

Financial Statements of:

COREX GOLD CORPORATION
(An Exploration Stage Company)

December 31, 2007

AUDITORS' REPORT

BALANCE SHEETS

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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



BDO Dunwoody LLP
Chartered Accountants and Advisors

604 – 750 West Pender Street
Vancouver, BC, Canada V6C 2T7
Telephone: (604) 689-0188
Telefax: (604) 689-9773

AUDITORS' REPORT

To the Shareholders
Corex Gold Corporation

We have audited the consolidated balance sheets of Corex Gold Corporation as at December 31, 2007, December 31, 2006 and April 30, 2006 and the consolidated statements of loss and deficit, comprehensive loss and cash flows for the year ended December 31, 2007, for the eight months ended December 31, 2006 and for the year ended April 30, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007, December 31, 2006 and April 30, 2006 and the results of its operations and its cash flows for the year ended December 31, 2007, for the eight months ended December 31, 2006 and for the year ended April 30, 2006 in accordance with Canadian generally accepted accounting principles.

(signed) "BDO Dunwoody LLP"

Chartered Accountants

Vancouver, Canada
April 28, 2008

COREX GOLD CORPORATION

(An Exploration Stage Company)

CONSOLIDATED BALANCE SHEETS

December 31, 2007, December 31, 2006 and April 30, 2006

	December 31 2007	December 31 2006	April 30 2006
ASSETS			
Current			
Cash and cash equivalents	\$ 2,982,563	\$ 506,637	\$ 835,882
Receivables - Note 8	34,762	12,552	59,367
Prepays - Note 8	61,056	25,332	27,574
Marketable securities - Note 5	6,608	—	—
	3,084,989	544,521	922,823
Equipment - Note 4	126,284	30,541	39,659
Resource properties - Notes 6, 7 and 12	2,089,017	183,219	129,478
	\$ 5,300,290	\$ 758,281	\$ 1,091,960
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities - Note 8	\$ 254,343	\$ 109,636	\$ 26,942
Share capital - Notes 7 and 12	19,333,702	14,700,412	14,556,052
Contributed surplus – Note 7	843,068	343,822	343,822
Accumulated other comprehensive loss – Note 11	(23,392)	—	—
Deficit	(15,107,431)	(14,395,589)	(13,834,856)
Total shareholders' equity	5,045,947	648,645	1,065,018
	\$ 5,300,290	\$ 758,281	\$ 1,091,960

Nature of Operations and Ability to Continue as a Going Concern – Note 1

Commitments – Notes 6, 7 and 12

APPROVED BY THE DIRECTORS:

"Patrick Downey"

Patrick Downey

Director

"Craig Schneider"

Craig Schneider

Director

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

COREX GOLD CORPORATION

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	Year Ended December 31 2007	Eight Months Ended December 31 2006	Year ended April 30 2006
ADMINISTRATIVE EXPENSES			
Accounting and legal fees	\$ 56,330	\$ 37,024	\$ 34,572
Amortization	24,130	7,725	11,973
Bank charges and interest	2,889	1,465	2,681
Consulting fees – Note 8	210,621	123,403	167,968
Filing fees	8,802	3,971	3,361
Investor relations, website development and marketing	67,429	12,330	22,662
Office and administration	53,986	21,632	14,078
Rent– Note 8	36,832	11,532	17,155
Shareholder communication	16,337	30,097	16,949
Stock-based compensation – Note 7	289,972	—	285,396
Telephone	16,916	8,714	15,015
Transfer agent fees	10,162	4,979	8,174
Travel	54,146	11,664	29,280
Vehicle	1,701	—	145
Wages	44,419	—	—
Loss before other items	(894,672)	(274,536)	(629,409)
OTHER ITEMS			
Interest and other income	41,260	12,367	13,233
Property evaluation	(46,261)	(169,136)	(15,489)
Gain (loss) on foreign exchange translation	43,434	868	(9,950)
Gain on option payments and shares received – Note 6	144,397	—	—
Write-off of resource properties – Note 6	—	(130,296)	(712,894)
Net Loss for the period	(711,842)	(560,733)	(1,354,509)
Deficit, beginning of period	(14,395,589)	(13,834,856)	(12,480,347)
Deficit, end of period	\$ (15,107,431)	\$ (14,395,589)	\$ (13,834,856)
Loss per common share	\$ (0.03)	\$ (0.03)	\$ (0.09)
Weighted average number of common shares	20,445,492	16,970,498	15,608,497

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31 2007	Eight Months Ended December 31 2006	Year Ended April 30 2006
Loss for the year before comprehensive loss	\$ (711,842)	\$ (560,733)	\$ (1,354,509)
Unrealized loss on available for sale investments (Note 5)	(35,888)	—	—
Comprehensive loss for the period	\$ (747,730)	\$ (560,733)	\$ (1,354,509)

