CONSOLIDATED BALANCE SHEETS

	As at December 31 2003	2002
ASSETS		
Current assets		
Cash and cash equivalents	**$ 18,688,029**	$ 1,601,029
Marketable securities (note 10)	**335,000**	17,000
Accounts receivable and prepaids	**264,918**	72,407
	19,287,947	1,690,436
Mineral properties (note 3)	**16,557,320**	14,680,173
Property, plant and equipment (note 4)	**102,862**	78,443
	$ 35,948,129	$ 16,449,052
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 421,339**	$ 134,815
SHAREHOLDERS' EQUITY		
Share capital (note 5(b))	**79,041,187**	59,548,620
Options (note 5(c))	**1,120,614**	644,665
Share purchase warrants (note 5(d))	**172,927**	501,051
Contributed surplus	**930,660**	676,407
Deficit	**(45,738,598)**	(45,056,506)
	35,526,790	16,314,237
	$ 35,948,129	$ 16,449,052

Nature of operations (note 1)
Commitments (note 11)
Subsequent events (notes 5 and 10)

Approved by the Board of Directors

G. Ross McDonald (signed), Director

Richard P. Clark (signed), Director

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

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	For the years ended December 31	
	2003	2002
Exploration		
General exploration	**$ 42,746**	$ 210,188
Administration		
Management fees	**264,565**	70,789
Investor relations and promotion	**209,791**	100,014
Wages and benefits	**131,072**	141,598
Legal and accounting	**91,625**	95,696
Rent and utilities	**40,826**	69,835
Travel	**58,321**	48,570
Regulatory fees	**45,758**	17,693
Insurance	**43,889**	41,890
Printing and shareholder information	**31,094**	37,936
Depreciation	**15,034**	17,044
Office and miscellaneous	**12,261**	23,815
Transfer agent fees	**11,386**	9,019
Dues and subscriptions	**6,857**	6,002
Bank charges	**2,612**	5,328
	965,091	685,229
Other		
Recovery on mineral properties previously written off (note 3(b))	**(882,261)**	(185,964)
Stock-based compensation (note 5(c))	**762,558**	644,665
Interest income	**(136,738)**	(42,276)
Gain on sale of marketable investments	**(105,244)**	–
Foreign exchange loss	**35,940**	5,313
Rental income	**–**	(71,546)
	(325,745)	350,192
Loss for the year	**682,092**	1,245,609
Deficit - beginning of year	**45,056,506**	43,810,897
Deficit - end of year	**$ 45,738,598**	$ 45,056,506
Basic and diluted loss per share	**$ 0.02**	$ 0.04
Weighted average number of shares outstanding	**33,666,622**	29,510,264

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31	
	2003	**2002**
Cash flows from (applied to) operating activities		
Loss for the year	**$ (682,092)**	$ (1,245,609)
Items not affecting cash		
Stock-based compensation	**762,558**	644,665
Shares received on mineral properties previously written off	**(330,000)**	–
Gain on sale of marketable securities	**(105,244)**	–
Depreciation	**15,034**	17,044
General exploration	**–**	24,023
	(339,744)	(559,877)
Changes in non-cash working capital		
Accounts receivable and prepaids	**(192,511)**	(14,378)
Accounts payable and accrued liabilities	**286,524**	86
	(245,731)	(574,169)
Cash flows from (applied to) investing activities		
Mineral property costs	**(1,511,358)**	(1,783,565)
Proceeds from sale of marketable securities	**117,244**	–
Payments to acquire property, plant and equipment	**(76,288)**	(10,414)
	(1,470,402)	(1,793,979)
Cash flows from financing activities		
Proceeds from issuance of share capital, net of issue costs	**18,803,133**	3,529,139
Increase (decrease) in cash and cash equivalents	**17,087,000**	1,160,991
Cash and cash equivalents - beginning of year	**1,601,029**	440,038
Cash and cash equivalents - end of year	**$ 18,688,029**	$ 1,601,029

Supplemental cash flow information (note 9)

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

1 Nature of operations

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

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

Although the company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

2 Significant accounting policies

Basis of consolidation

For 2002, the consolidated financial statements included the accounts of the company and its wholly-owned subsidiaries, Corriente Resources Inc. (Cayman), Compania de Minerales Especializados S.A. (Bolivia), Sociedad Minera S.A. (Bolivia), Polymet S.A. (Bolivia), Corriente Argentina Inc. (Cayman), Corriente Argentina S.A. (Argentina) and Ecuacorriente S.A. (Ecuador). For 2003, the consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, Corriente Resources Inc. (Cayman), CTQ Management Inc. and Ecuacorriente S.A. (Ecuador).

