

Financial Statements of:

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**Six Months Ended – June 30, 2008**

***(Unaudited – Prepared by Management)***

**#350 - 409 GRANVILLE STREET, VANCOUVER BC V6C 1T2**

**PHONE: (604) 683-2505 FAX: (604) 683-2506**

**WEBSITE: [www.corexgold.com](http://www.corexgold.com)**

---

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-103, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**INTERIM CONSOLIDATED BALANCE SHEETS**

June 30, 2008 and December 31, 2007

(un-audited Prepared by Management)

	June 30 2008	December 31 2007
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 1,803,587	\$ 2,982,563
Receivables - Note 7	42,212	34,762
Prepays - Note 7	48,129	61,056
Marketable securities - Note	3,750	6,608
	1,897,677	3,084,989
Equipment - Note 3	132,847	126,284
Resource properties - Notes 5 and 6	2,742,481	2,089,017
	\$ 4,773,005	\$ 5,300,290
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current		
Accounts payable and accrued liabilities	\$ 30,334	\$ 254,343
Share capital - Notes 6	19,333,702	19,333,702
Contributed surplus	968,276	843,068
Accumulated other comprehensive income	(26,040)	(23,392)
Deficit	(15,53,268)	(15,107,431)
Total shareholders' equity	4,742,670	5,045,947
	\$ 4,773,005	\$ 5,300,290

Nature of Operations and Ability to Continue as a Going Concern – Note 1  
Commitments – Notes 5 and 6

APPROVED BY THE DIRECTORS:

“Craig Schneider”  
Craig Schneider

Director

“Alan Hitchborn”  
Alan Hitchborn

Director

**COREX GOLD CORPORATION**

(An Exploration Stage Company)

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

Six Months ended June 30, 2008

(un-audited Prepared by Management)

	Three Months ended June 30 2008	Three Months Ended June 30 2007	Six Months ended June 30 2008	Six Months Ended June 30 2007
<b>ADMINISTRATIVE EXPENSES</b>				
Accounting and legal fees	\$ (3,676)	\$ (11)	\$ 12,185	\$ 6,486
Amortization	3,688	3,335	7,376	6,670
Bank charges and interest	721	472	1,593	1,251
Consulting fees – Note 7	51,900	53,249	107,300	86,257
Filing fees	2,589	2,498	8,509	7,198
Investor relations, website development and marketing	25,313	15,185	65,696	25,182
Office and administration	16,703	6,405	40,416	9,084
Rent– Notes 7	10,100	4,425	18,103	8,850
Shareholder communication	3,681	4,799	10,501	5,535
Stock based compensation	—	—	125,208	246,519
Telephone	6,341	2,829	14,345	5,454
Transfer agent fees	1,132	3,897	2,261	5,289
Travel	12,224	9,545	19,454	16,421
Vehicle	361	—	218	—
Wages	27,516	—	39,895	—
Loss before other items	(158,592)	(106,628)	(473,059)	(430,196)
<b>OTHER ITEMS</b>				
Interest income	80,908	17,027	98,667	22,807
Property evaluation	(17,048)	—	(24,560)	—
Gain (loss) on foreign exchange translation	22,853	(36,921)	(26,884)	(8,968)
Net Loss for the period	(71,879)	(126,522)	(425,837)	(416,357)
<b>Deficit, beginning of period</b>	\$ (15,461,389)	\$ (14,685,423)	\$ (15,533,268)	\$ (14,395,589)
<b>Deficit, end of period</b>	\$ (15,533,268)	\$ (14,811,945)	\$ (15,550,432)	\$ (14,811,945)
<b>Loss per common share</b>	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)
<b>Weighted average number of common shares</b>	\$ 22,921,354	\$ 18,098,592	\$ 22,921,354	\$ 17,191,356

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

COREX GOLD CORPORATION  
(An Exploration Stage Company)  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE  
INCOME  
Six Months ended June 30  
(un-audited Prepared by Management)

	Three Months ended June 30 2008	Three Months ended June 30 2007	Six Months ended June 30 2008	Six Months ended June 30 2007
<b>Loss for the period before comprehensive loss</b>	\$ (71,879)	\$ (126,522)	\$ (425,837)	\$ (416,357)
Unrealized (loss) gain on available for sale investments (Note 3)	(358)	(1,258)	2,858	19,996
<b>Comprehensive loss for the period</b>	<b>\$ (72,237)</b>	<b>\$ (127,780)</b>	<b>\$ (422,979)</b>	<b>\$ (396,361)</b>

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

COREX GOLD CORPORATION  
(An Exploration Stage Company)  
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
Six Months ended June 30  
(un-audited Prepared by Management)

