



Unaudited condensed consolidated Interim Financial Statements of

**COREX GOLD CORPORATION**  
(An Exploration Stage Company)

**September 30, 2011**

## **NOTICE TO READER**

The accompanying unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2011 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountant for a review of unaudited condensed consolidated interim financial statements by an entity's auditor.

**Corex Gold Corporation**

September 30, 2011

(Expressed in Canadian Dollars)

**INDEX**

**Unaudited Condensed Consolidated Financial Statements**

- **Unaudited Condensed Consolidated Interim Statement Of Financial Position**
- **Unaudited Condensed Consolidated Interim Statements Of Comprehensive Loss**
- **Unaudited Condensed Consolidated Interim Statements Of Cash Flows**
- **Unaudited Condensed Consolidated Interim Statement Of Changes In Equity**
- **Notes To The Unaudited Condensed Interim Consolidated Financial Statements**

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

Expressed in Canadian Dollars

	Note	September 30 2011	December 31 2010
<b>ASSETS</b>			
Current			
Cash and cash equivalents	4	\$ 794,902	\$ 2,769,244
Receivables	5	79,550	147,239
Prepaid expenses and advances		44,789	83,975
Available -for-sale-investment	6	258	375
		<b>919,499</b>	<b>3,000,833</b>
Property, plant and equipment	7	161,065	187,536
Exploration and evaluation assets	8	8,326,526	6,382,474
		<b>\$ 9,407,090</b>	<b>\$ 9,570,843</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current			
Trade and other payables	9, 13	\$ 36,636	\$ 121,705
Share capital	10	30,351,720	29,223,165
Contributed surplus	10	2,267,410	1,617,006
Accumulated other comprehensive loss		(583,802)	(226,270)
Deficit		(22,664,873)	(21,164,763)
Total shareholders' equity		<b>9,370,454</b>	<b>9,449,138</b>
		<b>\$ 9,407,090</b>	<b>\$ 9,570,843</b>

"Craig Schneider"  
Craig Schneider

Director

"Alan Hitchborn"  
Alan Hitchborn

Director

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

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(UNAUDITED)

Expressed in Canadian Dollars

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Interest and other income</b>	\$ <b>137</b>	\$ 2,667	\$ <b>7,016</b>	\$ 4,216
<b>Expenses</b>				
Administrative and general	<b>269,582</b>	194,704	<b>819,208</b>	612,373
Depreciation	<b>10,142</b>	6,182	<b>30,096</b>	18,659
Exploration	<b>(6)</b>	330	<b>9,419</b>	6,278
Stock based compensation	<b>—</b>	—	<b>635,136</b>	397,067
<b>Total expenses</b>	<b>279,718</b>	201,216	<b>1,493,860</b>	1,034,377
<b>Other comprehensive income</b>				
Gain on sale of capital asset	—	—	—	(9,727)
Foreign exchange differences on translating foreign operations	—	—	<b>13,267</b>	(110,307)
<b>Total other comprehensive income</b>	<b>8,946</b>	40	<b>13,267</b>	(120,034)
<b>Total comprehensive loss for the period</b>	<b>(288,527)</b>	(198,588)	<b>(1,500,110)</b>	(910,127)
<b>Loss per common share basic and diluted</b>	\$ <b>(0.01)</b>	\$ (0.01)	\$ <b>(0.03)</b>	\$ (0.03)
<b>Weighted average number of common shares</b>	\$ <b>45,183,079</b>	\$ 34,512,876	\$ <b>45,183,079</b>	\$ 34,512,876

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

Expressed in Canadian Dollars

For the nine months ended September 30, 2011

	Common Shares	Amount	Contributed Surplus	Accumulated Comprehensive Other Income	Accumulated Deficit	Total
Balance, January 1, 2010	32,001,352	\$ 22,606,896	\$ 1,264,874	\$ 186,416	\$ 19,649,696	\$ 4,035,658
Net loss for the period	—	—	—	—	910,127	910,127
Exercise of warrants	1,305,000	417,600	—	—	—	417,600
Exercise of options	356,000	60,760	—	—	—	60,760
Private placement	6,400,000	4,352,000	—	—	—	4,352,000
Property payment	100,000	27,500	—	—	—	27,500
Stockbased compensation	—	—	397,067	—	—	397,067
Foreign exchange translation	—	—	—	394	—	394
Fair value of investments	—	—	—	18	—	18
Balance, September 30, 2010	40,162,352	\$ 27,464,756	\$ 1,661,941	\$ 186,792	\$ 20,559,823	\$ 8,380,083

