Corriente Resources Inc.

(A Development Stage Enterprise)

Interim Consolidated Financial Statements

June 30, 2006

(Unaudited)

CORRIENTE RESOURCES INC.

August 10, 2006

Message to Shareholders

Approval of our Environmental Impact Assessment for the Mirador project and the successful closing of a $125 Million equity issue were the highlights of the second quarter of 2006 for the Company. Achievement of these two significant milestones has allowed Corriente to stay on track for a Mirador project construction decision later in 2006. Detailed design and engineering studies under the direction of SNC-Lavalin continued during the quarter and are designed to provide the necessary detailed inputs for the Mirador project execution plan, which is currently being finalized. Additionally, Corriente is progressing well in the areas of project staffing, power, port facilities and (non-equity) project financing.

Drilling was completed during the second quarter on Mirador Norte. The results are being reviewed by Mine Development Associates of Reno, Nevada with the intention of producing a resource assessment for the Mirador Norte project in the next few months. Mirador Norte is less than 3 km from Mirador and has the potential to contribute significantly to the Mirador mine's planning alternatives and related cash flows.

Drilling has also commenced on Corriente's Panantza project (45 km to the north of the Mirador project). The objective of this drilling program is to provide additional data regarding the deposit to allow for a major upgrade to Corriente's existing resource estimate. Following completion of additional drilling at its San Carlos project (in close proximity to the Panantza project), Corriente plans to subject the resources for these two projects to a feasibility study to justify the development of a second major copper mining and concentrator operation in the northern part of the Corriente Copper Belt.

The copper market continues to show strength and prices remain well above decades long averages and also well above current elevated copper production costs. We believe that this higher priced copper environment will be difficult to change in the short term as new sources of copper, which have long development lead times, will require such commodity pricing in order to be feasibly developed.

Against these promising backdrops, Corriente expects to have one of the few new copper projects to be commissioned worldwide in the next 2 to 3 years, along with a substantial pipeline of new resources under development.

On behalf of the Board,

Kenneth R. Shannon

Chief Executive Officer

Corriente Resources Inc.
(a development stage enterprise)
Consolidated Balance Sheets

(expressed in Canadian dollars)

	June 30, 2006 (Unaudited)	December 31, 2005 (Audited)
Assets		
Current assets		
Cash and cash equivalents	$ 140,092,509	$ 32,440,690
Accounts receivable and prepaid expenses	732,985	187,746
	140,825,494	32,628,436
Mineral properties (note 3)	41,841,643	34,205,955
Property, plant and equipment (note 4)	437,283	265,617
Other assets (note 5)	3,370,409	–
	$ 186,474,829	$ 67,100,008
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	$ 470,121	$ 976,244
Shareholders' Equity		
Share capital (note 6 (b))	233,079,485	112,367,655
Options (note 6 (c))	1,751,669	2,622,248
Contributed surplus	930,660	930,660
Deficit accumulated during the exploration stage	(49,757,106)	(49,796,799)
	186,004,708	66,123,764
	$ 186,474,829	$ 67,100,008

Approved by the Board of Directors

"David G. Unruh" Director *"Richard P. Clark"* Director

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

Corriente Resources Inc.

(a development stage enterprise)

Consolidated Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2006 (Unaudited)

(expressed in Canadian dollars)