	Three Months ended June 30 2008	Three Months ended June 30 2007	Six Months ended June 30 2008	Six Months ended June 30 2007
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	\$ (71,879)	\$ (126,523)	\$ (425,837)	\$ (416,357)
Items not involving cash				
Depreciation	3,688	3,335	7,376	6,670
Stockbased compensation	—	140,518	125,208	387,037
	(68,191)	17,330	(293,253)	(22,650)
Changes in non-cash working capital items related to operations:				
Receivables	1,377	(24,235)	(7,450)	(21,845)
Prepaid expenses	(3,505)	50,073	12,927	5,496
Accounts payable and accrued liabilities	(90,523)	(29,808)	(224,010)	(134,714)
Net cash used in operating activities	(160,842)	13,361	(511,785)	(173,712)
<b>Cash Flows From Investing Activities</b>				
Purchase of equipment	(10,050)	—	(13,729)	—
Proceeds from option on mineral properties	—	—	50,244	290,325
Expenditures on mineral properties	(225,080)	(280,909)	(703,708)	(439,704)
Recovery of mineral property expenditures	—	24,144	—	24,144
Net Cash provided used in investing activities	(235,130)	(256,765)	(667,193)	(125,235)
<b>Cash Flows From Financing Activities</b>				
Proceeds from issuance of share capital, net of share issue costs	—	4,418,880	—	4,705,161
Net cash provided by financing activities	—	4,418,880	—	4,705,161
Increase (decrease) in cash	(395,972)	4,175,476	(1,178,977)	4,406,214
Cash and cash equivalents beginning of period	2,199,557	737,375	2,982,563	506,637
Cash and cash equivalents end of period	\$ 1,803,586	\$ 4,912,851	\$ 1,803,586	\$ 4,912,851
Supplementary disclosure of cash flow information				
Cash paid for:				
Interest	\$ —	\$ —	\$ —	\$ —
Income taxes	\$ —	\$ —	\$ —	\$ —

Non-cash Transactions – Note 8

**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'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 March 31, 2008, the Company has recurring losses, has an accumulated deficit of \$15,461,389 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 June 30, 2008.

**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 March 31, 2008, the Company does not have any asset retirement obligations.

**COREX GOLD CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(An Exploration Stage Company)  
Six month ended June 30, 2008

---

**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 period, 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 period. 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 periods presented.

**3. EQUIPMENT**

	<b>June 30, 2008</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Field equipment	\$ 133,811	\$ 9,338	\$ 124,473
Furniture and equipment	11,021	9,380	1,641
Computer equipment	15,735	13,984	1,751
Vehicles	26,221	21,239	4,982
<b>Total</b>	<b>\$ 186,788</b>	<b>\$ 53,941</b>	<b>\$ 132,847</b>

**COREX GOLD CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(An Exploration Stage Company)  
Six month ended June 30, 2008

**3. EQUIPMENT (cont'd)**

	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
<b>Total</b>	<b>\$ 172,850</b>	<b>\$ 46,566</b>	<b>\$ 126,284</b>

**4. MARKETABLE SECURITIES**

	June 30, 2008			December 31, 2007		
	No. of Shares	Cost	Fair Value	No. of Shares	Cost	Fair Value
<b>Hemis Gold Corporation</b>		\$	\$		\$	\$
- Shares available for sale	25,000	12,496	750	25,000	12,496	1,308
- Restricted shares	100,000	30,000	3,000	100,000	30,000	5,300
<b>Total</b>	<b>125,000</b>	<b>42,496</b>	<b>3,750</b>	<b>125,000</b>	<b>42,496</b>	<b>6,608</b>

(1) See Note 6 Resource Properties.

**5. RESOURCE PROPERTIES**

Period ended June 30, 2008	Zuloaga/ Santa Rita Mexico	Caliche Property Mexico	Santana Property Mexico	Cumeral Property Mexico	Total
Acquisition costs, beginning of period	\$ —	\$ 78,810	\$ —	\$ —	\$ 78,810
Cash payments	—	53,181	15,262	15,608	84,051
Acquisition costs, end of year	—	131,991	15,262	15,608	162,861
Deferred exploration costs, beginning of year	—	2,009,262	945	—	2,010,207
Drilling	—	80,702	—	—	80,702
Field supplies and equipment	—	1,603	18,348	2,392	22,343
Geological consulting – Note 8	—	54,310	7,375	—	61,685
Geological surveys	—	54,659	107,916	12,858	175,432
Legal	—	1,231	518	3,013	4,762
Taxes and recording fees	—	54,748	26,883	14,846	96,476
Mapping	—	3,556	2,990	—	6,547
Sampling	—	74,733	6,458	4,772	85,963
Site visits and vehicle costs – Note 8	—	44,498	16,006	10,107	70,610
Trenching and roadwork	—	17,750	0	321	18,071
Deferred exploration costs, end of period		2,397,051	187,439	48,308	2,632,798
Option payments and shares received	(53,177)	—	—	—	(53,177)
<b>Total costs, June 30, 2008</b>	<b>\$ (53,177)</b>	<b>\$2,529,042</b>	<b>\$ 202,701</b>	<b>\$ 63,915</b>	<b>\$2,742,481</b>