	Common Shares	Amount	Contributed Surplus	Accumulated Comprehensive Other Income	Accumulated Deficit	Total
Balance, January 1, 2011	44,416,352	\$ 29,223,165	\$ 1,617,006	\$ 226,270	\$ 21,164,763	\$ 9,449,138
Net loss for the period	—	—	—	—	1,500,110	1,500,110
Return to treasury	5,625	—	—	—	—	—
Private placement	3,931,332	1,082,055	—	—	—	1,082,055
Property payment	150,000	46,500	—	—	—	46,500
Stock based compensation	—	—	635,136	—	—	635,136
Agents warrants	—	—	15,268	—	—	15,268
Fair value of investments	—	—	—	117	—	117
Foreign exchange translation	—	—	—	357,649	—	357,649
Balance, September 30, 2011	48,492,059	\$ 30,351,720	\$ 2,267,410	\$ 583,802	\$ 22,664,873	\$ 9,370,454

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

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**

Expressed in Canadian Dollars

For the nine months ended September 30, 2011

	<b>September 30</b>		<b>September 30</b>
	<b>2011</b>		<b>2010</b>
<b>Cash flows from operating activities</b>			
Total comprehensive loss	\$ (1,500,110)	\$	(910,127)
Adjustments to reconcile loss to net cash used in operating activities:			
Share based payments	650,404		397,067
Depreciation	30,096		18,659
Finance expense	15,268		—
Finance income	(357,532)		—
Loss on fair value of available for sale investments	117		—
Changes in non-cash working capital balances:			
Trade and other receivables	67,689		34,595
Trade and other payables	(85,069)		(70,546)
Prepaid expenses	39,186		571
<b>Total cash outflows from operating activities</b>	<b>(1,139,952)</b>		<b>(529,781)</b>
<b>Cash Flows From Investing Activities</b>			
Acquisition of property, plant and equipment	(3,625)		(154,095)
Investment in exploration and evaluation assets	(1,897,552)		(3,035,024)
<b>Total cash outflows from investing activities</b>	<b>(1,901,177)</b>		<b>(3,189,119)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from share issuances	1,066,787		4,670,826
<b>Total cash inflows from financing activities</b>	<b>1,066,787</b>		<b>4,670,826</b>
<b>Total decrease in cash during the period</b>	<b>(1,974,342)</b>		<b>951,926</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>2,769,244</b>		<b>2,221,120</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 794,902</b>	<b>\$</b>	<b>3,173,046</b>

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

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**1. CORPORATION INFORMATION**

The Company is incorporated under the Business Corporations Act (British Columbia) and is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's principal asset is its option to acquire the Santana Property located in Mexico.

The Company is listed on the TSX Venture Exchange, having the symbol CGE.V as a Tier 2 issuer and its corporate office and principal place of business is located at 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

**2. BASIS OF PREPARATION**

These unaudited condensed consolidated interim financial statements have been prepared in accordance to International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these interim condensed consolidated financial statements do not include all information and footnotes required by IFRS as issued by the IASB and interpretations of the IFRIC for complete financial statements for year-end reporting purposes. The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors as at November 29, 2011.

These interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim consolidated financial statements are presented in Canadian Dollars which is also the Company's functional currency.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Company has not generated revenues from its operations to date. The Company currently does not have sufficient cash resources to meet its obligations under the Santana Property with respect to its December 11, 2011 payment of US\$719,000 and general and administrative expenses for at least twelve months from the end of the reporting period without curtailing exploration efforts at Santana until such additional funds have been generated. The Company will be required to raise additional funds through equity issuances or exercise of warrants to fund this payment and provide working capital. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2011 were prepared in accordance with IAS 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements for the three month period ended March 31, 2011. In addition, the interim condensed consolidated financial statements for the three month period ended March 31, 2011 contain certain incremental annual IFRS disclosures not included in the annual financial statements for the year ended December 31, 2010 which were prepared in accordance with previous Canadian GAAP. Accordingly, these interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2011 should be read together with the annual consolidated financial statements for the year ended December 31, 2010 prepared in accordance with

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

previous Canadian GAAP as well as the interim condensed consolidated financial statements for the three month period ended March 31, 2011.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **New Standards, Amendments and Interpretations Not Yet Adopted**

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 9, *Financial instruments - Classification and Measurement*, IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interests in Other Entities*, IAS 27, *Separate Financial Statements*, IFRS 13, *Fair Value Measurement* and amended IAS 28, *Investments in Associates and Joint Ventures*. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

#### *IFRS 9, Financial Instruments: Classification and Measurement*

This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

#### *IFRS 10, Consolidated Financial Statements*

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

#### *IFRS 11, Joint Arrangements*

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures*, and SIC-13, *Jointly Controlled Entities—Non-monetary Contributions by Venturers*.