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

COREX GOLD CORPORATION
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31 2007	Eight Months Ended December 31 2006	Year Ended April 30 2006
OPERATING ACTIVITIES			
Net loss for the period	\$ (711,842)	\$ (560,733)	\$ (1,354,509)
Items not involving cash			
Amortization	24,130	7,725	11,973
Gain on option payments and shares received	(144,397)	—	—
Loss on disposal of equipment	—	128	—
Stock-based compensation	289,972	—	285,396
Write-off of resource properties	—	130,296	712,894
	(542,137)	(422,584)	(344,246)
Changes in non-cash working capital items related to operations:			
Receivables	(22,210)	46,815	(47,835)
Prepaid expenses	(35,724)	2,242	(17,308)
Accounts payable and accrued liabilities	144,706	82,694	(25,354)
Net cash used in operating activities	(455,365)	(290,833)	(434,743)
Cash Flows From Investing Activities			
Purchase of equipment	(119,873)	(4,037)	(14,990)
Proceeds from option on resource properties	290,325	—	—
Proceeds from disposal of equipment	—	5,301	—
Expenditures on resource properties	(2,081,725)	(69,036)	(421,452)
Net cash used in investing activities	(1,911,273)	(67,772)	(436,442)
Cash Flows From Financing Activities			
Proceeds from issuance of share capital, net of share issue costs	4,842,564	29,360	862,947
Net cash provided by financing activities	4,842,564	29,360	862,947
Increase (decrease) in cash	2,475,926	(329,245)	(8,238)
Cash and cash equivalents, beginning of period	506,637	835,882	844,120
Cash and cash equivalents, end of period	\$ 2,982,563	\$ 506,637	\$ 835,882
Supplementary disclosure of cash flow information			
Cash paid for:			
Interest	\$ —	\$ —	\$ —
Income taxes	\$ —	\$ —	\$ —

Non-cash Transactions – Note 10

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

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company is incorporated under the Company Act of British Columbia, is in the exploration stage and its shares are publicly traded on the TSX Venture Exchange.

The Company changed its year end in 2006 from April 30 to December 31 and accordingly the fiscal year 2006 is for the eight months ended December 31, 2006 as reported on the Consolidated Balance Sheets.

The Company's resource properties are without a known body of commercial ore. The business of exploring for resources and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amount shown for resource properties is dependent upon the ability of the Company to obtain the necessary financing to complete the exploration and development of the properties, discovery of economically recoverable reserves and future profitable production. There is no assurance that the Company will be successful in recovering the amounts shown for resource properties.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities and commitments in the ordinary course of business. At December 31, 2007, the Company has recurring losses, has an accumulated deficit of \$15,107,431 and has not generated cash from operating activities since inception with the exception of the proceeds from a bulk sampling program. The Company's continuing operations and the ability of the Company to discharge its liabilities and fulfill its commitments as they come due is dependent upon the continued support of its related parties, the ability of the Company to continue to obtain equity financing and, ultimately, on locating economically recoverable ore reserves in its resource properties and attaining and maintaining profitable operations. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require the restatement of assets and liabilities on a liquidation basis, which would differ significantly from the going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may differ from these estimates.

The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized as follows:

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned U.S. subsidiary, Latitude Operating Company (incorporated in Nevada) and its wholly-owned Mexican subsidiary, Corex Global S. de R.L. de C.V. ("Corex Global"). All inter-company transactions and balances have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Equivalents

Cash and cash equivalents consist of all highly liquid investments that are readily convertible to cash and have maturities of three months or less when purchased.

Equipment and Amortization

Equipment is recorded at cost and is amortized over their useful lives using the straight-line method with the following annual rates:

Field equipment	10 - 30%
Furniture and equipment	20%
Computer equipment	30%
Vehicles	30%

Resource Properties

The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing resource properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Proceeds received on the sale of interests in resource properties are credited to the carrying value of the resource properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

Management reviews the carrying value of resource properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Impairment of Long-lived Assets

Canadian generally accepted accounting principles require that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated. If the undiscounted value of the future cash flows is less than the carrying amount of the asset, impairment is recognized. Management believes there has been no impairment of the Company's long-lived assets as at December 31, 2007.

Asset Retirement Obligations

The fair value of obligations associated with the retirement of tangible long-lived assets are recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, amortization and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and amortization of the related asset. At December 31, 2007, the Company does not have any asset retirement obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Stock-based Compensation

The fair value of all share purchase options granted are expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Foreign Currency Translation

The accounts of the non-Canadian subsidiaries, which are considered to be dependent on the Company, and transactions of the Company denominated in foreign currencies, are translated to Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the current rate of exchange and other assets and liabilities are translated at historical rates of exchange. Revenues and expenses are translated at average rates of exchange for the year, except for depreciation and amortization, which are translated at rates in effect when the related assets were acquired. All exchange gains and losses are recognized currently in earnings.

