



ANNUAL INFORMATION FORM  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2008

March 30, 2009

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## PRELIMINARY NOTES

### Currency and Exchange Rates

This is the Annual Information Form ("AIF") of Corriente Resources Inc. ("Corriente" or the "company"). All dollar amounts referred to in this AIF are Canadian dollars unless otherwise indicated. The company's accounts are maintained in Canadian dollars. The company's business activities are carried out through its subsidiaries in Ecuador, and are conducted in Canadian dollars, United States dollars and in the local currency in those jurisdictions. Unless otherwise indicated, Canadian dollar amounts have been converted in this annual information form at the rate of exchange for converting United States dollars into Canadian dollars in effect at December 31, 2008 as reported by the Bank of Canada, being 1.2180 (C\$1.00 = US\$0.8210).

The closing rate of exchange for converting United States dollars into Canadian dollars on March 30, 2009 as reported by the Bank of Canada was 1.2618 (C\$1.00 = US\$0.7925).

### Cautionary Statement on Forward-Looking Statements

Certain statements included in this Annual Information Form contain forward-looking statements that relate to future events or Corriente's future performance. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements concerning the future financial and operating performance of Corriente, its subsidiaries and its current and proposed mineral projects; the future prices of copper, gold and other precious and base metals; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; anticipated costs of production; anticipated working capital requirements; capital expenditures; costs and timing of mine development, processing facility construction and the development of new deposits; costs and timing of future exploration; requirements for additional capital; government regulation of mining operations; environmental risks; reclamation expenses; title disputes or claims; limitation of insurance coverage; and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Corriente to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, general business and economic uncertainties; exploration and mining risks; uncertainties relating to surface rights; the actual results of current exploration activities; realization of resource estimates; ability to obtain financing; actual results of reclamation activities; the outcome of negotiations; conclusions of economic evaluations and studies; changes in project parameters and returns as plans continue to be refined; future prices of copper, gold, and other precious and base metals; increased competition in the mining industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of arbitrary changes in law; title risks; risks relating to repatriation of earnings; social and political risks associated with operations in foreign countries; the risk of loss of key personnel; significant fluctuations in the exchange rates for United States and Canadian currency; and delays in the completion of development and construction activities.

The forward-looking statements contained herein are based on a number of assumptions that the company believes are reasonable, but may prove to be incorrect. These assumptions include, but are not limited to, assumptions that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply and demand for copper and gold develop as expected; that we receive regulatory approvals for our exploration and development projects on a timely basis; that we are able to obtain financing for our development projects on reasonable terms; that engineering and construction timetables and capital costs for our development projects are not incorrectly estimated or affected by unforeseen circumstances; that our reserve estimates are within reasonable bounds of accuracy and that the geological, operational

and price assumptions on which they are based are reasonable; and that we are able to hire the personnel we need to carry out our business plan.

The foregoing lists of factors and assumptions are not exhaustive. You should also consider carefully the matters discussed under the heading "Risk Factors" elsewhere in this AIF. Forward-looking statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

### **Cautionary Note to U.S. Investors**

All references to mineral reserves and mineral resources contained in this AIF are determined in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects ("NI 43-101"), as required by Canadian securities regulations. While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, they are not defined or recognized by the U.S. Securities and Exchange Commission (the "SEC"). As such, information contained in this AIF concerning descriptions of mineralization and resources, as determined in accordance with NI 43-101, may not be comparable to similar information made public in accordance with the requirements of the SEC. "Indicated mineral resources" and "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of mineral resources constitutes or will ever be converted into reserves.

### **Qualified Person**

John Drobe, P.Geo., the company's Chief Geologist, is the Qualified Person as defined by NI 43-101 and is responsible for the preparation of the technical disclosure in this document, unless otherwise indicated.

### **Glossary of Terms**

*The following is a glossary of technical terms, which are used in this AIF:*

anomaly/anomalous	Value higher or lower than the expected; outlining a zone of potential exploration interest but not necessarily of commercial significance
Au	Gold
chalcocite	Copper sulphide, Cu <sub>2</sub> S
chalcopyrite	Copper sulphide, CuFeS <sub>2</sub>
Cu	Copper
development	Preparation of a mineral deposit for commercial production including installation of plant and machinery and the construction of all related facilities
diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter
exploration	The prospecting, diamond drilling and other work involved in searching for ore bodies
grade	The weight of valuable minerals in each tonne of ore
g/t	Grams per tonne
indicated mineral resource	That part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques

	from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed
inferred mineral resource	That part of a Mineral Resource for which quantity and grade can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty which may attach to Inferred Mineral Properties, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration
k-silicate alteration	Alteration of rock typified by potassium-bearing minerals
mineralization	Rock containing an undetermined amount of minerals or metals
mineral property	A development or production property which contains an independently-confirmed Mineral Resource
mineral reserve	The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study, which must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined
mineral resource	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quantity that it has reasonable prospects for economic extraction. The location, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Properties are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource
mining concession	A right to undertake mining activity for profit on another's real property. The boundaries of the concession area descend vertically.
Mo	Molybdenum
ore	A natural aggregate of one or more minerals which, at a specified time and place, may be mined, processed and sold at a profit, or from which some part may profitably be separated
oz/t	Troy ounces per short ton
percussion drill	A drill, which operates by having the drill bit fall with force onto the rock
porphyry copper	A copper deposit in which the mineralization occurs as discrete grains and veins throughout a large volume of rock
qualified person	An individual who (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of those, (b) has experience relevant to the subject matter of the mineral project and the technical report, and (c) is a member in good standing of a recognized professional association of engineers and/or geoscientists
tonne	A metric tonne (2,204 pounds)
tpd	Tonnes per day

## CORPORATE STRUCTURE

### Incorporation

Corriente Resources Inc. (“Corriente”) was incorporated under the *Company Act* (British Columbia) on February 16, 1983 under the name “Coronado Resources Inc.”.

On December 10, 1990 Coronado Resources Inc. consolidated its share capital on a three-for-one basis and changed its name to “Iron King Mines Inc.”.

On April 23, 1992 Iron King Mines Inc. consolidated its share capital on a three-for-one basis and changed its name to “Corriente Resources Inc.”.

On May 16, 1994, Corriente’s authorized capital was increased to 50,000,000 common shares without par value.

On May 10, 2004, Corriente’s authorized capital was increased to 100,000,000 common shares without par value.

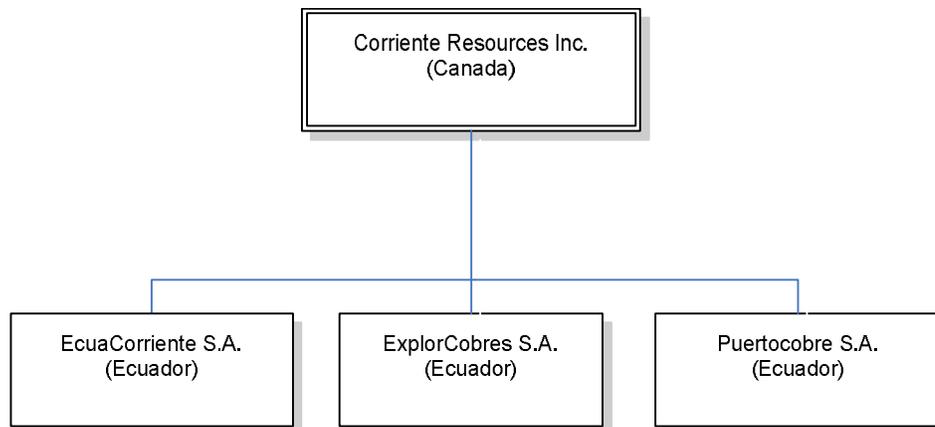
On June 2, 2004, the company transitioned under the *Business Corporations Act* (British Columbia).