#### *IFRS 12, Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
(Expressed in Canadian Dollars)

---

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**New Standards, Amendments and Interpretations Not Yet Adopted (cont'd)**

*IAS 19 – Employee Benefits*

In June 2011, the IASB issued an amended version of IAS 19, *Employee Benefits* (“IAS 19”). The amendments to IAS 19 are meant to improve the quality, transparency and comparability of information presented for post-employment benefits. For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the “corridor method”. The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. Additional disclosures will also be required to present better information about the characteristics, amounts recognized, and risks related to defined benefit plans. The amendments to IAS 19 are effective for financial years beginning on or after January 1, 2013 with earlier adoption permitted. The Company has not yet begun the process of assessing the impact that the amended standard will have on its consolidated financial statements or whether to early adopt any of the new requirements.

*Amendments to Other Standards*

In addition, there have been amendments to existing standards, including IAS1, *Presentation of Financial Statements*, IAS 27, *Separate Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*. IAS 1 has been amended to require companies to group items within Other Comprehensive Income (“OCI”) that may be reclassified to profit or loss. The amendment also reaffirms existing requirements that items in OCI and profit and loss should be presented as either a single statement or two consecutive statements. The amendments to IAS 1 are effective for fiscal years beginning on or after July 1, 2012. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

**4. CASH AND CASH EQUIVALENTS**

Cash at banks and on hand earns interest at floating and fixed rates based on daily deposit rates.

**5. RECEIVABLES**

	<b>September 30</b>		<b>December 31</b>
	<b>2011</b>		<b>2010</b>
Sales taxes receivable	\$ 73,281	\$	76,432
Advances to contractors	—		67,593
Other	6,269		3,214
	<b>\$ 79,550</b>	<b>\$</b>	<b>147,239</b>

HST receivables represent input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

Management considers that the fair values of these receivables, which are expected to be recovered quarterly, are not materially different from their carrying amounts because these amounts have short maturity periods on inception.

**6. AVAILABLE-FOR-SALE INVESTMENT**

Available-for-sale investment consists of investment in common shares of Hemis Gold Corporation and therefore has no fixed maturity date or coupon rate. The fair value of the listed available-for-sale investment has been determined by reference to published price quotations in an active market.

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
(Expressed in Canadian Dollars)

**7. PROPERTY, PLANT AND EQUIPMENT**

	Furniture & Fixtures	Office Equipment	Field Equipment	Vehicles	Leasehold Improvements	Total
<b>Cost</b>						
Balance at January 1, 2010	\$11,831	\$68,785	\$111,851	\$26,221	\$—	\$218,688
Assets acquired	6,745	45,921	68,462	—	10,561	131,689
Balance at December 31, 2010	18,575	114,707	180,313	26,221	10,561	350,377
Assets acquired	—	2,350	—	—	—	2,350
<b>Balance September 30, 2011</b>	<b>\$18,575</b>	<b>\$117,057</b>	<b>\$180,313</b>	<b>\$26,221</b>	<b>\$10,561</b>	<b>\$352,727</b>
<b>Depreciation and impairment losses</b>						
Balance at January 1, 2010	\$11,040	\$20,171	\$66,252	\$26,221	\$—	\$123,685
Impairment	(11,040)	—	—	—	—	(11,040)
Depreciation for the period	2,583	12,157	33,826	—	1,631	50,196
Balance at December 31, 2010	2,583	32,328	100,078	26,221	1,631	162,841
Depreciation for the period	2,779	21,143	—	—	1,464	25,386
Foreign exchange movement	—	—	3,435	—	—	3,435
<b>Balance at September 30, 2011</b>	<b>\$5,362</b>	<b>\$53,471</b>	<b>\$103,512</b>	<b>\$26,221</b>	<b>\$3,095</b>	<b>\$191,661</b>
<b>Carrying amounts</b>						
Carrying value at January 1, 2010	791	48,614	45,599	—	—	95,003
Carrying value at December 31, 2010	15,993	82,378	80,235	—	8,930	187,536
<b>Carrying value at September 30, 2011</b>	<b>\$13,214</b>	<b>\$63,585</b>	<b>\$76,801</b>	<b>\$—</b>	<b>\$7,466</b>	<b>\$161,065</b>

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**8. EXPLORATION AND EVALUATION ASSETS**