Loss Per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

For the year ended December 30, 2007, eight months period ended December 31, 2006, and year ended April 30, 2006 potentially dilutive common shares (relating to options and warrants outstanding at year-end) totalling 4,864,609 (December 31, 2006: 1,801,286, April 30, 2006: 1,844,917) were not included in the computation of loss per share because their effect was anti-dilutive.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes only if it is more likely than not that they can be realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Income Taxes – (cont'd)

Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. The value of future income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement to prior period financial statements. Section 1530, “Comprehensive Income” requires the presentation of comprehensive income and its components in a new financial statement. Comprehensive income is the change in the net assets of a company arising from transactions, events and circumstances not related to shareholders. Section 3251, “Equity,” establishes standards for the presentation of equity and changes in equity during the reporting period.

Comprehensive Income, CICA Handbook Section 1530

Comprehensive income is the change in shareholders’ equity during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Commencing with this period, statements of other comprehensive income are included with the financial statements. The statement of other comprehensive income lists unrealized gains and losses for classifications of financial instruments that do not require such gains and losses to be included in net income. Section 3251 establishes standards for the presentation of equity and changes in equity during the reporting period.

Financial Instruments – Recognition and Measurement, CICA Handbook Section 3855

The standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based measures are used. In accordance with this new standard, the Company now classifies all financial instruments as either held to maturity, available for sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized costs. Available for sale instruments are measured at fair value with unrealized gains or losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations.

These standards have been applied prospectively; accordingly, comparative amounts for prior periods have not been restated. The adoption of section 1530 and 3855 impacted the opening accumulated comprehensive income of the Company, therefore a \$12,496 adjustment to the opening balance was recorded at January 1, 2007.

3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (cont'd)

Financial Instruments – Recognition and Measurement, CICA Handbook Section 3855 (cont'd)

Under adoption of these new standards, the Company designated its amount receivable as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value. Subsequent valuations are recorded at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method. The Company's marketable securities have been classified as available-for-sale and recorded at fair value in the Consolidated Balance Sheet.

Accounting Changes, CICA Handbook Section 1506

In July 2006, the CICA revised Section 1506, "Accounting Changes", which requires that: (1) voluntary changes in accounting policy are made only if they result in the financial statements providing reliable and more relevant information; (2) changes in accounting policy are generally applied retrospectively; and (3) prior period errors are corrected retrospectively. Section 1506 is effective for fiscal years beginning on or after January 1, 2007. The implementation of this guidance did not have a material impact on the company's consolidated financial statements.

Hedges, CICA Handbook Section 3865

This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on Accounting Guideline AcG13 "Hedging Relationships", and Section 1350 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The Company does not use hedges and accordingly does not expect to be impacted by this standard.

New Accounting Pronouncements

The CICA has issued the following new Handbook sections which are effective for interim and financial statements for the Company's reporting period beginning on January 1, 2008:

Section 3862 - Financial Instruments — Disclosures, describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. The Company does not expect that the adoption of this new section will have a significant effect on its financial statements.

Section 3863 - Financial Instruments — Presentation, establishes standards for presentation of the financial instruments and non-financial derivatives. It carries forward the presentation related requirements of Section 3861 "Financial Instruments — Disclosure and Presentation". The Company does not expect that the adoption of this new section will have a significant effect on its financial statements.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (cont'd)

New Accounting Pronouncements (Cont'd)

Section 1535 - Capital Disclosures, establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital, the quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements, and, if it has not complied, the consequences of such non-compliance. The Company is currently evaluating the impact of the adoption of this new section.

Section 3031 – Inventories - Replaces Section 3030 and harmonizes the Canadian standard related to inventories with International Financial Reporting Standards. This Section provides more extensive guidance on the determination of cost, including allocation of overhead; narrows the permitted cost formulas; requires impairment testing; and expands the disclosure requirements to increase transparency. This Section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, and is not expected to have a material impact on the Company's financial statements

International Financial Reporting Standard -"IFRS" - The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011. The impact of the transition to IFRS on the Company's financial statements has yet to be determined.

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". The purpose of this Section is to provide more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The Section harmonizes Canadian standards with International Financial Reporting Standards and applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. It is not expected to have a material impact on the company's consolidated financial statements.