	Common Shares		Estimated Fair Value				
	Number	Share Capital	Options	Share Purchase Warrants	Contributed Surplus	Deficit accumulated during the exploration stage	Total Shareholders' Equity
Since inception:							
Common shares issued for cash, net of issue costs	24,169,872	$ 52,994,066	$ –	$ –	$ –	$ –	$ 52,994,066
Common shares issued for mineral properties and settlement of debt	6,621,477	6,554,554	–	–	–	–	6,554,554
Net fair value of warrants issued	–	–	–	501,051	676,407	–	1,177,458
Stock based compensation expense on unexercised vested options	–	–	644,665	–	–	–	644,665
Net losses since inception	–	–	–	–	–	(45,056,506)	(45,056,506)
Balance at December 31, 2002	30,791,349	59,548,620	644,665	501,051	676,407	(45,056,506)	16,314,237
Common shares issued for cash pursuant to private placements, net of issue costs	7,750,000	15,959,370	–	–	–	–	15,959,370
Common shares issued for cash pursuant to exercise of warrants	2,239,946	2,380,513	–	–	–	–	2,380,513
Common shares issued for cash pursuant to exercise of options	575,000	463,250	–	–	–	–	463,250
Common shares issued for mineral property interests	250,000	232,500	–	–	–	–	232,500
Fair value of warrants issued (note 5 (d))	–	–	–	96,455	–	–	96,455
Fair value of options exercised (note 5 (c))	–	286,608	(286,608)	–	–	–	–
Fair value of warrants exercised (note 5 (d))	–	170,326	–	(170,326)	–	–	–
Fair value of warrants expired (note 5 (d))	–	–	–	(254,253)	254,253	–	–
Stock based compensation expense on unexercised vested options	–	–	762,558	–	–	–	762,558
Net loss for the year ended December 31, 2003	–	–	–	–	–	(682,092)	(682,092)
Balance at December 31, 2003	41,606,295	79,041,187	1,120,614	172,927	930,660	(45,738,598)	35,526,790
Common shares issued for cash pursuant to exercise of warrants	3,500,098	3,928,512	–	–	–	–	3,928,512
Common shares issued for cash pursuant to exercise of options	315,000	304,350	–	–	–	–	304,350
Fair value of options exercised (note 5 (c))	–	174,876	(174,876)	–	–	–	–
Fair value of warrants exercised (note 5 (d))	–	76,472	–	(76,472)	–	–	–
Stock based compensation expense on unexercised vested options	–	–	709,424	–	–	–	709,424
Net loss for the year ended December 31, 2004	–	–	–	–	–	(714,062)	(714,062)
Balance at December 31, 2004	45,421,393	83,525,397	1,655,163	96,455	930,660	(46,452,660)	39,755,015

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

Corriente Resources Inc.

(a development stage enterprise)

Consolidated Statements of Changes in Shareholders' Equity

For the six months ended June 30, 2006 (Unaudited)

(expressed in Canadian dollars)

	Common Shares		Estimated Fair Value				
	Number	Share Capital	Options	Share Purchase Warrants	Contributed Surplus	Deficit accumulated during the exploration stage	Total Shareholders' Equity
Balance at December 31, 2004	45,421,393	83,525,397	1,655,163	96,455	930,660	(46,452,660)	39,755,015
Common shares issued for cash pursuant to private placements, net of issue costs	7,605,000	27,853,364	–	–	–	–	27,853,364
Common shares issued for cash pursuant to exercise of options	475,000	435,250	–	–	–	–	435,250
Common shares issued for cash pursuant to exercise of warrants	250,000	200,000	–	–	–	–	200,000
Fair value of options exercised (note 5 (c))	–	257,189	(257,189)	–	–	–	–
Fair value of warrants exercised (note 5 (d))	–	96,455	–	(96,455)	–	–	–
Stock based compensation expense on unexercised vested options (note 5 (c))	–	–	1,224,274	–	–	–	1,224,274
Net loss for the year ended December 31, 2005	–	–	–	–	–	(3,344,139)	(3,344,139)
Balance at December 31, 2005	53,751,393	112,367,655	2,622,248	–	930,660	(49,796,799)	66,123,764
Common shares issued for cash pursuant to private placements, net of issue costs	19,231,000	117,735,560	–	–	–	–	117,735,560
Common shares issued for cash pursuant to exercise of options	1,555,000	1,991,300	–	–	–	–	1,991,300
Fair value of options exercised (note 5 (c))	–	984,970	(984,970)	–	–	–	–
Stock based compensation expense on unexercised vested options (note 5 (c))	–	–	114,391	–	–	–	114,391
Net gain for the period ended June 30, 2006	–	–	–	–	–	39,693	39,693
Balance at June 30, 2006	74,537,393	$ 233,079,485	$ 1,751,669	$ –	$ 930,660	$ (49,757,106)	$ 186,004,708

Corriente Resources Inc.