		Santana Project
<b>Costs</b>		
Balance at January 1, 2010	\$	1,704,839
Acquisition costs		446,492
Exploration costs		4,223,908
Foreign exchange movement		7,236
Balance at December 31, 2010	\$	6,382,474
Acquisition costs		164,093
Exploration costs		2,020,906
Foreign exchange movement		(240,947)
Balance at September 30, 2011	\$	<b>8,326,526</b>
<b>Accumulated depletion and impairment losses</b>		
Balance at January 1, 2010	\$	—
Balance at December 31, 2010	\$	—
Balance at September 30, 2011	\$	—
<b>Carrying amounts</b>		
Carrying value at January 1, 2010	\$	1,704,839
Carrying value at December 31, 2010	\$	6,382,474
Carrying value at September 30, 2011	\$	<b>8,326,526</b>

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, titles to all of its properties are in good standing.

**MEXICO**

**Santana Property**

On December 11, 2007 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 to the concessions under option Corex has staked two additional contiguous concessions and all four are collectively known as the "Santana Property". The Santana Property covers approximately 7,000 hectares and is located approximately 200 kilometres east-southeast of Hermosillo, Sonora, Mexico. Terms of the above stated option agreements are as follows:

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**8. EXPLORATION AND EVALUATION ASSETS**

**A) Santa Lucia – Option to Purchase Agreement**

<u>Amount</u>	<u>Due date</u>	
US\$ 3,000	December 11, 2007	(Paid in 2008)
5,000	June 11, 2008	(Paid)
5,000	December 11, 2008	(Paid)
10,000	June 11, 2009	(Paid)
10,000	December 11, 2009	(Paid)
15,000	June 11, 2010	(Paid)
202,000	December 11, 2010	(Paid)
<u>US\$ 250,000</u>		

**B) Hilda 35 Fraccion 1 - Option to Purchase Agreement**

<u>Amount</u>	<u>Due date</u>	
US\$ 6,000	December 11, 2007	(Paid in 2008)
10,000	June 11, 2008	(Paid)
15,000	December 11, 2008	(Paid)
20,000	June 11, 2009	(Paid)
30,000	December 11, 2009	(Paid)
50,000	June 11, 2010	(Paid)
75,000	December 11, 2010	(Paid)
75,000	June 11, 2011	(Paid)
719,000	December 11, 2011	
<u>US\$ 1,000,000</u>		

The Hilda 35 Fraccion 1 is also subject to a 2% net smelter return (NSR). Each 1% NSR can be purchased for US\$1,000,000 within the three years following the conclusion of the feasibility study with positive results.

On July 22, 2009 Corex and Virgin Metals Inc. (“Virgin”) signed an option agreement under which Corex’s Mexican subsidiary was granted an option to acquire from Virgin’s Mexican subsidiary a 100% interest in three concessions (the “Hilda Concessions”) covering 722 ha. that are contiguous to the northern boundary of Corex’s Santana property. To acquire the Hilda Concessions Corex must pay Virgin a total of \$340,000, issue Virgin 500,000 common shares and incur \$450,000 in exploration expenditures on the Hilda Concessions over a three year period.

Under the option agreement, Corex paid Virgin \$25,000 upon execution and issued Virgin 50,000 shares upon TSX Venture Exchange acceptance of the agreement (issued on July 30, 2009). In order to exercise the option, Corex must make payments, issue shares, and incur exploration expenditures as follows:

By July 22, 2010	pay \$35,000 (paid), issue 100,000 shares (issued), incur \$100,000 in expenditures (completed)
By July 22, 2011	pay \$50,000, (paid) issue 150,000 shares (issued), incur \$150,000 in expenditures (completed)
By July 22, 2012	pay \$230,000, issue 200,000 shares, incur \$200,000 in expenditures
<u>Total</u>	<u>pay \$315,000, issue 450,000 shares, incur \$450,000 in expenditures</u>

Upon exercise of the option Virgin will retain a 2% NSR royalty on the Hilda Concessions, which can be acquired by Corex at any time for US\$1,500,000. Under the option agreement Virgin has rights to back-in and acquire any mineralized zones on the Hilda Fracc 2 concession that contain copper and molybdenum mineralization assaying not less than 0.05% Mo, provided the zone does not also contain gold mineralization assaying greater than 0.2 g/t Au, by paying Corex three times Corex’s exploration expenditures on the ground acquired by Virgin.

The San Lucia, Hilda 35 Fraccion 1 and Hilda Concessions, are collectively referred to as the Santana Property.