Effective June 18, 2007, Corriente’s authorized capital was increased to an unlimited number of common shares without par value, in connection with the Plan of Arrangement transaction which closed on that date (see “Plan of Arrangement” below).

Corriente’s principal, registered and records offices are located at Suite 520, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. Corriente also has administrative and operations offices in Ecuador.

### Corporate Organization

As at December 31, 2008, Corriente had the following material direct and indirect wholly-owned subsidiaries: Ecuacorriente S.A.; Explorcobres S.A.; and Puertocobre S.A. Each of these companies is incorporated in the jurisdiction shown after its name in the table below. All of these companies are sometimes collectively referred to hereafter as the “company” or “Corriente”.



## GENERAL DEVELOPMENT OF THE BUSINESS

Corriente is a Canadian-resident natural mineral resource company that since 1992 has been engaged, through its subsidiaries, in the acquisition, exploration and development of mineral properties, primarily in South America.

Until 2003, Corriente was principally an exploration company with a goal to acquire properties, to locate and confirm the existence of bodies of commercial ore on them, and to sell the properties to other entities for subsequent development. Over the past 10 years, Corriente's exploration activities have included reviews of various properties in Argentina, Bolivia, Colombia, Ecuador, and Peru. The prime commodities sought by Corriente have been copper and gold in projects already at the advanced drilling stage. In some cases, Corriente has taken on joint venture partners who have financed part or all of the exploration on the properties.

Since 2003, Corriente has been pursuing the exploration and development of its mining concessions in the Corriente Copper Belt (sometimes described in this AIF as the "CCB") in southeastern Ecuador, most notably the Mirador and Panantza-San Carlos Projects, which are more fully described herein.



For 2004 and 2005, Corriente's activities were focused on completing exploration programs at the company's Mirador Norte, Panantza and San Carlos targets as well as geotechnical and development studies for the Mirador Project.

In December 2005, Corriente and BHP Billiton terminated their Global Exploration Alliance Agreement that was signed in December 2001, so that Corriente management could focus on development of Corriente's Ecuador concessions. Additionally, an equity financing was completed in December 2005, which netted the company proceeds of approximately \$27.9 million, for working capital purposes.

During early 2006, delimiting work was focused on the mineralization of the Mirador Norte deposit to 100m drill spacing, with a total of 6780 metres in 39 core holes. A total of 2,149 samples from this drilling were assayed and accrued to the database with geological, geotechnical and geo-mechanical logging following the company's standard QA/QC procedures and logging protocols. Together with additional results estimated from 68 diamond drill holes totalling over 13000 metres of coring, the company announced new resources for the Mirador Norte deposit via a corporate news release on November 14, 2006 (see [www.sedar.com](http://www.sedar.com)).

In May 2006, an equity financing was completed which netted the company proceeds of approximately \$117.7 million, for working capital and Mirador Project development purposes.

In September 2006, the company's directors reviewed the development status of the Mirador Project and approved management's recommendation of the placement of orders for long lead-time equipment for the project. This equipment included the main components of the grinding circuit such as the SAG and ball mills. At that time, the company was working on an accelerated timeline that had an estimated completion date for the Mirador Project construction and start of production during the fourth quarter of 2008. These items were on the critical path to meet that deadline.

During the transition period between the old and new presidential administrations of November 2006 to January 2007, a series of protests took place in the Morona-Santiago and Zamora-Chinchipec provinces of Ecuador against mining resource development. In order to secure the safety and security of local communities, the Ecuador Government imposed a suspension of fieldwork activities for the company's Mirador and Panantza-San Carlos Projects. This suspension was subsequently formalized in December 2006 by a suspension order from the Sub-Secretary of Environment's office within the Ministry of Mining and Petroleum ("the MMP") covering the company's Mirador and Panantza-San Carlos Projects' concessions.

Despite this suspension of fieldwork activities, the company was able to continue offsite development work in 2007 and through the first quarter of 2008 on enhancements to various engineering aspects of the Projects.

In January 2007, the company announced that there would be a delay in the planned start of production at the Mirador Project from late 2008 to approximately mid-2009. This delay was largely due to adjustments to long lead-time equipment deliveries as a result of the decision to move off of the previous accelerated Mirador Project development timeline. This accelerated timeline was based on having key permits and government agreements completed by January 2007. Since these permit applications and agreements were still being processed and the company was restricted from resuming planned development activities at Mirador, the company's directors elected to minimize the Mirador Project obligations. This decision resulted in the termination clauses of certain agreements with suppliers of key long lead-time components to the Mirador Project to be invoked.

Subsequently, and as a result of the Mining Mandate (more fully explained below), a suspension of all of the fieldwork activities of all mining companies in Ecuador was imposed by the MMP as of April 18, 2008 and remained in place for nearly 11 months.

To December 31, 2008, the company has recorded acquisition, exploration and development costs of approximately \$82 million and completed an updated feasibility study in April 2008 ("Mirador FS") for a first phase 30,000 tonnes per day concentrator operation for the Mirador Project. The Mirador FS shows a projected initial capital cost of approximately US\$ 399 million and approximately US\$ 19 million in working capital, which would be spent over a two year construction period prior to the start of production.

Additionally, the company has recorded acquisition, exploration and development costs of approximately \$9 million and completed a preliminary assessment study for a 90,000 tonnes per day concentrator operation for the Panantza-San Carlos Project in November 2007. With estimated capital costs in the order of US\$1.3 billion for the Panantza – San Carlos Project, management believes that this project is better suited for advancement by a large company having the financial and technical resources required to fast-track its development to production.

Consequently, Corriente announced in January 2008 that it had started the process of contacting potentially interested parties to become majority strategic partners in the Panantza-San Carlos Project, with assistance from Citigroup Global Markets ("Citi") and CanaccordAdams. In October 2008, the company completed conducting in-country due diligence visits with a number of interested industry parties from around the world. All of these parties have the capability of advancing a multi-billion dollar copper district opportunity, such as is characterized by the Mirador and Panantza-San Carlos Projects in southeast Ecuador. The due diligence process included technical reviews of all of Corriente's assets in Ecuador and meetings with local community and indigenous representatives. In addition, meetings were held with senior government officials in Quito to form a better understanding of the intentions of the Government of Ecuador regarding the development of responsible mining in the country.

As a result of the combination of high purchaser interest and the significant financing challenges associated with both of the company's projects, discussions progressed to a stage where the company announced in December 2008 that it had entered into a period of exclusive negotiations with a selected party for the potential sale of the entire company. This exclusive negotiating period is slated to end March 31, 2009. Negotiations are then expected to continue with the selected party but there can be no assurance that further negotiations, if any, will result in an agreement for the sale of the company.

Should potential sale negotiations not be successful, the company has sufficient financial resources to continue advanced development of both projects in 2009 and 2010, subject to regulatory conditions imposed by the Government of Ecuador.

**Significant Events for the Year Ended December 31, 2008 and to date** (more fully described herein - see "Narrative Description of the Business")

January 2008

- The company initiated the Panantza-San Carlos partnership marketing process with the contacting of parties which were believed to be potentially interested in becoming majority strategic partners in the development of the Panantza – San Carlos Project, with assistance from Citi and CanaccordAdams.

April 2008

- The completion of the Mirador FS was announced. The Mirador FS projects an average of almost 130 million pounds of annual copper production for the Project and shows a projected initial capital cost of approximately US\$ 399 million and approximately US\$ 19 million in working capital, which would be spent over a two-year construction period prior to the start of production. The Mirador FS calls for daily throughput of the concentrator facility of approximately 30,000 tonnes per day, which is a material improvement over the original Mirador Project Feasibility Study released by the company in April 2005, which planned for 25,000 tonnes per day.
- The Constitutional Assembly of Ecuador passed a Mining Mandate (the "Mandate") into law on April 18, 2008, which established a number of conditions and restrictions on metallic mining concessions previously issued by the Government of Ecuador, which included the:
  - immediate suspension of all of the fieldwork activities of all mining companies in Ecuador, except for activities specifically allowed by the MMP; and
  - revocation of concessions: for which concession patent fees had not been paid by the established deadline; which were in the process of being granted or transferred; concessions covering protected natural zones, protected forests and those which affect the origin and sources of water; those concessions granted to officials and former officials of the MMP and predecessor ministries, or any members of their family; for which the Environmental Impact Assessment application process had not yet been completed or initiated; and for which no development investments had been recorded with the State.