(a development stage enterprise)

Consolidated Statements of Loss and Deficit

For the six months ended June 30, 2006 (Unaudited)

(expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2006	2005	**2006**	2005
Administration				
Management fees, wages and benefits	$ **210,228**	$ 103,111	$ **426,423**	$ 206,302
Legal and accounting	**253,349**	19,140	**269,758**	41,802
Regulatory fees	**130,177**	5,000	**189,842**	39,245
Corporate development and shareholder expenses	**87,427**	90,443	**134,254**	134,118
Stock-based compensation (note 6 (c))	**61,809**	148,302	**114,391**	215,356
Office and related	**65,573**	42,445	**111,462**	83,252
Travel	**30,746**	18,300	**47,595**	38,535
Consultants	**33,615**	–	**33,615**	–
Depreciation	**5,507**	3,857	**8,954**	7,052
	878,431	430,598	**1,336,294**	765,662
Other				
Interest income	**(753,238)**	(53,267)	**(1,020,518)**	(124,347)
Gain on sale of marketable securities (note 9)	**(336,253)**	–	**(336,253)**	(265,318)
Foreign exchange (gain)	**(33,006)**	(7,823)	**(55,137)**	(10,274)
General exploration	**16,699**	8,263	**35,921**	8,372
Gain on sale of assets	**–**	–	**–**	(1,882,000)
Write-down of marketable securities	**–**	–	**–**	176,000
	(1,105,798)	(52,827)	**(1,375,987)**	(2,097,567)
Loss (earnings) for the period	**(227,367)**	377,771	**(39,693)**	(1,331,905)
Deficit – beginning of period	**49,984,473**	44,742,984	**49,796,799**	46,452,660
Deficit – end of period	**$ 49,757,106**	$ 45,120,755	**$ 49,757,106**	$ 45,120,755
Basic and diluted loss (earnings) per share	$ **(0.00)**	$ 0.01	$ **0.00**	$ (0.03)
Weighted average number of shares outstanding	**58,639,879**	46,134,726	**58,382,283**	45,539,625

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

Corriente Resources Inc.

(an development stage enterprise)

Consolidated Statements of Cash Flows

For the six months ended June 30, 2006 (unaudited)

(expressed in Canadian dollars)

	Three months ended June 30, **2006**	Three months ended June 30, 2005	Six months ended June 30, **2006**	Six months ended June 30, 2005
Earnings (loss) for the period	$ **227,367**	$ (377,771)	$ **39,693**	$ 1,331,905
Items not affecting cash				
Stock-based compensation	**61,809**	148,302	**114,391**	215,356
Depreciation	**5,507**	3,857	**8,954**	7,052
Shares received on sale of assets	**–**	–	**–**	(1,882,000)
Loss (gain) on sale of marketable securities	**–**	–	**–**	(265,318)
Write-down of marketable securities	**–**	–	**–**	176,000
Changes in non-cash working capital				
Accounts receivable and advances	**(509,328)**	85,471	**(545,238)**	(37,929)
Accounts payable and accrued liabilities	**(216,172)**	145,719	**(506,123)**	43,799
	(430,817)	5,578	**(888,323)**	(411,135)
Investing activities				
Mineral property costs	**(4,734,888)**	(2,742,331)	**(7,577,191)**	(5,065,467)
Deposit	**(3,370,409)**	–	**(3,370,409)**	–
Payments to acquire property, plant and equipment	**(152,224)**	(54,434)	**(239,118)**	(63,017)
Deferred power project costs	–	(482,167)	**–**	(958,103)
Proceeds from sale of marketable securities	–	–	**–**	819,318
	(8,257,521)	(3,278,932)	**(11,186,718)**	(5,267,269)
Financing activities				
Proceeds from issuance of share capital, net of issue costs	**118,937,860**	413,850	**119,726,860**	413,850
	118,937,860	413,850	**119,726,860**	413,850
Increase (decrease) in cash and cash equivalents	**110,249,522**	(2,859,504)	**107,651,819**	(5,264,554)
Cash and cash equivalents – beginning of period	**29,842,987**	10,197,777	**32,440,690**	12,602,827
Cash and cash equivalents – end of period	**$140,092,509**	$ 7,338,273	**$140,092,509**	$ 7,338,273

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.