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**9. TRADE AND OTHER PAYABLES**

	<b>September 30</b>		<b>December 31</b>	
	<b>2011</b>		<b>2010</b>	
Trade payables	\$	30,701	\$	78,869
Accrued Liabilities		—		35,000
Due to related party		5,934		7,836
<b>Total</b>	<b>\$</b>	<b>36,636</b>	<b>\$</b>	<b>121,705</b>

**10. SHARE CAPITAL AND RESERVES**

**a) Common Shares**

The Company's authorized share capital is an unlimited number of common shares with no par value.

**b) Issuance of securities**

During the nine months ended September 30, 2011 the Company issued:

- 150,000 common shares pursuant to the Santana Property (see Note 8);
- On August 11, 2011 the Company completed a non-brokered private placement for 3,931,332 units at a price of \$0.30 per unit ("Unit") for aggregate gross proceeds of CDN \$1,179,400. Each Unit consists of one common share and one half of one share purchase warrant (the "Warrant"), each whole Warrant exercisable by the holder to acquire one additional common share at a price of \$0.45 for 12 months from Closing. The Warrants are subject to an accelerated expiry which comes into effect once the shares trade above a weighted average price of \$0.50 for any twenty consecutive trading-day period, subsequent to four months from Closing. In the event of an accelerated expiry, the expiry date will be the earlier of the regular two year expiry date and 30 days from the date the Company advises the placees of the accelerated expiry.

Finders' fees of 7% cash and 7% warrants ("Finders Warrant") of the Financing, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one common share (a "Finders Share") at a price of \$0.45 per Finder Share for a period of 12 months from closing of the Financing for aggregate cash payments of \$74,515 and 248,383 Finders Warrants.

The net proceeds from this private placement will be used for additional exploration on Corex's Santana project and for general working capital purposes.

The Company during the period ended September 30, 2011 returned to treasury 5,625 common shares.

During the year ended December 31, 2010 the Company issued:

- On July 22, 2010 the Company completed a non-brokered private placement for 6,400,000 units of the Company at a price of \$0.68 per unit ("Unit") for gross proceeds of \$4,352,000. Each Unit consists of one common share of the Company (a "Common Share") and one-half of one transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder, on exercise thereof, to purchase one additional Common Share at a price of \$0.90 for a period of 24 months from completion of the Offering. Finders' fees of 6% cash and 6% warrants ("Agent Option") and an advisory fee were paid on a portion of the Offering, in accordance with the policies of the Exchange. Each Finders Warrant entitles the holder to purchase one unit (a "Finders Unit") at a price of \$0.68 per Finder Unit for a period of 24 months from closing of the Offering for aggregate cash payments of \$132,360 and 47,294 Agent Option recorded at a fair market value of \$19,971. Each Agent Option consists of one common share and one-half of a non-transferable warrant, with each full warrant entitling the holder to purchase 1 common share at a price of \$0.90 per share for a period of 2 years from issuance.
- On October 27, 2010 the Company completed a private placement of 4,000,000 units (the "Units") at a price of \$0.50 per Unit for gross proceeds of \$2,000,000 (the "Financing"). Each Unit consists of one common

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**10. SHARE CAPITAL AND RESERVES (Cont'd)**

**b) Issuance of securities (Cont'd)**

share of the Company (a "Common Share") and one-half of one non-transferable Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder, on exercise thereof, to purchase one additional Common Share at a price of \$0.75 until October 27, 2012 and the expiry date of the Warrants is not subject to acceleration. On completion of the Financing the Company paid the Agent a cash commission of 6.0% of the gross proceeds of the Offering and issued the Agent 240,000 warrants (the "Agent's Warrants") recorded at a fair market value of \$83,665. Each Agent's Warrant entitles the holder, on exercise, to purchase one additional Common Share at a price of \$0.50 per share until October 27, 2012.

— The Units, the Agent's Warrants and the Common Shares issuable under the Warrants and the Agent's Warrants are subject to a hold period expiring on February 28, 2011.

**c) Escrowed Shares:**

During the nine months ended September 30, 2011, 5,625 common shares held in escrow were cancelled and returned to treasury. As at September 30, 2011 there were no common shares held in escrow (December 31, 2010 – 5,625).