September 2008

- On September 28, 2008, a national referendum was held with over 60% of the populace voting in favour of the country's new Constitution, thereby surpassing the simple majority needed to approve a new national Constitution for Ecuador.

October 2008

- The company announced that due diligence visits in Ecuador had been completed by those parties actively engaged in the Panantza-San Carlos partnership marketing process.
- Corriente signs an agreement with SECAP, the Ecuadorean Ministry of Labour and Human Resources' Professional Training Service, to start a mining industry training program in the company's project areas.
- The Ecuador Government approved the Environmental License for Corriente to build and operate a dedicated seaport near Machala for the shipping of copper concentrate from the CCB.

December 2008

- The company announced it had entered into a period of exclusive negotiations with a specific (unnamed) party from a short-list of those parties actively engaged in the Panantza-San Carlos partnership marketing process, and that these negotiations had expanded from the original mandate to the potential sale of the entire company. Subject to earlier termination in certain circumstances, the exclusive negotiation period would extend to March 31, 2009.

January 2009

- On January 29, 2009, a new Mining Law for Ecuador was published in the State's Official Register, thereby becoming law. This law is a product of the Congressillo, after having gone through a review, amendment and approval process which included President Correa.

March 2009

- In a presentation given on March 2, 2009 at the Prospectors and Developers Association of Canada Conference ("PDAC") in Toronto, Canada, Dr. José Serrano Delgado, Sub-Secretary of Mines announced that the MMP has lifted all suspensions on mining activities in Ecuador, and that formal letters to this effect were in the process of being sent to mining companies.
- On March 17, 2009, the company announced that it had received an official notice signed by Minister Derlis Palacios Guerrero of the MMP which authorizes the company to re-initiate its field operations. Prior to resuming any drilling activity, the company will update its Water Use Concession (initially received in February 2009 for general water use at the Mirador camp) and its Environmental Permits with the appropriate agencies.

### ***Ecuador political processes***

#### *Mining Law*

The new Mining Law contains provisions which are generally consistent with the company's expectations, though it contains some contradictory and vague articles that are expected to be clarified by accompanying Regulations, which are to be developed by the MMP within 120 days from the Mining Law's enactment.

The Mining Law places no limits on the number of mining concessions held by a single company, with concession terms limited to 25 years but which are renewable. It also imposes a government royalty of not less than 5% on sales revenues, however, no specific details have yet been provided. Clear timelines are also established for concession exploration and exploitation (development) phases. The Mining Law also mandates the creation of a National Mining Company, though no details have been provided regarding the nature and scope of its intended activities.

The new Mining Law is considered to be a significant milestone for the country and the nascent large-scale mining industry, and is expected to provide the new legal framework for mining. However, much work remains to be done in developing the Regulations to the Mining Law and finalizing the terms and conditions that could foster feasible mining investments in Ecuador.

#### *Mandate*

Corriente currently holds 23 concessions in Ecuador, including the Mirador Project and Panantza-San Carlos concession blocks. Prior to the Mining Law coming into effect, 5 concessions considered to be immaterial and unrelated to our Mirador and Panantza-San Carlos Projects were revoked by the MMP under the terms of the Mandate. According to the MMP notices, these revocation notices were issued because Environmental Impact Assessments for these concessions had not been approved by or related public consultations held prior to the April 18, 2008 implementation of the Mandate. The company plans to appeal these notices.

In the PDAC presentation given by the Ecuador Sub-Secretary of Mines and the earlier-referenced formal letter received by the company from Minister Palacios of the MMP, the government's position was represented that the Articles of the Mandate have been complied with, and that the Mandate is no longer in effect as of the enactment of the Mining Law. However, to date, no clear or formal legal confirmation of this has been provided by the judiciary of Ecuador.

#### *National Elections*

The Presidential, National Assembly representative and local and regional elections are scheduled for April 26, 2009, with the official election campaign period having been declared to begin as of January 26, 2009. These would be the first elections held under the new Constitution. Based on recent polls, President Correa is leading all contenders who have declared their intention to run for the presidency.

Sixty days after the national vote is held, the newly-elected national, regional and city representatives will take office.

Corriente controls a 100% interest in approximately 49,000 hectares located within the CCB. The company has identified four main copper and copper-gold porphyry deposits in the CCB, which we refer to as Mirador and Mirador Norte, and Panantza and San Carlos. The company's CCB development strategies reflect a pairing of these deposits into the Mirador Project and Panantza-San Carlos Project, respectively.

The CCB extends over a 20 by 80 kilometre area in southeast Ecuador and currently contains four identified copper and copper-gold porphyry deposits (called Mirador, Mirador Norte, Panantza and San Carlos), and five additional copper and copper-gold exploration targets (called La Florida, San Luis, San Marcos, San Miguel and Sutz).

### **Summary of Measured, Indicated and Inferred Resources**

#### **Resource Estimates at 0.4% Copper Cut-off**

<b>Measured and Indicated Resources</b>								
Project	Category	Tonnes	Cu%	Cu (lbs)	Au (ppb)	Au oz	Ag ppm	Ag oz
Mirador	Measured	52,610,000	0.65	753,000,000	210	360,000	1.6	2,770,000
	Indicated	385,060,000	0.60	5,134,000,000	190	2,380,000	1.5	18,760,000
	Sub-total Mirador	437,670,000	0.61	5,887,000,000	200	2,740,000	1.5	21,530,000
Mirador Norte	Indicated	171,410,000	0.51	1,921,000,000	89	489,000	-	-
<b>Total Measured &amp; Indicated</b>		<b>609,080,000</b>	<b>0.58</b>	<b>7,808,000,000</b>	<b>169</b>	<b>3,229,000</b>	<b>1.5</b>	<b>21,530,000</b>
<b>Inferred Resources</b>								
Mirador	Inferred	235,400,000	0.52	2,708,000,000	170	1,250,000	1.3	9,900,000
Mirador Norte	Inferred	45,820,000	0.51	513,000,000	68	101,000	-	-
Mirador/Mirador Norte				<u>3,221,000,000</u>				
Panantza	Inferred*	463,000,000	0.66	6,688,000,000				
San Carlos**	Inferred*	600,000,000	0.59	<u>7,738,000,000</u>				
Sub-Total Panantza-San Carlos		1,063,000,000	0.62	14,426,000,000				
<b>Total Inferred</b>		<b>1,344,220,000</b>	<b>0.60</b>	<b>17,647,000,000</b>		<b>1,351,000</b>		<b>9,900,000</b>
* does not include copper oxide mineralized material that was previously included in resource estimate								
** resources are calculated at 0.4% copper cut-off using data previously released in June 2001 at a 0.65% copper cut-off								
The Qualified Person for the resource estimates quoted above is John Drobe, P.Geo, Corriente's Chief Geologist.								

### **NARRATIVE DESCRIPTION OF THE BUSINESS**

#### *Ecuador Political Developments*

Ecuador is situated astride the equator on the north-western coast of South America. Quito, in the northern part of the country, is the capital city. After a long period of civilian-military governments, Ecuador had a democratic government from 1979 until late 1999, when popular unrest led to a military coup, after which the military commander appointed the previous Vice-President as the new President. That government took office in January 2000. New elections were held in November 2002 and a left-leaning populist President, Lucio Gutierrez, was sworn into office in January 2003. In April 2005, Gutierrez fled Ecuador in the face of a populist uprising and lack of support from the military. As a result, (then) Vice-President Alfredo Palacio was sworn in as President.