Mineral properties

Mineral properties consist of options, concessions, deferred exploration costs and land purchased as buffer zone areas. Amounts recorded for mineral properties and deferred exploration costs include costs incurred to date, and are not intended to reflect present or future values. Share purchase warrants issued in consideration for mineral property interests are recorded at fair value based on the Black-Scholes Model. Option payments or recoveries are treated as a reduction of the carrying value of the related mineral property until the company's costs are recovered. Option payments or sales proceeds received in excess of costs incurred or carrying value are credited to the consolidated statements of loss and deficit.

Expenses incurred on mineral properties which may have the potential of being developed are deferred on a project basis until the viability of the project is determined. The carrying value of properties is subject to review at each reporting period. When a property is sold, abandoned, or deemed not to be economic, all related mineral property and deferred exploration costs are written off. Costs associated with economically viable projects would be amortized on a unit-of-production basis from the commencement of production.

Property, plant and equipment

Amortization of mineral properties will commence upon commercial production. Pre-production costs net of incidental revenues are deferred and will be amortized from the date of commercial production.

Depreciation of furniture and equipment is provided on a declining-balance basis over their estimated useful lives at annual rates between 20% and 30%. Leasehold improvements are depreciated on a straight-line basis over the term of the lease.

General exploration

General exploration expenses, including the cost of evaluating potential projects, are charged to operations as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash and high quality, highly liquid corporate paper, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Marketable securities

Marketable securities are carried at the lower of cost and quoted market value.

Foreign currency translation

The company's subsidiaries are considered integrated foreign operations and are translated using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates; revenue and expense items are translated at the average rate of exchange for the period. Translation gains and losses are reflected in loss for the year.

Income taxes

Income taxes are calculated using the liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax asset and liabilities are measured using tax rates and laws that are expected to apply when the temporary differences are expected to reverse. Assets are recognized only to the extent it is more likely than not that they will be realized.

Loss per share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the year. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and therefore basic and diluted losses per share are the same.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and

(Note 2 continued)
liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those reported.

Stock-based compensation plan

The company has a stock-based compensation plan as described in note 5 (c). Effective January 1, 2002 the company adopted the new accounting standard of the Canadian Institute of Chartered Accountants ("CICA") for accounting for stock-based compensation.

The company has adopted the fair value method of accounting for all stock options granted. Under this method, stock-based compensation on options granted to employees, directors and consultants is recorded as an expense in the period the options are vested, based on the estimated fair value at the measurement date using the Black-Scholes Option Pricing Model.

3 Mineral properties

	Corriente Copper, Ecuador				Argentina	Total
	Mirador	Other	San Carlos	Panantza	Taca-Taca	
Balance December 31, 2001	$ 7,349,232	$ 2,817,205	$ –	$ 2,082,282	$ 1	$ 12,248,720
Option/acquisition payments	383,473	146,998	–	108,650	–	639,121
Deferred exploration	1,075,399	412,236	–	304,697	–	1,792,332
Balance December 31, 2002	8,808,104	3,376,439	–	2,495,629	1	14,680,173
Option/acquisition payments	200,524	329,260	6,931	13,149	–	549,864
Deferred exploration	941,449	298,431	37,480	49,924	–	1,327,284
Sale of property	–	–	–	–	(1)	(1)
Balance December 31, 2003	$ 9,950,077	$ 4,004,130	$ 44,411	$ 2,558,702	$ –	$ 16,557,320

a) Corriente Copper, Ecuador

The company has an option to earn an interest in the Rio Zamora copper porphyry district (Corriente Copper Belt) in Ecuador from BHP Billiton's ("BHP Billiton") Ecuadorian subsidiares in two option agreements and subsequent amending agreements covering separate areas of this district, signed October 15, 1999 ("JV I") and April 6, 2000 ("JV II"), respectively.

All requirements to issue shares and expend exploration funds under the terms of JV I and JV II have been met. Both of the joint venture agreements allow Corriente to complete a scoping study on any project in the district. If the study indicates the resource is below a threshold of 200 million tonnes at a grade of less than 1% copper equivalent, then Corriente (and partner J. David Lowell) can earn a 70% to 100% interest in the project. This process has been completed for three projects and Corriente (90%) and J. David Lowell (10%) now control the Panantza, San Carlos and Mirador prospects in the Corriente Copper Belt.