**d) Contributed Surplus:**

The following is a summary of changes in contributed surplus from January 1, 2010 – September 30, 2011:

	<b>September 30</b>	<b>December 31</b>
	<b>2011</b>	<b>2010</b>
Warrants - Note 10	15,268	83,664
Share options - Note 10	635,136	268,468
<b>Contributed Surplus</b>	<b>650,404</b>	<b>352,132</b>

**e) Share Purchase Warrants:**

The following is a summary of changes in warrants from January 1, 2010 to September 30, 2011:

Share Purchase Warrants	Number	Weighted Average Exercise Price
Balance, January 1, 2010	6,170,000	\$0.55
Issued	3,200,000	\$0.90
Issued	2,000,000	\$0.75
Exercised	(1,305,000)	\$0.32
Balance, December 31, 2010	10,065,000	\$0.76
Expired	(265,000)	\$0.45
Expired	(4,600,000)	\$0.70
Issued	1,965,666	\$0.45
<b>Balance, September 30, 2011</b>	<b>7,165,666</b>	

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**10. SHARE CAPITAL AND RESERVES (Cont'd)**

**e) Share Purchase Warrants (Cont'd):**

At September 30, 2011 7,165,666 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
3,200,000	\$0.90	July 15, 2012
2,000,000	\$0.75	October 27, 2012
1,965,666	\$0.45	August 11, 2012
<b>7,165,666</b>		

**f) Agents Options**

The following is a summary of changes in warrants from January 1, 2010 to September 30, 2011

	Number	Amount
Balance, January 1, 2010	—	\$0.00
Issued	47,294	\$0.68
Balance, December 31, 2010 and September 30, 2011	47,294	

At September 30, 2011 47,294 Agents Options were outstanding. Each Option consists of one common share and one-half of a non-transferable warrant, with each full warrant entitling the holder to purchase 1 common share at a price of \$0.90 per share for a period of 2 years from issuance as follows:

Number	Exercise Price	Expiry Date
47,294	0.68	7/15/2012

**g) Agents Warrants**

The following is a summary of changes in warrants from January 1, 2010 to September 30, 2011

	Number	Amount
Balance, January 1, 2010	—	\$0.00
Issued	240,000	\$0.50
Balance, December 31, 2010	240,000	
Issued	248,383	\$0.45
Balance, September 11, 2011	488,383	

At September 30, 2011 488,383 Agents Warrants were outstanding. Each Warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
240,000	\$0.50	October 27, 2012
248,383	\$0.45	August 11, 2012
<b>488,383</b>		

**COREX GOLD CORPORATION****An Exploration Stage Company)****NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****NINE MONTHS ENDED SEPTEMBER 30, 2011****(Expressed in Canadian Dollars)****11. SHARE BASED PAYMENTS**

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

The following is a summary of changes in options from January 1, 2010 to September 30, 2011:

	Number	Weighted Average Exercise Price	Weighted Average Life
Balance, January 1, 2010	2,700,000	\$0.18	4.17 years
Expired	(30,000)	\$0.20	
Granted	610,000	\$0.68	
Exercised	(610,000)	\$0.20	
Balance, December 31, 2010	2,670,000	\$0.30	3.06 years
Granted	1,200,000	\$0.67	4.10 years
Balance September 30, 2011	3,870,000	\$0.44	

At September 30, 2011 3,780,000 stock options were outstanding and exercisable under the Plan as follows:

Number	Exercise price	Expiry Date
335,000	\$0.20	14-Feb-12
335,000	\$0.20	5-Feb-13
850,000	\$0.11	2-Feb-14
250,000	\$0.25	27-May-14
200,000	\$0.35	18-Jun-14
90,000	\$0.43	11-Aug-14
610,000	\$0.80	24-Mar-15
1,200,000	\$0.67	5-Jan-16
3,870,000		

During the period ended September 30, 2011, a compensation charge associated with the granting of stock options under the Plan in the amount of \$635,136 (2010 - \$397,067) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	September 30, 2011	September 30, 2010
Risk-free interest rate	2.63%	2.86
Expected dividend yield	0%	0%
Expected stock price volatility	108.67%	114.57
Expected option life	5 years	5 years

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

**12. ADMINISTRATIVE AND GENERAL EXPENSES**

	Three Months Ended		Nine Months Ended	
	September 30 2011	September 30 2010	September 30 2011	September 30 2010
<b>Administrative and General Expenses include:</b>				
Accounting and legal	\$ 7,539	\$ 3,276	\$ 46,114	\$ 26,700
Consulting	123,875	123,984	373,504	393,069
Investor relations, website development and marketing	47,326	3,826	91,212	7,121
Office and administration fees	36,284	34,422	112,913	87,449
Regulatory fees	1,248	866	9,148	8,116
Rent	9,774	(2,981)	30,584	(16,451)
Shareholder communications	2,030	3,853	17,749	10,195
Transfer agent fees	5,140	4,603	8,203	8,478
Travel	25,612	13,685	96,772	58,486
Wages	10,755	9,170	33,009	29,210
	<b>\$ 269,582</b>	<b>\$ 194,704</b>	<b>\$ 819,208</b>	<b>\$ 612,373</b>

