance – June 30, 2005	45,906,393	$	84,164,570

c) Stock options

The company has a stock option plan whereby the company may grant options to its directors, officers, employees and consultants of up to a total of 6,524,830 common shares (of which 2,255,000 are outstanding and 3,306,000 have been exercised since the inception of the company's stock option plan in 1996, leaving 963,830 available for grant). The exercise price of each option is determined in accordance with the company's stock option plan. The option term and vesting period is determined by the Board of Directors, within regulatory guidelines.

	Number of shares		Weighted average exercise price
Options outstanding – December 31, 2004	2,390,000	**$**	1.46
Granted	100,000		2.15
Exercised	(235,000)		0.91
Options outstanding – June 30, 2005	2,255,000	**$**	1.55
Options outstanding and exercisable – June 30, 2005	2,230,000	**$**	1.53

During the period ended June 30, 2005, the company has recorded the fair value of the 100,000 (2004 – 375,000) options granted as stock-based compensation expense of $148,302 (2003 - $591,098). This fair value is estimated using the Black-Scholes Option Pricing Model with the following assumptions.

Risk-free interest rate	2.71–3.71%
Expected dividend yield	–
Expected stock price volatility	67–72%
Expected option life in years	3

In Canadian Dollars

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the company's stock options.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2005:

Exercise prices	Options outstanding at June 30, 2005	Remaining contractual life (years)	Options outstanding and exercisable at June 30, 2005
$ 3.55	100,000	2.1	75,000
3.32	275,000	1.6	275,000
3.25	40,000	2.3	40,000
3.16	100,000	1.9	100,000
2.15	100,000	2.9	100,000
1.28	310,000	1.2	310,000
1.14	25,000	0.7	25,000
0.90	625,000	0.9	625,000
0.89	480,000	1.1	480,000
0.79	200,000	0.3	200,000
	2,255,000	1.2	2,230,000

On July 25, 2005, the company granted options to certain employees to purchase 540,000 common shares at an exercise price of $2.27 per share. These options expire July 25, 2008.

d) Share purchase warrants

	Number of warrants	Assigned fair value
Balance – December 31, 2004	1,243,748	$ 96,455
Issued	–	–
Exercised	(250,000)	(96,455)
Expired	(993,748)	–
Balance – June 30, 2005	–	$ –

No share purchase warrants were issued during the period ended June 30, 2005.

During the six months ended June 30, 2005, the company received proceeds of $200,000 from the exercise of 250,000 outstanding warrants to purchase shares of the company. Additionally, the remaining warrants to purchase 993,748 shares at $3.00 per share expired.

In Canadian Dollars

7 Related party transactions and balances

a) Included in management fees, wages and benefits and in mineral properties and investor relations are expenditures of $115,600 (2004 - $110,802), $207,000 (2004 - $169,483) and $50,000 (2004 - $48,999), respectively, for the six months ended June 30, 2005 in respect of administrative and technical services provided by employed officers and companies affiliated through common officers. At June 30, 2005, $11,207 (2003 - $Nil) was due to an officer. All amounts due are non-interest bearing.

b) During the six months ended June 30, 2005, the company incurred independent directors' fees of $26,400 (2003 - $26,000) of which $3,500 was due to a director at June 30, 2005. All amounts due are non-interest bearing.

8 Segmented information

The company operates within a single operating segment, which is mineral exploration and development. The company's mineral property interests are in South America, as set out in note 3. Geographic segmentation of mineral properties, property, plant and equipment and deferred power project costs as at June 30, 2005 is as follows:

	Mineral properties	Property, plant and equipment	Deferred power project costs
Canada	$ –	$ 48,192	$ –
Ecuador	30,341,789	218,411	2,662,765
	$ 30,341,789	$ 266,603	$ 2,662,765

In Canadian Dollars

9 Supplemental cash flow information

During the six month period ended June 30, 2005, the company received interest of $117,374 (2004 - $203,869).

Cash and cash equivalents at June 30 comprise the following:

	2005	2004
Cash on hand and balances with banks	$ 231,318	$ 23,515
Short-term investments	7,106,955	18,532,915
	$ 7,338,273	$ 18,556,430

During the periods ended June 30, 2005 and 2004, the company conducted non-cash operating, investing and financing activities as follows:

	2005	2004
Mineral properties – non-cash deferred exploration	$ (25,555)	$ (16,063)
Marketable securities received from sale of subsidiary company	$ 1,882,000	$ –

10 Financial instruments

The company does not use any derivative financial instruments.

At June 30, 2005 the carrying value of cash and cash equivalents, short-term investments, accounts receivable and prepaid expenses, accounts payable and accrued liabilities approximate their fair values based on the short-term nature of the instruments.

As of June 30, 2005, marketable securities received on the recovery of mineral properties previously written off by the company are carried at a cost which was written down by $176,000 to their quoted market value of $1,706,000.

During the period ended June 30, 2005, the company sold other marketable securities (with a carrying value of $554,000) for net proceeds of $819,318, realizing a net gain of $265,318.