4. EQUIPMENT

	December 31, 2007		
	Cost	Accumulated Amortization	Net Book Value
Field equipment	\$ 119,873	\$ 9,338	\$ 110,535
Furniture and equipment	11,021	8,281	2,740
Computer equipment	15,735	11,630	4,105
Vehicles	26,221	17,317	8,904
Total	\$ 172,850	\$ 46,566	\$ 126,284

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

4. EQUIPMENT (cont'd)

	December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 11,021	\$ 6,077	\$ 4,944
Computer equipment	15,735	6,909	8,826
Vehicle	26,221	9,450	16,771
Total	\$ 52,977	\$ 22,436	\$ 30,541

	April 30, 2006		
	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	\$ 14,864	\$ 4,867	\$ 9,997
Computer equipment	13,321	4,060	9,261
Vehicle	26,446	6,045	20,401
Total	\$ 54,631	\$ 14,972	\$ 39,659

5. MARKETABLE SECURITIES

	December 31, 2007			December 31, 2006			April 30, 2006		
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
Hemis Corporation⁽¹⁾		\$	\$		\$	\$		\$	\$
- Shares available for sale	25,000	12,496	1,308	25,000	—	—	—	—	—
- Restricted shares	100,000	30,000	5,300	—	—	—	—	—	—
Total	125,000	42,496	6,608	25,000	—	—	—	—	—

⁽¹⁾ See Note 6 Resource Properties.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

6. RESOURCE PROPERTIES

	Zuloaga/ Santa Rita Mexico	Caliche Property Mexico	Santana Property Mexico	Total
Year ended December 31, 2007				
Acquisition costs, beginning of year	\$33,204	\$11,664	\$ —	\$44,868
Cash payments	—	67,146	—	67,146
Acquisition costs, end of year	33,204	78,810	—	112,014
Deferred exploration costs, beginning of year	138,351	—	—	138,351
Drilling	—	441,142	—	441,142
Field supplies and equipment	—	6,225	—	6,225
Geological consulting – Note 8	—	168,869	—	168,869
Geological surveys	—	485,723	—	485,723
Legal	—	30,128	—	30,128
Taxes and recording fees	—	266,583	—	266,583
Mapping	43,612	10,982	—	54,594
Sampling	—	291,763	—	291,763
Site visits and vehicle costs – Note 8	—	278,033	945	278,978
Trenching and roadwork	—	29,814	—	29,814
Less: write off of resource properties	(39,239)	—	—	(39,239)
Deferred exploration costs, end of year	142,724	2,009,262	945	2,152,931
Option payments and shares received	(320,325)	—	—	(320,325)
Net gain on option payments and shares received	(144,397)	—	—	(144,397)
Total costs, December 31, 2007	\$ —	\$2,088,072	\$945	\$2,089,017

	Zuloaga/ Santa Rita Mexico	Caliche Property Mexico	Evelina Property Argentina	Total
Eight months ended December 31, 2006				
Acquisition costs, beginning of period	\$ 33,204	\$ —	\$ —	\$ 33,204
Shares issued	—	—	115,000	115,000
Cash payments	—	11,664	—	11,664
Less: acquisition costs written-off	—	—	(115,000)	(115,000)
Acquisition costs, end of period	33,204	11,664	—	44,868
Deferred exploration costs, beginning of period	96,274	—	—	96,274
Field supplies and equipment	—	—	335	335
Geological consulting – Note 8	5,204	—	4,484	9,688
Geological surveys	12,702	—	—	12,702
Taxes and recording fees	17,875	—	5,920	23,795
Mapping	3,336	—	3,498	6,834
Site visits and vehicle costs – Note 8	2,960	—	1,059	4,019
Less: deferred exploration costs written-off	—	—	(15,296)	(15,296)
Deferred exploration costs, end of period	138,351	—	—	138,351
Total costs, December 31, 2006	\$ 171,555	\$ 11,664	\$ —	\$ 183,219

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

6. RESOURCE PROPERTIES (cont'd)

Year ended April 30, 2006	Zuloaga/ Santa Rita Mexico	El Trebol Mexico	Puerto De los Viejos Mexico	Total
Acquisition costs, beginning of year	\$ 33,204	\$ 36,899	\$ 1,977	\$ 72,080
Cash payments	—	25,200	—	25,200
Less: acquisition costs written-off	—	(62,099)	(1,977)	(64,076)
Acquisition costs, end of year	33,204	—	—	33,204
Deferred exploration costs, beginning of year	70,687	273,585	4,568	348,840
Mapping	—	305	—	305
Sampling	—	53,068	—	53,068
Field supplies and equipment	—	21,366	—	21,366
Drilling and site preparation	—	94,031	—	94,031
Geological consulting – Note 8	2,595	90,645	—	93,240
Site visits and vehicle costs	—	22,954	—	22,954
Government taxes	—	34,495	—	34,495
Trenching	—	30,867	—	30,867
Legal	—	11,865	—	11,865
Property taxes	22,992	11,069	—	34,061
Less: deferred exploration costs written-off	—	(644,250)	(4,568)	(648,818)
Deferred exploration costs, end of year	96,274	—	—	96,274
Total costs, April 20, 2006	\$ 129,478	\$ —	\$ —	\$ 129,478

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

MEXICO

Zuloaga/Santa Rita Properties

As at December 31, 2007, the Company has staked 16,896 hectares in Zacatecas, Mexico that comprises the Zuloaga property and is owned 100% by the Company.