In November 2006, Rafael Correa won the Ecuador Presidential run-off election over Alvaro Noboa but did not officially take office until January 15, 2007. During this transition period, the administration of President Alfredo Palacio experienced a number of indigenous protests in southeast Ecuador which

eventually resulted in the suspension of the company's exploration and development activities and a delay in the Mirador Project's development timeline.

Since President Correa's January 15, 2007 inauguration, his administration has focused primarily on exacting electoral and governmental reforms. In April 2007, a National Referendum was held, which approved the creation of a Constitutional Assembly (which would replace Congress). On September 30, 2007, Constitutional Assembly elections were held in which President Correa's Alianza Pias party elected 80 of the 130 members of the Constitutional Assembly, thereby giving the President a clear majority in the Assembly.

Since obtaining an Assembly majority, the Correa Administration has moved to engage industry in dialogue regarding foreign investment in Ecuador. This dialogue includes plans to re-work oil and mining agreements in place with multi-national and state-owned companies, which could include new royalty and/or windfall profit tax rates for these sectors.

Recent and continuing announcements by the Correa Administration suggest that large-scale mining will play a significant role in the Government's plans to grow the economy for the benefit of all of the people of Ecuador. The company is in continuous dialogue with the MMP and the Correa Administration towards establishing large-scale mining operations in the Corriente Copper Belt.

In this regard, and based on discussions with the Government of Ecuador to date, management believes that the company's Ecuador resources can be feasibly developed in the long-term. While management believes that the current investment and political climate in Ecuador will continue to stabilize, there can be no certainty that this will continue in the future.

Under Ecuador's Tax Law, corporations (including foreign companies), are taxed at a fixed rate of 25% of net profits. There are currently no restrictions or withholding taxes on the repatriation of capital, dividends or profits. On December 17, 2007, the Government of Ecuador announced its plans for imposing a tax on extraordinary revenues in the order of 70% upon those companies that have signed contracts with the State for the (mining stage) exploitation of natural resources. Such taxes would be payable when the companies achieve revenues generated from higher sales prices than the reference prices agreed in the respective contracts. The Government's December 2007 Tax Bill containing this extraordinary revenue (otherwise known as a windfall profit) tax was approved by the Assembly on December 24, 2007. No reference prices or methodology have yet been established for how such prices would be determined for mining operations.

Under the new Mining Law enacted on January 29, 2009, mineral rights in Ecuador are acquired by mining concessions, a title which gives exclusive personal rights with characteristics similar to owning real property, and is defensible against third parties. A mining concession may be obtained for a maximum area of 5,000 hectares and for a maximum term of 25 years, renewable for equal-time periods. There is no limitation on the number of mining concessions a person or company may hold. The title may be used as a pledge, as a security or guarantee of an obligation. The title can be transferred by public deed after receiving the prior qualification and authorization by the MMP. In addition, the mining title is a security that can be negotiated in an open market.

Title to a mining concession confers on the holder the exclusive right to explore for minerals in a specified area and the subsequent right to negotiate with the government a contract, be it a service or an exploitation contract, to exploit, improve, process, smelt, refine and trade all the mineral substances (except oil, gas and radioactive substances); as well as the right to use the surface of the land (subject to easements or arrangements with the land owner) and the available water (subject to prior authorization from the applicable government entity).

Prior to initiating exploration or exploitation-stage mining activities, holders of mining concessions are obliged to file environmental impact studies and obtain an environmental permit approved by the Ministry of Environment as well as a water use concession approved by the Ministry of Water.

Concession-holders are also obliged to file annual and semi-annual reports and make applicable annual patent fee payments in order to keep their concessions in good standing. The amount of these annual fees is based on the phase in which the project is, being (initial) exploration, advance exploration, or financial evaluation and exploitation. With the new Mining Law, the Ecuadorian State participation in the

profits of a mining project will be no less than that of the concession-holder, the details of which will be negotiated as part of the Exploitation Contract.

As noted above, much work remains to be done in developing the Regulations to the Mining Law and finalizing the terms and conditions that to be included in exploration or exploitation phase contracts with the Ecuadorian Government.

#### *Location, Size and Access*

The Corriente Copper Belt is located in the valley of the Rio Zamora in the Pangui region, Morona Santiago province, in southeast Ecuador, adjacent to the border with Peru. The area, centred about 340 kms south of Quito and 70 kms southeast of the city of Cuenca, consists of a total of 25 exploration concessions covering about 606 square kms. Access to the area is by road from the city of Cuenca, a regional centre with scheduled air service of less than one hour's duration from the capital city of Quito. Alternatively, local air travel is possible to the town of Gualaquiza, which is within the Corriente Copper Belt. Road access from Cuenca to the village of Santiago de Panantza is via the towns of Gualaceo, Indanza and San Juan Bosco, mostly by reasonable-quality unsealed roads. The road distance is about 150 kms or about four hours' travel. There is road access from Quito to Cuenca for the transport of samples or heavy equipment. Road access to the Panantza concessions was completed during 2001. The Mirador Project is accessed by a one-hour flight from Quito to Loja and then by road approximately 180 kms to the project site (which is about a five hour drive). The remaining concessions are accessed by mule track or by helicopter. Travel within the concessions is primarily by foot on jungle trails.

#### *Acquisition of Mineral Properties*

Corriente entered into an option agreement dated October 15, 1999 ("JV1"), as amended, with two subsidiaries of BHP Billiton, pursuant to which Corriente was granted the option to acquire a 70% interest in certain mineral exploration properties covering approximately 880 square kms in the Rio Zamora area on which BHP Billiton had conducted a five-year grassroots exploration program, during the course of which it had discovered a number of porphyry copper deposit clusters. The JV1 agreement included 16 concessions covering a total of 57,660 hectares. The company completed the required work program, expended the required exploration funds and issued to BHP Billiton all of the securities required under the terms of this agreement. Corriente subsequently entered into a further agreement dated April 6, 2000 ("JV2"), as amended, with two subsidiaries of BHP Billiton, pursuant to which Corriente was granted the option to acquire a 70% interest in certain mineral exploration properties in the southern part of the Corriente Copper Belt, known as the Mirador property, representing the balance of the copper targets identified by BHP Billiton in the course of its exploration program in the Rio Zamora area. On signing of the option agreement, the Mirador property consisted of eight exploration concessions covering a total area of 22,880 hectares.

Corriente was the operator of the properties covered by both joint venture agreements during the related option periods. For 2000 to 2002, Corriente engaged Lowell Mineral Exploration Limitada Chile ("Lowell") to manage the exploration and development activities on the optioned properties. As compensation for the management services rendered by Lowell to Corriente in connection with the optioned properties, Corriente granted to Lowell the right to obtain a 10% royalty interest in Corriente's properties covered by the two BHP Billiton joint venture agreements. In December 2003, Corriente granted Lowell an option to acquire a 100% interest in the Warintza project, located in southeast Ecuador. This option was subsequently exercised in June 2003, with Lowell swapping its 10% interest in all of Corriente's concessions in Ecuador (including Mirador, Mirador Norte, Panantza and San Carlos) in exchange for a 100% interest in the Warintza project. The Warintza project included four concessions totaling 20,000 hectares.

In January 2002, the company gave BHP Billiton notice of its intention to exercise Corriente's option to acquire a majority interest in the Panantza project. This option allowed Corriente to acquire ownership of mineral resource deposits that were below the threshold of interest of BHP Billiton. Formal approval was granted in April 2002 for the transfer of the ownership of the Panantza concessions to Corriente. By the end of 2002, Corriente had repeated the same notice process to acquire title to the San Carlos (August 2002) and Mirador (December 2002) concessions within the Corriente Copper Belt. In each case, BHP Billiton chose to convert its back-in rights to a 2% net smelter royalty interest (NSR) in the Mirador,

Panantza and San Carlos concessions with the company having the option to reduce this NSR to 1% for each of these mineral properties upon the payment of US\$2 million (for each concession) to BHP Billiton.