**13. RELATED PARTY TRANSACTIONS**

a) Rental Payments Received

Rental receivable of \$37,800 (nine months end September 30, 2011: \$35,973) were received from Orocan Resources Corp. a company which has a common director and officer of the Company.

b) Key Management Compensation

	September 30 2011	September 30 2010
Key management personnel compensation comprised :		
Share based payments	\$248,762	\$130,186
Consulting fees	\$404,404	\$390,769

Consulting fees consist of:

- 1 Corporate development fees of \$36,000 (nine months ended September 30, 2010 - \$36,000) were paid to a company controlled by Craig Schneider, the President of the Company;
- 2 Consulting fees of \$76,500 (nine months ended September 30, 2010 - \$76,500) were paid to Craig Schneider, President of the Company;
- 3 Under a consulting agreement between the Company and Minco Corporate Management Inc. ("Minco"), a company owned by Terese Gieselman the Company's CFO and Secretary whereby Ms. Gieselman is entitled to receive \$75 per hour for \$56,609 (nine months ended September 30, 2010 - \$36,000);
- 4 Corporate development fees of \$36,000 (nine months ended September 30, 2010 - \$36,000) were paid to Chris Bogart, VP of Corporate Development and \$76,500 (nine months ended September 30, 2010 \$76,500) to a company controlled by Chris Bogart;
- 5 Share based payments are the fair value of options granted to key management personnel.

In addition the Company paid consulting fees to directors as follows:

- 6 Geological consulting fees of \$122,800 (nine months ended September 30, 2010 - \$98,885) in connection with the Santana project were paid to Bruno Barde a director of the Company;

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

**13. RELATED PARTY TRANSACTIONS (Cont'd)**

c) Related party liabilities:

Amounts due to:	Service for:	September 30 2011	December 31 2010
Minco	Consulting Fees	\$ 5,934	\$ —
Bruno Barde	Consulting Fees	\$ —	\$ 8,190

**14. BASIC AND DILUTED LOSS) PER SHARE**

The calculation of basic earnings (loss) per share for the nine months ended September 30, 2011 was based on the loss attributable to common shareholders of \$1,500,110 (nine months ended September 30, 2010 – \$910,127) and the weighted average number of common shares outstanding 45,183,074 (nine months ended September 30, 2010 – 34,512,876).

The calculation of basic earnings (loss) per share for the three months ended September 30, 2011 was based on the loss attributable to common shareholders of \$288,527 (three months ended September 30, 2010 – \$198,588) and the weighted average number of common shares outstanding 45,183,074 (nine months ended September 30, 2010 – 34,512,876).

Excluded from the calculation of the diluted loss per share for periods ended September 30, 2011 are 3,870,000 stock options, 7,165,666 share purchase warrants, 47,294 Agents Options and 488,383 Agents Warrants (September 30, 2010 – 2,924,000 stock options and 8,112,294 share purchase warrants).

**15. COMMITMENTS AND CONTINGENCIES**

Effective August 1, 2005 the Company entered into a three-year lease agreement for the Company's current office space at a rate of \$3,000 per month. By a Lease Extension and Amending Agreement dated May 27, 2008, the Term of the Lease was extended for a further term of two years, so as to end on July 31, 2010. The parties have agreed to relocate the Leased Premises and extend the Terms of the Lease for a term of three years, commencing April 1, 2010, so as to end March 31, 2013. For the period between April 1, 2010 and March 31, 2013, the amount of \$46,664 per annum, is due in equal monthly instalments of \$3,889 each and payable on the first day of each month. The Company leases out a portion of the office for rent and administration staff for \$4,200/month under an agreement for the term of the head lease.

2011	\$	11,667
2012		46,664
2013		11,667
	\$	<u>104,995</u>

**16. SEGMENT REPORTING**

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities.

As at September 30, 2011	Canada	Mexico	Total
Current assets	\$ 877,338	\$ 42,161	919,499
Property, plant and equipment	84,264	76,800	161,065
Exploration and evaluation assets	—	8,326,526	8,326,526
	\$ 961,603	\$ 8,445,488	9,407,090

**17. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Company has adopted IFRS with a date of transition of January 1, 2010 the details of which are described in the interim condensed consolidated financial statements for the three months ended March 31, 2011. Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to retained earnings unless certain exemptions are applied.