As at December 31, 2007, the Company has staked 22,982 hectares in Zacatecas, Mexico that comprises the Santa Rita property and is owned 100% by the Company.

In June 2006, the Company entered into an option agreement with Hemis Corporation (“Hemis”) whereby Hemis may earn a 49% interest in the Santa Rita property by spending US\$950,000 in exploration expenditures over a three year term and by issuing the Company 200,000 common shares of Hemis (25,000 shares received). Hemis became a publicly listed entity subsequent to December 31, 2006 and accordingly the market value of the shares received was not determinable.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

6. RESOURCE PROPERTIES (cont'd)

Zuloaga/Santa Rita Properties (cont'd)

On January 25, 2007 the Company entered into an earn-in agreement with Goldcorp Inc.'s Mexican subsidiary, Glamis Exploration S.A. de C.V ("Goldcorp"). Under the terms of this agreement, Goldcorp has the right to earn up to an 80% interest in the Zuloaga and Santa Rita properties (the "Property"). The earn-in agreement provides for Goldcorp to earn a 70% interest in the Property by spending US\$4,000,000 over a 5-year period and paying the Company US\$150,000 over an 18 month period with US\$50,000 due upon signing the agreement (received). Goldcorp has the option to increase its interest from 70% to 80% upon paying 100% of the expenditures associated with placing the Property or any part thereof, into commercial production based on a mine development project approved for all or part of the Property, with 20% to be repayable to Goldcorp from the Company's related project cash-flows, or arranging the proportionate share of a debt financing.

In connection with the above-noted earn-in agreement, the option agreement with Hemis was replaced on January 29, 2007 such that Hemis may earn a 49% interest in whatever interest the Company holds in the Santa Rita property by paying the Company US\$1,000,000 over two years with US\$200,000 due on signing (received) and issuing the Company 175,000 common shares (50,000 received) over an eighteen month period. On June 4, 2007, the Company received 25,000 shares valued at \$21,750, the fair market value of the shares at that date.

On September 20, 2007 the Company issued a notice of default wherein Hemis had not made the US\$200,000 payment or issued the 75,000 common shares due on or before July 31, 2007. The Company allowed an extension to October 31, 2007 based on the 75,000 common shares, with a fair market value of the shares on that date of \$8,250, being issued to the Company on or before October 12, 2007 (received) and the cash payment due on or before October 31, 2007. The cash payment was not received and as such the option agreement with Hemis has been terminated effective October 31, 2007. As at December 31, 2007, 100,000 of the shares received are restricted from resale for a period of one year.

Caliche Properties

The Company entered into a Memorandum of Understanding dated December 15, 2006, wherein it was granted an exclusive due diligence period of 45 days to review certain data and information pertaining to an area located in the Sonora State of Mexico, known as the Caliche Property which consists of thirteen contiguous mining concessions of approximately 1,500 hectares. The Company paid the vendor \$11,664 (US\$10,000) in consideration of the exclusive review period.

On February 7, 2007 the Company entered into two property option agreements to acquire a 100% interest in the Caliche property. The interest is earned by paying the optionors, collectively, US\$1,740,000 over three years. The payment schedule is as follows:

<u>Amount</u>	<u>Due date</u>	
USD \$30,000	Upon signing	(Paid)
30,000	6 months	(Paid)
50,000	12 months	(Paid)
50,000	18 months	
100,000	24 months	
100,000	30 months	
1,380,000	36 months	
<u>USD \$1,740,000</u>		

6. RESOURCE PROPERTIES (cont'd)

Santana Property

The Company has staked two contiguous concessions that will collectively be known as the "Santana" property located approximately 200 kilometers east-southeast of Hermosillo, Sonora, Mexico. See Note 12 – Subsequent Events.

El Trebol Property

By a Memorandum of Understanding ("MOU") dated May 28, 2004, the Company obtained an option to acquire a 100% interest in four mining claims collectively known as the "El Trebol" Property. On signing the MOU the Company made a cash payment of US\$3,000 to the optionor and paid a finders' fee of US\$6,000 to an unrelated third party. A finder's fee of 15,000 common shares was issued.

On December 3, 2004 the Company entered into an option agreement wherein the Company may earn a 100% interest in the El Trebol property, subject to a 2% net smelter return royalty for consideration of US\$200,000 cash over a four year period, issuing an aggregate of 80,000 common shares and incurring an aggregate of US\$2,000,000 in exploration expenditures over a five year period on the property.