Additionally, and through various amendments to the earlier-referenced agreements, the company issued common shares and warrants to BHP Billiton in 2002 and 2003. This allowed the company (and Lowell) to complete the acquisition of a 100% interest in the Properties.

In December 2003, Corriente granted Lowell an option to acquire a 100% interest in the Warintza project, located in southeast Ecuador. This option was subsequently exercised in June 2004, with Lowell swapping its 10% royalty interest in all of Corriente's concessions in Ecuador (including Mirador, Panantza and San Carlos) in exchange for a 100% interest in the Warintza project. The Warintza project included four concessions totalling 20,000 hectares. Corriente became the 100% owner of these concessions, subject only to the BHP Billiton NSR obligations.

#### *Mirador Project*

In late 2003 and early 2004, a total of about 3,000 kg of split diamond drill core was collected from 20 drill holes and shipped to SGS Lakefield Research in Lakefield, Ontario, for metallurgical testing. In addition, two whole-core metallurgical holes were drilled and collected specifically for comminution test work.

In October 2003, the company awarded a feasibility study for the Mirador Project to AMEC Americas Limited ("AMEC"). Pursuant to the AMEC Technical Services Agreement, the feasibility study addressed geotechnical, infrastructure (including processing, site development and support facilities), and financial analyses for the building of a 20,000 tpd mine and milling facility at the Mirador site. This capacity was later revised to 25,000 tpd.

On April 14, 2005, the company announced the results of a 25,000 tpd base-case feasibility study reflecting a 12 year mine life for the Mirador copper-gold deposit (titled "Mirador Copper Project – Feasibility Study Report and dated May 2005"). See [www.sedar.com](http://www.sedar.com) for the contents of this report.

On November 17, 2005, Corriente announced the results of an optimization study (titled "Update on Copper, Gold, and Silver Resources and Pit Optimizations Mirador Project, Ecuador, dated December 6, 2005, and revised May 18, 2006 to meet NI 43-101 format requirements only). This study was intended to optimize the economics of the 25,000 tpd starter project at Mirador that was the subject of the earlier-referenced May 2005 base-case feasibility study. In this regard, the main changes were the incorporation of the results of 52 new drill holes which were completed during the summer of 2005 and which among other factors led to the calculation of a new resource model which extended the Mirador deposit mine life to 38 years. Additionally, the economics of an expansion to a 50,000 tpd capacity were provided to show Mirador's growth opportunities. See [www.sedar.com](http://www.sedar.com) for the contents of this report.

On March 15, 2006, the company announced that its wholly-owned subsidiary, Ecuacorriente S.A. signed a Letter of Award with SNC-Lavalin Chile S.A., a member of the SNC-Lavalin Group of Companies of Canada, for full Engineering and Procurement Services for the start-up and expansion of the Mirador copper-gold mine.

Corriente announced on May 4, 2006 that the Mirador Project Environmental Impact Assessment (EIA) (submitted in December 2005) met all of the legal requirements of the MMP and was approved. The EIA covered both the environmental aspects of proposed mining operations in Mirador and community and social plans associated with the same project. During the lengthy preparation of the EIA, the company worked closely with the MMP to ensure that the report met all required government guidelines and regulations. The Mirador EIA is still one of the most comprehensive documents on social and environmental issues ever submitted to the MMP in Ecuador for a mining project. The submission of the EIA and subsequent approval followed an extensive consultation process with local communities carried out in late November and early December 2005. As a requirement of the MMP's approval of the EIA, the company is required to fund and maintain a cash deposit in favour of the MMP as collateral against the company's obligations under the EIA. The required security deposit amount is reviewed on an annual basis by the MMP and subject to adjustment as the project progresses to completion.

On July 10, 2006, the company announced that assays were received from a program of drilling at Mirador Norte, a newly discovered zone of porphyry copper mineralization located approximately 3 km

northwest of the planned Mirador open pit. This drilling successfully outlined an approximate 1200 X 300 X 250 metre contiguous zone of copper mineralization above a 0.4% copper cutoff, exposed at the surface but open for expansion at depth and to the south.

The company announced on August 9, 2006, that management had completed an initial review of its Ecuador copper-gold concessions and identified two concession areas totaling 6,600 hectares containing encouraging gold targets that were not part of the copper development program within the Corriente Copper Belt. One of the concessions, the Caya 36 concession, is immediately adjacent to and formed part of the Mirador copper deposit land holdings. The second concession area is located approximately 50 km southwest of Mirador and is called the Piedra Liza concessions. Within the Piedra Liza concessions, four clusters of anomalous gold soil samples occur over a six kilometer trend that is on-strike and north of the Nambija area which has produced over three million ounces of gold by local estimates. See Disposition of Other Properties herein.

In September 2006, Corriente's directors reviewed the development status of the Mirador Project and approved management's recommendation of the placement of orders for long lead-time equipment for the project. This equipment included the main components of the grinding circuit such as the SAG and ball mills. At the time, the company was working on an accelerated timeline that had an estimated completion date of the Mirador Project and start of production during the fourth quarter of 2009. These items were on the critical path to meet that deadline.

Also in September 2006, the company filed an amendment to the EIA ("EIAA") to allow for mill, tailings and dump location changes to the original mine plan. Subsequent public consultations were successful. However, the EIAA was rejected by authorities in May 2007 and is currently being revised for re-submittal. As a result of subsequent discussions with the MMP, the company was successful in October 2007 in resuming limited fieldwork activities related to completion of an EIAA for the Mirador Project. The EIAA will incorporate engineering enhancements completed through 2008 on the Mirador Project.

For the company to receive a mine operating permit for the Mirador Project, approvals for the EIAA and construction and operating-related permit applications must be received from the MMP and other Ecuador governmental authorities during the course of development of the Mirador mine, prior to the beginning of mine operations.

On November 14, 2006, the company announced that it had received an independent resource assessment for its Mirador Norte copper deposit. These results were estimated from 68 diamond drill holes totaling over 13,000 metres of coring and are contained in the related technical report, titled "Update on the Copper, Gold, and Silver Resources and Pit Optimizations: Mirador and Mirador Norte Deposits – Mirador Project, Ecuador, dated November 30, 2006). See [www.sedar.com](http://www.sedar.com) for full details of this report.

In mid-November 2006, a series of protests began that were held in the Morona-Santiago and Zamora-Chinchi provinces of Ecuador against resource development in general. After a number of ineffective negotiating sessions were held with the protesters, the MMP advised the company to temporarily suspend its Mirador Project fieldwork in order to secure the safety and security of local communities and supporters. This suspension was subsequently formalized in December 2006 by a suspension order from the Sub-Secretary of Environment's office within the MMP covering the company's Mirador and Panantza-San Carlos Projects' concessions.

As noted above, a technical report was issued in 2006 for Mirador Norte, which is located less than 1 km from the planned Mirador Project milling facility. Confirmation of such resources at Mirador Norte provides additional options for development at Mirador that includes access to higher-grade enriched material from the shallow parts of Mirador Norte and the flexibility of being able to shift production from one pit to another.

In January 2007, the company announced that there would be a delay in the planned start of production at the Mirador Project from late 2008 to approximately mid-2009. This delay was largely due to adjustments to long lead-time equipment deliveries as a result of the decision to move off of the previous accelerated Mirador Project development timeline. This accelerated timeline was based on having key permits and government agreements completed by January 2007. Since these permit applications and agreements were still being processed and the company was restricted from resuming planned

development activities at Mirador, the company's directors elected to minimize the Mirador Project obligations. This decision resulted in the termination clauses of certain agreements with suppliers of key long lead-time components to the Mirador Project to be invoked.