In a transaction that closed during the last quarter of 2003, Corriente and Lowell were granted a 100% interest in the remaining BHP Billiton concessions in the Ecuador Joint Ventures, subject to a 2% Net Smelter Royalty to BHP Billiton ("NSR"). Corriente has the option to reduce the NSR to 1% upon the payment of US$2 million to BHP Billiton on the Mirador, Panantza and San Carlos deposits.

Corriente continues to regularly review joint venture projects that are offered under the terms of the Global Exploration Alliance ("Alliance") with BHP Billiton that was signed in December, 2001.

To keep the Alliance agreement in good standing, Corriente has agreed to allocate US$500,000 in exploration funds for future planned Alliance joint venture expenditures.

b) Other

The company sold its shares of its wholly-owned subsidiaries, Corriente Argentina Inc. (Cayman) and Corriente Argentina S.A. (Argentina), including its 100% interest in the Taca-Taca property in Argentina during the first quarter of 2003 and has received $69,740 (US$50,000) and 100,000 shares of the purchaser (with a market value of $395,000 at December 31, 2003) to date. Over five years from the date of the agreement, the company is scheduled to receive a total of US$1,125,000 and 300,000 shares of the purchaser.

As collectibility of the remaining consideration proceeds is uncertain, the balance remaining is fully provided for. In the event any of the foregoing payments are not made by the purchaser as required, the purchaser is obligated to transfer ownership of the interest back to the company.

The Polymet plant site in Bolivia (previously written off in 1998) was sold during 2003. The company has received the net proceeds, totalling $482,521, from the purchaser.

4 Property, plant and equipment

	2003			2002		
	Cost	**Accumulated Depreciation**	**Net**	**Cost**	**Accumulated Depreciation**	**Net**
Office furniture and equipment	**$ 66,848**	**$ 52,285**	**$ 14,563**	$ 66,849	$ 46,673	$ 20,176
Computer equipment	**167,128**	**128,907**	**38,221**	184,240	148,810	35,430
Field equipment	**14,437**	**13,348**	**1,089**	14,437	9,996	4,441
Vehicles	**69,361**	**21,248**	**48,113**	87,078	70,652	16,426
Communications equipment	**4,715**	**3,839**	**876**	4,715	2,745	1,970
	$ 322,489	**$ 219,627**	**$ 102,862**	$ 357,319	$ 278,876	$ 78,443

5 Share capital

a) Authorized

50,000,000 common shares without par value

b) Issued

	2003		2002	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance - beginning of year	**30,791,349**	**$ 59,548,620**	26,412,832	$ 55,589,481
Issued during the year				
For cash				
Private placements – net issue of costs	**7,750,000**	**15,959,370**	3,518,517	3,230,339
Exercise of warrants	**2,239,946**	**2,380,513**	–	–
Exercise of options	**575,000**	**463,250**	360,000	298,800
For other consideration				
For mineral properties	**250,000**	**232,500**	500,000	430,000
Fair value of options transferred on exercise (note 5(c))	**–**	**286,608**	–	–
Fair value of warrants transferred on exercise (note 5(d))	**–**	**170,326**	–	–
Balance - end of year	**41,606,295**	**$ 79,041,187**	30,791,349	$ 59,548,620

On March 8, 2002 the company completed a brokered private placement of 2,777,777 units at a price of $0.90 per unit for proceeds of $2,499,999 before issue costs of $94,659. Each unit issued comprised one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.00 on or before March 8, 2004. The company paid a cash commission of $175,000 and issued 277,777 agent's warrants entitling the agent to purchase one common share at a price of $0.90 on or before March 8, 2004.

The completion of the above private placement was a condition to the closing of a further $999,999 private placement to Billiton. Under the terms of a subscription agreement made as of December 11, 2001 the company had agreed to issue to Billiton 740,740 units, each consisting of one common share and one common share purchase warrant, with an aggregate purchase price of $999,999. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.35 on or before May 22, 2004. The funds were placed in escrow for this private placement on March 25, 2002 and subsequently released on shareholder approval at the company's annual general meeting on May 22, 2002.

On February 7, 2003 the company completed a non-brokered private placement of 1,000,000 units at a price of $1.00 per unit for proceeds of $1.0 million before issue costs of $6,250. Each unit issued comprised one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of $1.10 on or before February 7, 2005.

(Note 5b continued)
On October 9, 2003, the company completed a non-brokered private placement of 2,000,000 common shares at a price of $1.95 per share for proceeds of $3.9 million.