On December 13, 2005 the Company negotiated an amendment to the agreement whereby the due dates for outstanding cash payments and obligation to issue common shares of the Company were extended by six months. All other terms and conditions of the formal agreement executed on December 3, 2004 remained the same.

Subsequent to April 30, 2006, upon review of the exploration data received to date, the Company elected to terminate the option on the El Trebol property. As at April 30, 2006, acquisition and deferred exploration costs of \$706,349 were written off.

Puerto de Los Viejos Property

On May 29, 2004, the Company signed a MOU to acquire up to a 100% interest in the Puerto De Las Viejos Property located in the State of Zacatecas, Mexico, which lies contiguous to the El Trebol property. Consideration consists of US\$14,000 cash, the issuance of 10,000 common shares and incurring exploration expenditures of US\$500,000.

During reconnaissance work, the Company discovered that the optionors had lost title to the property as a result of unpaid property taxes. The Company did not anticipate signing a formal agreement under the terms of the MOU as a result of the owner's loss of title and has determined not to proceed any further on this acquisition. As at April 30, 2006, acquisition and deferred exploration costs of \$6,545 were written off.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

6. RESOURCE PROPERTIES (cont'd)

ARGENTINA

Evelina Property

On May 1, 2006 the Company entered into an option agreement with Viceroy Exploration Ltd. ("Viceroy"), a company with a common director, whereby Corex can earn a 60% interest in the Evelina Property located in Argentina by incurring minimum annual exploration expenditures aggregating to US \$3.5 million over four years, and by issuing a total of 800,000 common shares (100,000 issued) over four years. Viceroy has the right to increase its interest to 60%, thereby reducing Corex's interest to 40% by incurring one and a half times the US\$3,500,000 expenditures made by Corex. The Company elected to terminate the option on the Evelina property and focus its efforts on its Mexico properties. As at December 31, 2006, acquisition and deferred exploration costs of \$130,296 were written off.

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized:
Unlimited common shares at no par value

Issued:	Number	Amount	Contributed Surplus
Balance, April 30, 2005	14,079,862	\$ 13,650,055	\$ 101,476
– pursuant to exercise of options – at \$0.25	287,000	71,750	—
– pursuant to exercise of warrants – at \$0.25	2,120,350	530,088	—
– pursuant to exercise of warrants – at \$0.65	65,250	42,412	—
– pursuant to exercise of warrants – at \$0.75	288,417	216,313	—
Add: share issue costs recovered	—	2,384	—
Contributed surplus reclassified on exercise of share purchase options	—	43,050	(43,050)
Stock based compensation	—	—	285,396
Balance, April 30, 2006	16,840,879	14,556,052	343,822
– pursuant to exercise of warrants – at \$0.65	33,631	21,860	—
– pursuant to exercise of warrants – at \$0.75	10,000	7,500	—
For acquisition of resource property – at \$1.15	100,000	115,000	—
Balance, December 31, 2006	16,984,510	14,700,412	343,822
– pursuant to exercise of warrants – at \$0.65	64,219	41,742	—
– pursuant to exercise of warrants – at \$0.75	312,625	234,469	—
– pursuant to private placement – at \$0.90	5,560,000	5,004,000	—
Share issue costs	—	(646,921)	209,274
Stock based compensation	—	—	289,972
Balance, December 31, 2007	22,921,354	\$ 19,333,702	\$ 843,068

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Authorized: (cont'd)

On June 6, 2007 the Company completed a private placement for 5,560,000 units at \$0.90 per unit for gross proceeds of \$5,004,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable to purchase one common share of the Company at \$1.25 per share for two years. The Company paid the agent a fee of 7% of the gross proceeds raised in cash and issued to the agent 389,200 compensation options entitling the agent to acquire that number of shares for two years at \$0.94 per share ("Agent's Option"). Share issue costs include \$209,274 attributed to these options. (Note 7 b)

Escrowed Shares:

As at December 31, 2007, 2006 and April 30, 2006, 5,625 shares are held in escrow, subject to release by regulatory approval.

Commitments:

a) Stock-based Compensation Plan:

The Company has a stock option plan (the "Plan") for officers, directors, employees and consultants whereby a maximum of 10% of the issued shares will be reserved for issuance under the Plan. Options are granted with an exercise price determined by the Board of Directors, which may not be less than the market price of the Company's stock on the date of the grant. The vesting provisions are determined by the Board of Directors and are defined in each stock option agreement.