In December 2007, Corriente announced that the Ministry of Environment (the "MOE") had approved the EIA for the company's port operation in Machala, which is designed to act as a shipping facility for copper concentrates sent to overseas smelters. The company owns a 27 hectare port site on the Santa Rosa Channel in Machala, which is connected to the Mirador Project by a 400 km paved highway. Receipt of the EIA is an important part of the overall Mirador Project approval process and provides the key access for a Pacific shipping route for the company's copper concentrates. As a requirement of the MOE's approval of the Machala Port EIA, the company was required to post a cash deposit as collateral in favour of the MMP against the company's obligations under this EIA.

Despite the suspension of fieldwork activities at the Mirador Project site at the time, the company was able to continue work in 2007 and early 2008 on enhancements to various engineering aspects of the Project. This additional engineering and feasibility work was completed in the first quarter of 2008, and the results were announced on April 3, 2008. The NI 43-101 Technical Report for this Feasibility Study ("Mirador FS"), titled "MIRADOR COPPER-GOLD PROJECT, 30,000 TPD FEASIBILITY STUDY, Zamora-Chinchi Province Ecuador", was filed on SEDAR on May 9, 2008. This report also includes a summary of the economic model for a first-phase 30,000 tpd concentrator operation for the Mirador Project.

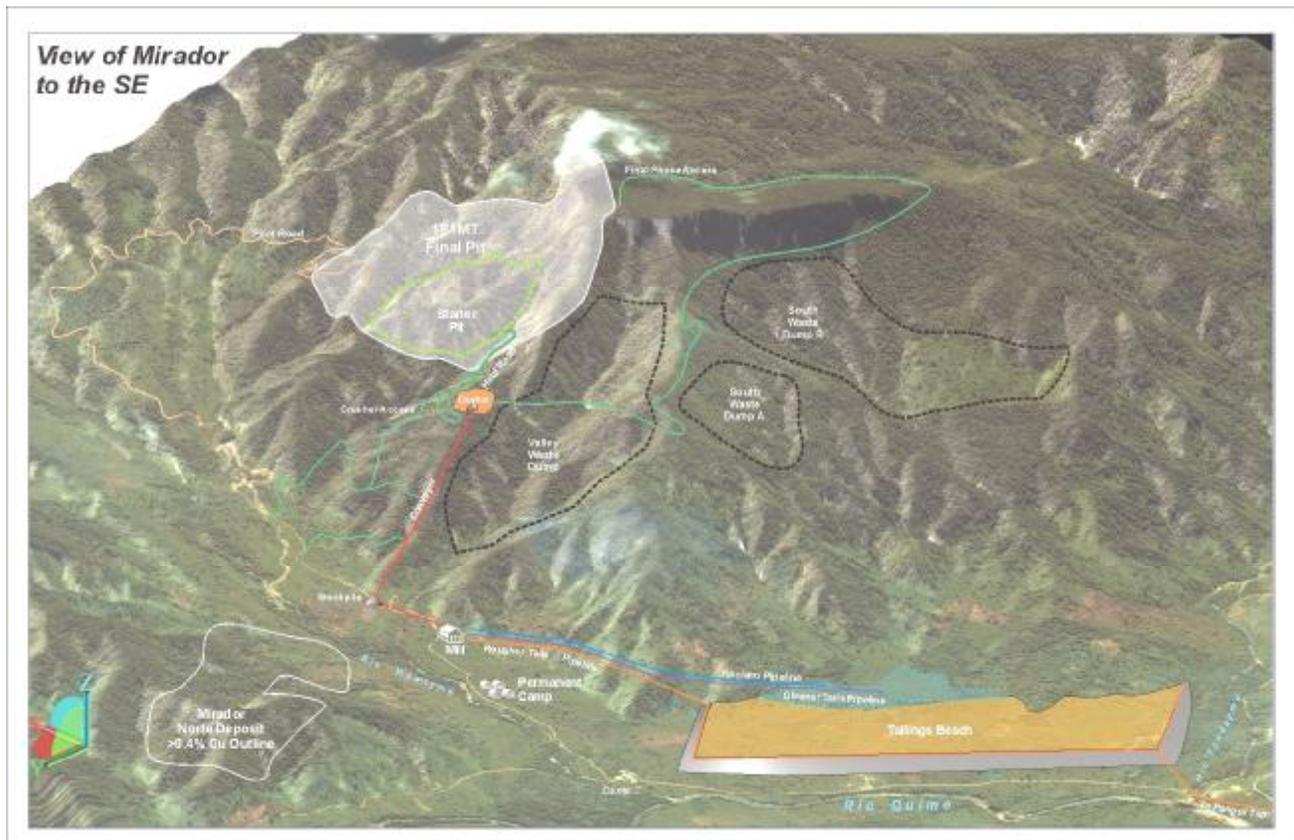
The Mirador FS projects an average of almost 130 million pounds of annual copper production for the Project and shows a projected initial capital cost of approximately US\$399 million and approximately US\$19 million in working capital. The Mirador FS calls for daily throughput of the concentrator facility of 30,000 tpd, which is a material improvement over the original Feasibility Study results released by the company in April 2005, which had a planned capacity of 25,000 tpd.

The Mirador FS Technical Report Base Case Net Present Value ("NPV"), after-tax, is US\$265 million, with an after-tax Internal Rate of Return ("IRR") of 17.7% (using metal prices of US\$1.75/lb Cu, US\$7.50/oz Ag, US\$550/oz Au, 8% discount rate, US\$75/tonnes and US\$0.075/lb treatment and refining charges, respectively, for Cu).

The Base Case mine plan only utilizes 41% of the Measured and Indicated Resources at Mirador and none of the 235 Million tonnes of Inferred Resources. In addition, the Base Case did not consider the 171 Million tonnes of Measured and Indicated Resources or the 46 Million tonnes of Inferred Resources at the nearby Mirador Norte deposit.

As disclosed above, the fieldwork suspension orders that applied to the company's Mirador, Panantza and San Carlos concessions were lifted by the MMP, as announced by the company on March 17, 2009.

Following below is a 3D representation of the company's current view of the Mirador mine site when it is completed for the planned Stage 1 or 30,000 tpd capacity. For Stage 2 or 60,000 tpd capacity, additional access, milling and tailings management facilities and Mirador Norte minesite infrastructure would be required.



### *Panantza – San Carlos Project*

The Panantza and San Carlos Project concessions are located approximately 40 kms north of the Mirador Project. Corriente was approximately halfway through the first phase of a planned 16,000 metres of drilling on the Panantza project when these activities were suspended as part of the December 2006 fieldwork suspension order referenced above. The drilling was the start of a planned two-year program to complete a feasibility study at Panantza and San Carlos, designed to incorporate the Panantza and San Carlos concessions into a single large copper development opportunity.

Prior to 2006, Panantza was last drilled in late 2000. Results from this previous drilling at Panantza included holes PA013 with 299 metres of 0.76% copper, hole PA012 with 269 metres of 0.97% copper, and PA017 with 64 metres of 1.29% secondary copper at the surface followed by 383 metres of 0.75% copper.

In 2006, an additional 25 holes totalling 8400 metres were completed. Results include hole PA039 with 17 metres of 1.31% copper in a secondary copper horizon overlying 399 metres of 0.66% copper, hole PA041 with 443 metres of 0.60% copper, and hole PA052 with 276 metres of 0.77% copper.

Current inferred resources at Panantza have been recently estimated, including the 2006 drilling results. A new block-model based resource estimate, using a 0.4% copper cut-off, reports approximately 463 million tonnes grading 0.66% copper containing 6.7 billion pounds of copper. The 2006 drilling added close to a billion pounds of copper to the previous Panantza resource. Corriente will focus on converting most of this resource to the measured and indicated category during completion of the drill program.

One objective of the 2006 Panantza drilling program was to define the southern edge of the Panantza mineralization. However, rather than delineate the edge of the Panantza deposit, the 2006 results indicate the Panantza mineralization extends farther south than previously recognized. The southernmost holes drilled, PA033 and PA034, were both terminated in copper mineralization averaging over 0.8% Cu at the hole bottoms, at approximately 330 metres and 342 metres deep, respectively. The Panantza drill plan has now been expanded to complete additional holes to follow this mineralization to the south.