On November 5, 2003, the company completed a brokered private placement of 4,750,000 units at a price of $2.50 per unit for proceeds of $11.875 million before issue costs of $809,381. Each unit issued comprised one common share and one-quarter of one common share purchase warrant. Each whole share purchase warrant will be exercisable at a price of $3.00 for a period of 18 months, subject to the right of the company to accelerate the expiry of the warrants if the company's common shares trade above $4.00 for twenty consecutive trading days, in any period after March 8, 2004.

c) Stock options

The company has a stock option plan whereby the company may grant options to its directors, officers, employees and consultants of up to 4,946,366 common shares (increased during 2003 to 6,524,830, subject to shareholder approval). The exercise price of each option is determined in accordance with the company's stock option plan. The option term and vesting period is determined by the Board of Directors, within regulatory guidelines.

	2003		2002	
	Number of shares	**Weighted average exercise price $**	**Number of shares**	**Weighted average exercise price $**
Options outstanding - beginning of year	**2,490,000**	**1.65**	1,760,000	1.98
Granted	**1,530,000**	**0.98**	1,235,000	0.85
Exercised	**(575,000)**	**0.81**	(360,000)	0.83
Terminated	**(150,000)**	**1.95**	–	–
Expired	**(1,105,000)**	**2.50**	(145,000)	0.84
Options outstanding and exercisable - end of year	**2,190,000**	**0.96**	2,490,000	1.65

During the year ended December 31, 2003 the company has recorded the fair value of the 1,530,000 (2002 - 1,235,000) options granted as stock-based compensation expense of $762,558 (2002 - $644,665). This fair value is estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate	3.05 – 3.78%
Expected dividend yield	–
Expected stock price volatility	66 – 81%
Expected option life in years	3

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

The fair value assigned to the stock options exercised during the year ended December 31, 2003 was credited to share capital.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2003:

Exercise prices $	**Options outstanding and exercisable at December 31, 2003**	**Average remaining contractual life (years)**
1.28	330,000	2.7
1.14	25,000	2.2
1.02	100,000	1.2
0.91	360,000	1.4
0.90	695,000	2.4
0.89	480,000	2.6
0.79	200,000	1.0
	2,190,000	2.1

(Note 5c continued)

In the period January 1 – March 4, 2004 the company: (a) granted 275,000 options at an exercise price of $3.32. The expiry date on these options is February 9, 2007 and they are not exercisable prior to receiving shareholder approval for the current year's amendment of the company's shareholder plan at the upcoming annual general meeting; and (b) received $188,450 from the exercise of 195,000 outstanding options to purchase shares of the company.

d) Share purchase warrants

	Number of warrants	Exercise price $	Expiry dates	Assigned Fair Value
Balance - December 31, 2001	1,250,000			$ 1,002,245
Expired	(250,000)	3.20	April 20, 2002	(483,634)
Expired	(250,000)	0.80	November 22, 2002	(192,773)
Issued	2,777,777	1.00	March 8, 2004	–
Issued	277,777	0.90	March 8, 2004	–
Issued	740,740	1.35	May 22, 2004	–
Issued	250,000	0.80	May 29, 2004	98,741
Issued	250,000	0.80	November 29, 2004	76,472
	3,796,294			(501,194)
Balance - December 31, 2002	5,046,294			501,051
Issued	1,000,000	1.10	February 7, 2005	–
Issued	250,000	0.80	May 29, 2005	96,455
Issued	1,187,498	3.00		–
Exercised	(250,000)	0.80		(98,741)
Exercised	(250,000)	0.80		(71,585)
Exercised	(812,289)	1.00		–
Exercised	(186,917)	0.90		–
Exercised	(740,740)	1.35	May 22, 2004	–
Expired	(250,000)	0.80	April 20, 2003	(60,472)
Expired	(250,000)	0.80	May 29, 2003	(193,781)
	(302,448)			(328,124)
Balance - December 31, 2003	**4,743,846**			$ **172,927**

Share purchase warrants issued as consideration for mineral property option payments were assigned a value of $96,455 based on the Black-Scholes Model with the following assumptions:

Risk-free interest rate	3.17%
Expected dividend yield	–
Expected stock price volatility	68%
Expected warrant life in years	2

The fair value assigned to the share purchase warrants exercised during the years ended December 31, 2002 and 2003 was credited to share capital. The fair value assigned to the share purchase warrants that expired during the years ended December 31, 2002 and 2003 was credited to contributed surplus.