**COREX GOLD CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(An Exploration Stage Company)  
Six month ended June 30, 2008

**5. RESOURCE PROPERTIES (cont'd)**

	Zuloaga/ Santa Rita Mexico	Caliche Property Mexico	Santana Property Mexico	Total
<b>Year ended December 31, 2007</b>				
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)
<b>Total costs, December 31, 2007</b>	<b>\$ —</b>	<b>\$2,088,072</b>	<b>\$945</b>	<b>\$2,089,017</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, title to all of its properties are in good standing.

**MEXICO**

**Zuloaga/Santa Rita Properties**

As at March 31, 2008, the Company has staked 16,896 hectares in Zacatecas, Mexico that comprises the Zuloaga property and is owned 100% by the Company.

As at March 31, 2008, 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)  
Six month ended June 30, 2008

---

**5. 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 March 31, 2008, 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>		

**5. 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.

In addition to the concessions staked, 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 known 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.

**Cumeral Property**

Corex has staked a mining concession approximately 13,290 hectares, located in the municipality of Imuris, about 200 kilometers north of Hermosillo, Sonora, Mexico. In addition to the staked claims the Company entered into the following agreements which all collectively together are referred to as the "Cumeral Property":

- i) During April 2008 the Company signed a property option agreement under which Corex holds the rights to acquire a 100% interest in the Lluvia de Oro mining concession comprised of 660 hectares located in the municipality of Imuris, is approximately 200 kilometers north of Hermosillo, Sonora, Mexico. This concession along with the one previously staked by the Company will be collectively referred to as the "Cumeral" property.

Consideration for the option is: 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.

**COREX GOLD CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(An Exploration Stage Company)  
Six month ended June 30, 2008

**6. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

Authorized:  
Unlimited common shares at no par value

Issued:	Number	Amount	Contributed Surplus
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
<b>Balance, December 31, 2007 and June 30, 2008</b>	<b>22,921,354</b>	<b>\$ 19,333,702</b>	<b>\$ 843,068</b>

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 June 30, 2008 and December 31, 2007, 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 June 30, 2008, 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
365,000	\$1.04	February 14, 2012
<u>465,000</u>	<u>\$0.40</u>	<u>February 5, 2013</u>
<u>2,160,409</u>		

**COREX GOLD CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(An Exploration Stage Company)  
Six month ended June 30, 2008

**6. 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 period ended June 30, 2008, and December 31, 2007 are as follows:

	Number	Weighted Average Exercise Price	Weighted Average Life
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
Granted	465,000	\$0.40	
Balance, June 30, 2008	2,160,409	\$0.52	2.38 years

During the period ended June 30, 2008, a compensation charge associated with the granting of stock options under the Plan in the amount of \$125,207 (June 30, 2007 -\$246,519) was recognized in the financial statements. For purposes of these calculations, the following assumptions were used for the Black-Scholes model:

	June 30, 2008	June 30, 2007
Risk-free interest rate	3.34%	4.06%
Expected dividend yield	0%	0%
Expected stock price volatility	95.71%	77.07%
Expected option life	5 years	5 years

b) Share Purchase Warrants:

At June 30, 2008, 3,169,200 share purchase warrants were outstanding. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Price Per Share	Expiry Date
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)  
Six month ended June 30, 2008

---

**6. 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 period ended June 30, 2008 and December 31, 2007 are as follows:

	Number	Weighted Average Exercise Price	Weighted Average Life
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	
<b>Balance, December 31, 2007 and June 30, 2008</b>	<b>3,169,200</b>	<b>\$1.21</b>	<b>1.50 years</b>

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)  
Six month ended June 30, 2008

---

**7. 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:

	June 30 2008	June 30 2007
Deferred exploration costs		
Geological consulting fees	\$ 57,600	\$ 84,800
Consulting fees	62,300	46,082
Rent and administration (recovery)	(9,600)	(8,850)
	<u>\$ 110,300</u>	<u>\$ 122,032</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 June 30, 2008, receivables include \$Nil (December 31, 2007 \$7,105) due from companies with common directors.

At June 30, 2008, prepaids include \$7,875 (December 31, 2007 - \$7,950) of consulting fees paid to a director of the Company and consulting fees of \$2,624 paid to an officer of the Company.

At June 30, 2008 accounts payable includes \$1,575 (December 31, 2007 - \$15,024) of geological consulting fees owing to a director of the Company.

**8. NON-CASH TRANSACTIONS**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flow. During the three month period ended March 31, 2008, and March 31, 2007 the Company did not enter into any non cash transactions.

**9. COMPARATIVE FIGURES**

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