In addition, the deepest holes from this round of drilling (such as PA051) indicate that mineralization extends more than 200 metres deeper than previous drilling in the southwest portion of the deposit and mineralization remains open for further extension at depth. The deposit is also still open to the west.

San Carlos is believed to be the largest copper-molybdenum mineralized porphyry system in the CCB, with surface dimensions of about 2,000 metres x 2,500 metres. The mineralization has been tested with 25 diamond drill holes at variable spacing, drilled by BHP Billiton in 1997 and 1998. The current block-model based, inferred resource estimate based on these drill holes, using at a 0.4% copper cut-off, is 600 million tonnes grading 0.59% copper, containing 7.7 billion pounds of copper. The next phase of drilling will attempt to expand the resources and convert the bulk of the inferred resources to the measured and indicated categories.

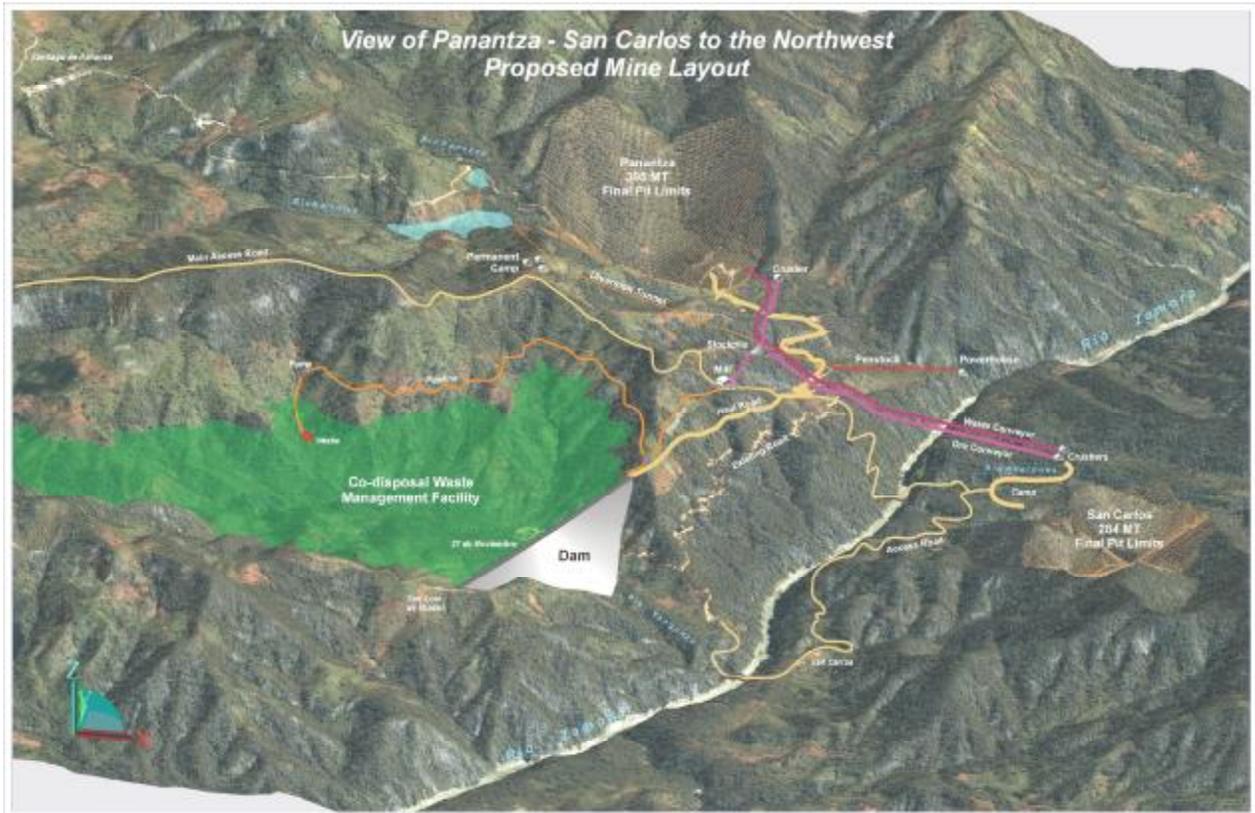
A Preliminary Assessment Technical Report, titled "PANANTZA & SAN CARLOS COPPER PROJECT PRELIMINARY ASSESSMENT REPORT, , Morona – Santiago, Ecuador" for a 90,000 tpd combined Panantza-San Carlos copper mining operation was completed in October 2007 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) in December 2007. Highlights from this report are:

- Base Case NPV after tax of US\$ 676 million and an IRR of 15.1% (using metal prices of US\$ 1.50/lb Cu, \$7.50/oz Ag, \$550/oz Au and \$10.00/lb Mo, 8% discount rate, \$75/tonne and \$0.075/lb treatment and refining charges for Cu). Using US\$ 2.00 copper, the after-tax NPV increases to US\$ 1.718 billion and the IRR increases to 24.1%.
- Average annual metal production over the first 10 years of approximately 418,000,000 lbs of copper, 22,800 oz gold, 1,110,000 oz silver and 2,800,000 lbs of Molybdenum.
- The Report modeled a mine plan based on 678 million inferred tonnes at a grade of 0.62% Cu, 0.05g/t Au, 1.3 g/t Ag and 0.008% Mo with estimated recoveries of 91% Cu, 30% Au (Panantza only), 70% Ag, and 43% Mo.
- The cost to produce a pound of payable copper, net of other metal credits, and inclusive of marketing, smelting and transportation costs over the Life of Mine, is estimated to be US\$ 0.73/lb.
- The Project would generate up to 2,000 jobs during the construction period and could create over five hundred direct and almost 4,000 indirect jobs during the estimated 20 year life.
- Total estimated value of taxes, profit sharing and expenditures within Ecuador over the 20 year Project life is approximately US\$ 6 billion.

Management of the company feels that the Panantza-San Carlos concessions represent a rare opportunity to capitalize on seven years of community work, project engineering and management development expertise that has been built around the company's Mirador Project. This body of knowledge will significantly assist in the project development process and at the same time allow the company to take economic advantage of infrastructure that is being put in place for the Mirador mine. The Project has been recommended to proceed to the Feasibility Study stage, which has an estimated budget requirement of approximately \$US12 Million. The work would include detailed diamond drilling at both deposits to fully delineate mineralization and provide core for metallurgical and geotechnical studies. This work is planned to extend over a two year period. In addition, a program of extensive community dialogue is planned to ensure that the voice of local residents is reflected in any planned development ideas. Part of this dialogue will include several public consultations, which will form part of the ongoing permitting process.

As disclosed above, the fieldwork suspension orders that applied to the company's Mirador, Panantza and San Carlos concessions were lifted by the MMP, as announced by the company on March 17, 2009.

Following immediately below is a 3D representation of the company's current view of the proposed Panantza – San Carlos mine site, based upon the Preliminary Assessment Technical Report referenced above.



### Exploration Targets

Other opportunities within the Corriente Copper Belt include the La Florida, San Miguel, San Luis, San Marcos and Sutzu porphyry prospects, all of which are located within 10 to 12 kilometres of the Panantza prospect, as well as the Dolorosa sediment-hosted copper prospect, located mid-way between the Panantza and Mirador properties.

The potential size of San Luis is about 170 x 350m based on the width of mineralized rock chip sampling and the associated soil anomaly. Continuous detailed rock sampling along the length of the anomaly returned about 230 metres of 0.76% Cu. A ground IP survey was run over San Luis and the anomaly coincided in size with the soil anomaly. No drilling has been carried out on this project.