At December 31, 2007, 1,695,409 stock options were outstanding and exercisable under the Plan as follows:

<u>Number</u>	<u>Exercise price</u>	<u>Expiry Date</u>
762,998	\$0.25	September 2, 2008
87,411	\$0.60	January 15, 2009
480,000	\$0.65	October 3, 2010
<u>365,000</u>	\$1.04	February 14, 2012
<u>1,695,409</u>		

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Commitments: (cont'd)

a) Stock-based Compensation Plan: (cont'd)

Details of stock option activity under the Plan for the year ended December 31, 2007, the eight months ended December 31, 2006 and the year ended April 30, 2006 are as follows:

	Number	Weighted Average Exercise Price	Weighted Average Life
Balance, April 30, 2005	1,137,409	\$0.28	3.37 years
Granted	480,000	\$0.65	
Exercised	(287,000)	\$0.25	
Balance, April 30, 2006	1,330,409	\$0.42	3.12 years
Granted	—	—	
Exercised	—	—	
Balance, December 31, 2006	1,330,409	\$0.42	2.45 years
Granted	365,000	\$1.04	
Exercised	—	—	
Balance, December 31, 2007	1,695,409	\$0.55	2.03 years

During the year ended December 31, 2007, a compensation charge associated with the granting of stock options under the Plan in the amount of \$289,972 (December 31, 2006 -\$Nil, April 30, 2006 - \$285,396) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	Year ended December 31 2007	Eight Months ended December 31 2006	Year ended April 30 2006
Risk-free interest rate	4.06%	—	3.64%
Expected dividend yield	0%	—	0%
Expected stock price volatility	101.63%	—	73.55%
Expected option life	5 years	—	5 years

b) Share Purchase Warrants:

At December 31, 2007, 3,169,200 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

<u>Number</u>	<u>Price Per Share</u>	<u>Expiry Date</u>
2,780,000	\$1.25	June 6, 2009
<u>389,000</u>	<u>\$0.94</u>	<u>June 6, 2009</u>
<u>3,169,200</u>		

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (cont'd)

Commitments: (cont'd)

b) Share Purchase Warrants: (cont'd)

A summary of the changes in the Company's share purchase warrants outstanding for the year ended December 31, 2007, eight months ended December 31, 2006 and year ended April 30, 2006 are as follows:

	Number	Weighted Average Exercise Price	Weighted Average Life
Balance, April 30, 2005	3,894,358	\$0.47	0.79 years
Exercised	(2,474,017)	\$0.32	
Expired	(905,833)	\$0.75	
Granted	—	—	
Balance, April 30, 2006	514,508	\$0.73	0.90 years
Exercised	(43,631)	\$0.67	
Expired	—	—	
Granted	—	—	
Balance, December 31, 2006	470,877	\$0.73	0.24 years
Exercised	(376,844)	\$0.73	
Expired	(94,033)	\$0.73	
Granted	3,169,200	\$1.21	
Balance, December 31, 2007	3,169,200	\$1.21	1.50 years

A compensation charge associated with agents options granted in accordance with a private placement in the amount of \$209,274 was allocated to share issue costs. For purposes of this calculation, the following assumptions were used for the Black-Scholes model:

	Year ended December 31 2007
Risk-free interest rate	4.67%
Expected dividend yield	0%
Expected stock price volatility	106.84%
Expected option life	2 years

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

8. RELATED PARTY TRANSACTIONS

The Company incurred the following amounts charged by (to) directors/officers of the Company and companies controlled by directors/officers of the Company for the period ended:

	Year ended December 31 2007	Eight Months Ended December 31 2006	Year ended April 30 2006
Deferred exploration costs			
Geological consulting fees	\$ 165,760	\$ 1,196	\$ 61,360
Site assets and vehicle costs	52,276	56,135	10,216
Consulting fees	103,144	65,719	95,784
Rent (recovery)	(17,700)	(11,532)	(13,500)
	<u>\$ 303,480</u>	<u>\$ 111,518</u>	<u>\$ 153,860</u>

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties. All transactions with related parties were within the normal course of business.

At December 31, 2007, receivables include \$7,105 (December 31, 2006 - \$8,294, April 30, 2006 \$12,200) due from companies with common directors.

At December 31, 2007, prepaids include \$7,950 (December 31, 2006 - \$6,890, April 30, 2006 - \$8,032) of consulting fees paid to a director of the Company.

At December 31, 2007 accounts payable include \$15,024 (December 31, 2006 - \$34,346, April 30, 2006 - \$3,193) of geological consulting fees owing to a director of the Company.

9. INCOME TAXES

The Company and its subsidiary have accumulated non-capital losses totalling \$2,485,000 available to reduce future years' taxable income. These losses expire as follows:

	<u>Canada</u>	<u>Mexico</u>	<u>Total</u>
2008	\$ 95,000	\$ -	\$ 95,000
2009	104,000	-	104,000
2010	113,000	-	113,000
2011	375,000	-	375,000
2015	406,000	48,000	454,000
2016	-	84,000	84,000
2017	-	179,000	179,000
2026	631,000	-	631,000
2027	450,000	-	450,000
	<u>\$ 2,174,000</u>	<u>\$ 311,000</u>	<u>\$ 2,485,000</u>

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

9. INCOME TAXES (cont'd)

The Company has accumulated capital losses of \$215,000 which may be carried forward indefinitely and applied against future capital gains.