*Remainder of page intentionally left blank*

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**Reconciliation of the Statement of Comprehensive Loss for the Three Months Ended September 30, 2010:**

	<b>Canadian GAAP</b>		<b>Effect of Transition to IFRS</b>		<b>IFRS</b>
<b>Interest and other income</b>	\$ 2,667	\$	—	\$	2,667
<b>Expenses</b>					
Administrative and general	194,704		—		194,704
Depreciation	6,182		—		6,182
Exploration	330		—		330
Stock based compensation	—		—		—
<b>Total expenses</b>	<b>201,216</b>		<b>—</b>		<b>201,216</b>
<b>Other comprehensive income</b>					
Foreign exchange differences on translating foreign operations	40		—		40
<b>Total other comprehensive income</b>	<b>40</b>		<b>—</b>		<b>40</b>
<b>Total comprehensive loss for the period</b>	<b>\$ (198,588)</b>	\$	<b>—</b>	\$	<b>(198,588)</b>
<b>Loss per common share basic and diluted</b>	<b>\$ (0.01)</b>	\$	<b>—</b>	\$	<b>(0.01)</b>
<b>Weighted average number of common shares</b>	<b>34,512,876</b>		<b>—</b>		<b>34,512,876</b>

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**Reconciliation of the Statement of Comprehensive Loss for the Nine Months Ended September 30, 2010:**

	<b>Canadian GAAP</b>		<b>Effect of Transition to IFRS</b>		<b>IFRS</b>
<b>Interest and other income</b>	\$ 4,216	\$	—	\$	4,216
<b>Expenses</b>					
Administrative and general	612,373		—		612,373
Depreciation	18,659		—		18,659
Exploration	6,278		—		6,278
Stock based compensation	397,067		—		397,067
<b>Total expenses</b>	<b>1,034,377</b>		<b>—</b>		<b>1,034,377</b>
<b>Other comprehensive income</b>					
Gain on sale of capital asset	(9,727)		—		(9,727)
Foreign exchange differences on translating foreign operations	(110,307)		—		(110,307)
<b>Total other comprehensive income</b>	<b>(120,034)</b>		<b>—</b>		<b>(120,034)</b>
<b>Total comprehensive loss for the period</b>	<b>\$ (910,127)</b>	\$	<b>—</b>	\$	<b>(910,127)</b>
<b>Loss per common share basic and diluted</b>	<b>\$ (0.03)</b>	\$	<b>—</b>	\$	<b>(0.03)</b>
<b>Weighted average number of common shares</b>	<b>34,512,876</b>				<b>34,512,876</b>

**COREX GOLD CORPORATION**  
**An Exploration Stage Company)**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
(Expressed in Canadian Dollars)

---

**Reconciliation of the Statement of Changes in Equity for the Nine Months Ended September 30, 2010**

	Notes	Amount	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Reported under Canadian GAAP	17 a	\$ 27,259,555	\$ 1,680,221	\$ (20,559,823)	\$ 129	\$ 8,380,082
Foreign exchange translation		—	—	—	(239,961)	(239,961)
<b>Reported under IFRS</b>		<b>\$ 27,259,555</b>	<b>\$ 1,680,221</b>	<b>\$ (20,559,823)</b>	<b>\$ (239,832)</b>	<b>\$ 8,140,122</b>

**COREX GOLD CORPORATION**  
**An Exploration Stage Company**  
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2011**  
**(Expressed in Canadian Dollars)**

---

**17. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)**

The interim consolidated statements of cash flow for the nine months ended September 30, 2010 were not presented as the adjustments required to reconcile to IFRS did not affect the totals for each component of the consolidated interim statements of cash flows.

Notes to the IFRS reconciliation are as follows:

*a) Functional currency and exchange translation – Functional and presentation currency*

Accumulated other comprehensive loss consists of the change in the cumulative translation adjustment. Due to a change in the functional currency of the Company's Mexico subsidiary (from Canadian dollars under Canadian GAAP to Mexico Pesos in accordance with IFRS), the translation of the Mexico operations and balances that are used to calculate the cumulative translation adjustment are different for IFRS than for Canadian GAAP. As a result, the cumulative translation adjustment and other comprehensive income (loss) are different under IFRS than in accordance with Canadian GAAP.

As at September 30, 2010, the Company recognized a foreign exchange loss of \$239,961 due to translating the non-current assets using the current rate method. The adjustment results in a decrease in the mineral properties and property, plant and equipment and records as Accumulated Other Comprehensive Loss.