Exercise prices $	Warrants outstanding and exercisable at December 31, 2003	Average remaining contractual life (years)
3.00	1,187,498	1.4
1.10	1,000,000	1.1
1.00	1,965,488	0.2
0.90	90,860	0.2
0.80	250,000	0.9
0.80	250,000	1.4
	4,743,846	0.8

In the period January 1 – March 4, 2004 the company received proceeds of $3,147,262 from the exercise of 3,056,348 outstanding warrants to purchase shares of the company.

6 Related party transactions and balances

A total of $254,200 (2002 – $154,540) was paid to a company controlled by the President of the company, who is also a Director, for consulting and management services during the year. These amounts are included in management fees and mineral property costs.

Fees totalling $Nil (2002 – $2,520) were paid to a Director for project management and general exploration during the year. These amounts are included in management fees and mineral property costs.

7 Income taxes

The reconciliation of income taxes attributable to continuing operations computed at statutory rates to the income tax expense/(recovery) is as follows:

	2003	2002
	37.62%	39.62%
Income tax benefit computed at Canadian statutory rates	**$ (256,603)**	$ (493,510)
Foreign tax rates different from statutory rate	**(77,824)**	179,176
Unrecognized tax losses	**426,030**	293,222
Temporary differences (recognized) not recognized in the year	**(92,835)**	20,013
Non-deductible differences	**1,232**	1,099
	$ –	$ –

The significant components of the company's future income tax assets are as follows:

	2003	2002
Future income tax assets		
Net tax losses carried forward	**$ 1,632,789**	$ 1,414,195
Resource pools	**3,341,539**	3,707,707
Temporary differences on capital assets	**63,850**	65,064
	5,038,178	5,186,966
Valuation allowance	**(5,038,178)**	(5,186,966)
	$ –	$ –

At December 31, 2003, the company has Canadian losses for tax purposes of approximately $4,583,000 which expire on various dates to 2010 and other Canadian resource tax pools in the aggregate of $10,303,000 which are without expiry.

8 Segmented information

The company operates within a single operating segment, which is mineral exploration. The company's mineral property interests are primarily in South America, as set out in note 3. Geographic segmentation of property, plant and equipment and mineral properties is as follows:

	2003		2002	
	Property, plant and equipment	**Mineral properties**	**Property, plant and equipment**	**Mineral properties**
Canada	**$ 38,257**	**$ –**	$ 46,672	$ –
Argentina	**–**	**–**	–	1
Ecuador	**64,606**	**16,557,320**	31,771	14,680,172
	$ 102,863	**$ 16,557,320**	$ 78,443	$ 14,680,173

9 Supplemental cash flow information

During the year ended December 31, 2003, the company received interest earned on cash and short-term investments of $90,733 (2002 - $29,496).

Cash and cash equivalents at December 31 comprise the following:

	2003	2002
Cash on hand and balances with banks	**$ 184,094**	$ 192,858
Short-term investments	**18,503,935**	1,408,171
	$18,688,029	$1,601,029

During the years ended December 31, 2003 and 2002, the company conducted non-cash operating, investing and financing activities as follows:

	2003	2002
Non-cash operating activities		
General exploration settled with property, plant and equipment	**$ –**	$ 24,023
Non-cash investing activities		
Mineral properties - non-cash deferred exploration	**(25,019)**	(42,675)
Mineral properties - non-cash acquisition payments	**(328,955)**	(605,213)
Marketable securities received from sale of subsidiary company	**330,000**	–
Depreciation allocated to mineral property exploration	**25,019**	42,675
Property, plant & equipment to settle general exploration costs	**–**	(24,023)
	1,045	(629,236)
Non-cash financing activities		
Shares issued for mineral property acquisition costs	**232,500**	430,000
Share purchase warrants issued for mineral property acquisition costs	**96,455**	175,213
Marketable securities received from sale of subsidiary company	**(330,000)**	–
	(1,405)	605,213
	$ –	$ –

10 Financial instruments

The company does not use any derivative financial instruments. At December 31, 2003 the carrying value of cash and cash equivalents, short-term investments, accounts receivable and prepaids, accounts payable and accrued liabilities approximate their fair values based on the short-term nature of the instruments.

As of December 31, 2003 marketable securities held by the company, carried at a cost of $335,000, had a quoted market value of $407,000. After December 31, 2003, the majority of these marketable securities (carrying value of $330,000) were sold for total proceeds of $529,323.

11 Commitments

The company leases office space under an agreement expiring in February 2004 for an obligation of $79,204 per annum. In February 2004, the company entered into an agreement extending its lease to February 2009 for an obligation of $60,892 per annum.