The Company has accumulated Canadian and foreign exploration and development expenditures totalling \$4,379,000 available to reduce future years' taxable income. These expenditures carry forward indefinitely and can be applied to taxable income at various rates.

A reconciliation of income taxes at statutory rates is as follows:

	December 31, <u>2007</u>	December 31, <u>2006</u>	April 30, <u>2006</u>
a) Loss before income taxes	\$ (711,842)	\$ (560,733)	\$ (1,354,509)
Statutory income tax rates	<u>34.12%</u>	<u>34.12%</u>	<u>34.12%</u>
Computed income tax recovery	\$ (243,000)	\$ (191,000)	\$ (462,000)
Non-deductible stock-based compensation and other items	88,000	8,000	115,000
Change in tax rates	538,000	-	-
Difference in tax rates - Mexico	(6,000)	18,000	20,000
Net change in valuation allowance	<u>(377,000)</u>	<u>165,000</u>	<u>327,000</u>
Total income taxes (recovery)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
b) Significant components of the Company's future income tax assets are as follows:			
Non-capital loss carryforwards	\$ 652,000	\$ 715,000	\$ 726,000
Capital loss carryforwards	28,000	37,000	37,000
Resource costs	1,142,000	1,538,000	1,518,000
Share issue costs	20,000	14,000	21,000
Equipment	<u>12,000</u>	<u>11,000</u>	<u>6,000</u>
	1,854,000	2,315,000	2,308,000
Less: valuation allowance	<u>(1,854,000)</u>	<u>(2,315,000)</u>	<u>(2,308,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Company has recorded a valuation allowance against its future income tax assets based on the extent that it is more likely-than-not that sufficient taxable income will not be realized during the carry-forward periods to utilize all the future tax assets.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

10. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the year ended December 31, 2007, the Company received 100,000 shares valued at \$30,000 as an option payment. During the eight month period ended December 31, 2006, the Company issued 100,000 common shares valued at \$115,000 pursuant to a resource property option agreement. These transactions have been excluded from the statements of cash flows. During the year ended April 30, 2006, the Company did not enter into any non-cash transactions.

11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31, 2007
Cumulative effect adjustment at January 1, 2007	\$ 12,496
Unrealized loss on available for sale investments (Note 5)	(35,888)
Accumulated other comprehensive loss, December 31, 2007	\$ (23,392)

12. SUBSEQUENT EVENTS – Note 6

i) The Company signed two property option agreements under which it collectively holds rights to acquire a 100% interest in two contiguous mining concessions. In addition, the Company has staked two contiguous concessions that will collectively be know as the “Santana” property. Terms of the option agreements are as follows:

1. Santa Lucia – Option to Purchase Agreement

Upon signing the agreement - USD \$3,000, 6 months from signing - USD \$5,000, 12 months from signing - USD \$5,000, 18 months from signing - USD \$10,000, 24 months from signing - USD \$10,000, 30 months from signing - USD \$15,000, 36 months from signing - USD \$202,000 for a total of USD\$250,000.

2. Hilda 35 Fraccion 1 - Option to Purchase Agreement

Upon signing the agreement – USD \$6,000, 6 months from signing - USD \$10,000, 12 months from signing - USD \$15,000, 18 months from signing - USD \$20,000, 24 months from signing - USD \$30,000, 30 months from signing - USD \$50,000, 36 months from signing - USD \$75,000, 42 months from signing - USD \$75,000, 48 months from signing - USD \$719,000 for a total of USD \$1,000,000.

The Hilda 35 Fraccion 1 is also subject to a 2% net smelter return (NSR). Each 1% NSR can be purchased for USD\$1,000,000.

ii) The Company granted share purchase options to various directors, officers, consultants and employees to acquire 465,000 shares at \$0.40 per common share for a period of five years.

COREX GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(An Exploration Stage Company)
December 31, 2007, December 31, 2006 and April 30, 2006

12. SUBSEQUENT EVENTS – Note 6 (cont'd)

- iii) The Company signed a property option agreement under which the Company holds the rights to acquire a 100% interest in the Lluvia de Oro mining concession that will be collectively known as the Cumeral Project.

The Company has the option to earn 100% of the rights to the Lluvia de Oro concession upon completion of the following payments: upon signing USD \$15,000, 6 month anniversary USD \$18,000, 12 month anniversary USD \$25,000, 18 month anniversary USD \$40,000, 24 month anniversary USD\$60,000, 30 month anniversary USD \$100,000, 36 month anniversary USD \$492,000. The total purchase price is USD\$750,000. As per the terms of the option to purchase agreement, Lluvia de Oro is subject to a 1% net smelter return. The 1% NSR can be purchased for \$1,000,000.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.