2 Significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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, 2005.

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 options 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 for each such option exercised.

(expressed in Canadian dollars)

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

Corriente Copper Belt	**Mirador/ Mirador Norte**	**Panantza / San Carlos**	**Other** (1)	**Total**
Balance December 31, 2005	$28,683,887	$ 3,704,723	$ 1,817,345	$ 34,205,955
Option / acquisition payments	1,272,274	–	–	1,272,274
Deferred exploration and development costs	6,042,355	308,378	12,681	6,363,414
Balance June 30, 2006	$ 35,998,516	$ 4,013,101	$ 1,830,026	$ 41,841,643

(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

4 Property, plant and equipment

	Cost	Accumulated Depreciation	Net
Computer equipment	$ 315,373	$ 173,751	$ 141,622
Vehicles	237,762	64,128	173,634
Office furniture and equipment	146,064	64,295	81,769
Field equipment	60,331	27,594	32,737
Communications equipment	18,284	10,763	7,521
	$ 777,814	$ 340,531	$ 437,283

5 Other assets

As a requirement of the Ecuadorian Ministry of Energy and Mining (MEM) to approve the Mirador mine development project's Environmental Impact Assessment (EIA), the company was required to post a deposit in the amount of $3,370,409 (USD $3,019,539), in order to provide a bank warranty in favour of the MEM.

(expressed in Canadian dollars)

6 Share capital

a) Authorized

100,000,000 common shares without par value

b) Issued

See Consolidated Statements of Changes in Shareholders' Equity. On May 25, 2006, the company completed a brokered private placement of 19,231,000 common shares at a price of $6.50 per share pursuant to its short form prospectus dated May 8, 2006 to raise gross proceeds of $125,001,500 before issue costs of $7,265,940.

c) Stock options

The company has in place an incentive stock option plan dated November 1996, as amended (the "Option Plan") for directors, officers, employees, and consultants to the company and its subsidiaries. The Option Plan provides that the directors of the company may grant options to purchase common shares on terms that the directors may determine, within the limitations of the Option Plan. The number of common shares available for the grant of options under the Option Plan and all other share compensation arrangements of the company is set at a rolling maximum number that shall not be greater than 10% of the company's current outstanding share capital at any given time. The exercise price of each option cannot be lower than the market price of the shares at the date of grant of the option. As at June 30, 2006, options to purchase a total of 1,995,000 shares were outstanding, 1,350,000 of which were exercisable.

For the period ended June 30, 2006, the company recorded the estimated fair value of the 50,000 (2005 – 100,000) options which vested, as stock-based compensation expense of $114,391 (2005 - $215,356). Stock-based compensation expense for options is determined based on estimated fair values of the options at the time of grant, the cost of which is recognized on a straight line basis over the vesting period of the respective options and grants. The fair value of the stock options is estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate	3.87 – 4.16%
Expected dividend yield	–
Expected stock price volatility	66 – 67%
Expected option life in years	3

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 fair value assigned to the stock options exercised is credited to share capital.

During the six month period ended June 30, 2006, 1,555,000 stock options were exercised for proceeds of $1,991,300.

(expressed in Canadian dollars)

	Number of options	Exercise Price $	Expiry dates	Assigned Fair Value $	Weighted Average Price $
Options outstanding and exercisable – December 31, 2005	2,855,000			2,622,248	1.89
Exercised	(25,000)	1.14	March 5, 2006	(15,903)	
Exercised	(605,000)	0.90	May 28, 2006	(265,880)	
Exercised	(480,000)	0.89	July 28, 2006	(224,802)	
Exercised	(155,000)	1.28	September 10, 2006	(101,652)	
Exercised	(100,000)	3.32	February 9, 2007	(158,389)	
Exercised	(30,000)	3.25	September 28, 2007	(47,629)	
Exercised	(160,000)	2.27	July 25, 2008	(170,715)	
Granted and exercisable	25,000	4.50	January 23, 2009	52,582	
Granted and exercisable	25,000[1]	5.25	February 3, 2011	61,809	
	(1,505,000)			(870,579)	
Options outstanding and exercisable – June 30, 2006	1,350,000			1,751,669	2.71
Granted but unexercisable	375,000[1]	5.25	February 3, 2011	927,137	
Granted but unexercisable	60,000[2]	5.50	May 22, 2011	155,319	
Granted but unexercisable	85,000[2]	5.35	June 1, 2011	214,325	
Granted but unexercisable	125,000[3]	5.35	June 1, 2011	315,185	
Options outstanding – June 30, 2006	1,995,000			3,363,635	3.55

[1] Options vest on the basis of 1/16th of the total each quarter from the grant date, with such vesting being accelerated based on the attainment of clearly identified milestones.

[2] Options vest on the basis of 50% of the total granted after 12 months from the grant date, 75% of the total granted after 18 months from the grant date and 100% of the total granted after 24 months from the grant date

[3] Options vest on the basis of 1/16th of the total each quarter from the grant date

(expressed in Canadian dollars)

The following table summarizes the stock options outstanding and exercisable at June 30, 2006:

Exercise prices	Options outstanding and exercisable at June 30, 2006	Remaining contractual life (years)	Options outstanding at June 30, 2006	Remaining contractual life (years)
$ 1.28	155,000	0.2	155,000	0.2
3.32	175,000	0.6	175,000	0.6
3.16	100,000	0.9	100,000	0.9
3.55	100,000	1.1	100,000	1.1
3.25	10,000	1.2	10,000	1.2
2.15	100,000	1.9	100,000	1.9
2.27	360,000	2.1	360,000	2.1
2.99	300,000	2.2	300,000	2.2
4.50	25,000	2.6	25,000	2.6
5.25	25,000	4.6	400,000	4.6
5.50	–	–	85,000	4.9
5.35	–	–	125,000	4.9
5.35	–	–	60,000	4.9
	1,350,000	1.6	1,995,000	2.6

7 Related party transactions and balances

Included in management fees, wages and benefits are expenditures of $Nil (2005 – $48,599) for the period ended June 30, 2006 in respect of administrative and technical services provided by a company affiliated with an employed officer. At June 30, 2006 $Nil (2005 – $11,207) was due to this company affiliated with an employed officer. Also included in management fees, wages and benefits are directors fees of $134,130 (2005 – $26,400) for the period ended June 30, 2006.

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 Ecuador, South America, as set out in note 3. Geographic segmentation of mineral properties, property, plant and equipment is as follows:

	June 30, 2006		December 31, 2005	
	Mineral properties	Property, plant and equipment	Mineral properties	Property, plant and equipment
Canada	$ –	$ 73,941	$ –	48,128
Ecuador	41,841,643	363,342	34,205,955	217,489
	$ 41,841,643	$ 437,283	$ 34,205,955	265,617

(expressed in Canadian dollars)

9 Supplemental cash flow information

Cash and cash equivalents comprise the following:

	June 30, 2006	December 31, 2005
Cash on hand and balances with banks	$ 1,103,803	$ (16,750)
Short-term investments	138,988,706	32,457,440
	$ 140,092,509	$ 32,440,690

During the periods ended June 30, 2006 and 2005, the company conducted non-cash operating, investing and financing activities as follows:

	2006	2005
Mineral properties – non-cash deferred exploration	$ (58,498)	$ (22,555)
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, 2006 the carrying value of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities approximate their fair values based on the short-term nature of the instruments.

As at June 30, 2006, the company held no marketable securities (2005 – $1,706,000).