To the south, the San Miguel target is a 600 x 850 metre Cu-Mo soil anomaly with rock sample values to >1% Cu, but averaging 0.3% Cu over 300m along the east edge of the anomaly. The north and west area of the anomaly has had limited initial drilling and returned values to 0.50% Cu over 180 metres in SM001, 0.42% Cu over 155 metres in SM08, and 0.36% Cu over 193 metres in SM09. The zone continues northward into the La Florida prospect, where surface mineralization is higher grade but more structurally limited.

South of Panantza, Sutzu is a 1500 x 1500 metre soil Cu-Mo soil anomaly, with the Mo anomaly open to the SW. Semi-continuous rock sampling passing across the centre of the soil anomaly returned lower-grade (0.2%) copper. No drilling has previously been done on this target.

Adjacent and north of Sutzu is San Marcos, a 800 x 800 metre Cu-Mo soil anomaly with rock samples in stream cuts across this returning up to 0.5% Cu over 170 metres. No drilling has been done yet on this target. San Marcos is on strike and probably related to Sutzu mineralization, together with which it forms one of the larger mineralized zones in the district.

The Dolorosa prospect contains copper mineralization as chalcopyrite disseminated within coarse quartzite of the sandstone formation that overlies many of the copper porphyries in the belt. Grab samples (20 centimetres) return values up to 3% copper, and mineralization exposed in cliffs extends across tens of metres of subhorizontal strata.

Prior to the Mining Law coming into effect, 5 concessions were revoked by the MMP under the terms of the Mandate. According to the MMP notices, these revocation notices were issued because Environmental Impact Assessments for these concessions had not been approved by or related public consultations held prior to the April 18, 2008 implementation of the Mandate. In particular, the revocation notices apply to the company's Dolorosa and some miscellaneous immaterial concessions. The company plans to appeal these notices.

These revoked concessions are not considered to be material and are unrelated to our Mirador and Panantza-San Carlos Projects.

#### *Disposition of Other Properties*

##### Spin-off of Tundayme (Caya 36) and /Piedra Liza Gold Exploration Targets

In early 2007, Corriente engaged an independent consultant to complete a review of its Ecuador gold concession package totalling 6,600 hectares containing encouraging gold targets that were determined not to be part of the company's foreseeable copper development programs within the Corriente Copper Belt. Following completion of this review and accompanying 43-101 Technical Report, the company proceeded with a distribution of ownership of these concession rights to existing shareholders of Corriente as at June 15, 2007 by means of a Plan of Arrangement (the "Arrangement").

The gold concessions include the Tundayme prospect, which is immediately adjacent to Corriente's Mirador Project land holdings and is approximately 15 kilometres from Kinross' (re: Aurelian Resources Inc.'s) Fruta del Norte gold zone.

The Tundayme prospect has approximately 8 kilometres of north-south trending structures that extend along strike to the Mirador Project. This 8 km trend is oriented in the same direction as the Fruta del Norte mineralized trend and parts have had preliminary prospecting and soil sampling performed by Corriente. Further work is required to follow-up anomalous gold soil and rock samples from that initial work. Also included is a second set of concessions approximately 50 kms southwest of Mirador called the Piedra Liza prospect.

The Arrangement was approved by shareholders at the company's May 24, 2007 Annual and Special General Meeting and closed on June 18, 2007. Under the Arrangement, which was also approved by the British Columbia Supreme Court, the company's shareholders received shares of a new company, Q2 Gold Resources Inc. ("Q2 Gold"), which holds the gold properties, on the basis of one Q2 Gold share for every three common shares of Corriente held by them at the close of business on June 15, 2007.

In connection with the Arrangement and to assist Q2 Gold with its business objectives, Corriente and Q2 Gold entered into a secured, interest-bearing convertible loan agreement dated April 23, 2008 pursuant to which Corriente agreed to lend Q2 Gold up to \$750,000 to be advanced in instalments (the "Loan"). The Loan principal and unpaid interest are due on the earlier of December 31, 2009 (amended from December 31, 2008) and the first date on which Q2 Gold obtains a prospectus filing receipt with respect to any of its securities in any province of Canada. The Loan maximum facility was increased from \$750,000 to \$1,500,000 and the maturity date extended to December 31, 2009, by an amendment dated September 25, 2008. The current state of financial markets makes it uncertain that Q2 Gold will be able to raise the necessary debt or equity capital to repay the Loan at maturity. In the event of any default of the repayment of the Loan, the Q2 Gold assets which collateralize the Loan would become property of the company in accordance with the terms of the agreement. Management believes that the Q2 Gold assets would have a fair value greater than or equal to the current carrying value of the Loan. Significant changes in the fair value of the underlying Q2 Gold assets could have an impact on the company up to a maximum of the carrying value of the Loan.

As at December 31, 2008, a total of \$957,000 was owed by Q2 Gold to the company, consisting of \$871,000 of principal and \$86,000 of accrued interest.

At any time prior to maturity, Corriente can require Q2 Gold to convert, in whole or in part, the principal amount outstanding and accrued interest of the Loan into Q2 Gold Shares at a conversion price equal to \$0.10 per share. Q2 Gold can repay any or all of the outstanding Loan at any time prior to maturity or conversion. The company believes the Arrangement and spin-off is not material to the company.

Full details of the transaction were included in the management information circular sent to shareholders in connection with the company's May 24, 2008 Annual and Special General Meeting of shareholders, a copy of which is available at [www.sedar.com](http://www.sedar.com).

### *Exploration History (Southeast Ecuador)*

Regional exploration was initiated in southeastern Ecuador by Gencor, a predecessor company of BHP Billiton, in mid-1994. In early 1995, six porphyry copper targets in the area were identified.

In 1996, the San Carlos property was recognized as a large porphyry copper system, leading to the drilling of eight holes at the Kutucus skarn prospect and five holes at the San Carlos prospect in mid-1997. The San Carlos drilling intersected significant copper mineralization. Based on 25 core drill holes aggregating 6,185 meters on the San Carlos project, a potential resource of over one billion tonnes of low-grade primary copper mineralization (0.4% Cu) or 400 million tonnes at 0.7% Cu at a 0.5% cut-off in the Inferred Mineral Resource category was estimated. The company believes that there is potential for surface oxide copper mineralization as indicated by hole SC-07 (0-60 metres, vertical hole) assaying 0.7% Cu (in oxide) and hole SC-17 (6 - 93 metres, -60 degree hole) assaying 0.77% Cu (in oxide).

In total, BHP Billiton drilled 11 scout holes totaling 2,900 metres on the Panantza property. The drilling at Panantza was insufficient to define an inferred resource but has identified a significant exploration potential. For example, good surface oxide potential is shown by hole PA-03 (0-27 metres, vertical hole) of 1.3% Cu (in oxide) and hole PA-09 (0-60 metres -57 degree holes) of 1.15% Cu (in oxide).

The Warintza property was recognized as a large copper and molybdenum soil anomaly with a classic porphyry copper alteration signature in early 1999. Chip sampling carried out later that year by BHP Billiton outlined significant drill targets of copper mineralization with surface grades up to 1% copper.

The area of Mirador was recognized as a significant anomalous area during the original reconnaissance geological and geochemical surveys completed in November - December 1994. These surveys, which included 315 pan concentrates of stream sediments, defined an area roughly 50 sq kms in extent which gave anomalous values in Cu, Mo, Au, zinc and silver. At the time however, BHP Billiton was forced by border conflicts between Ecuador and Peru to concentrate its efforts in the north part of the Corriente Copper Belt. After a peace treaty ending the border conflict was signed by Peru and Ecuador in July 1999, BHP Billiton completed detailed follow-up surveys to better define the anomalous areas of the Mirador property. A total of 746 soil samples were collected along ridges and 219 rock chips were taken from outcrops found in drainages traversing the anomalous zones. This work, along with geological and alteration mapping, defined the Mirador (previously known as Wawayme) zone and the Chancho and Chancho Norte zones.

From 1994 through 1999, BHP Billiton spent approximately US\$12 million on exploration of the Corriente Copper Belt.

### *Geology and Mineralization*

Ecuador can be divided into three regions: the Coastal Plain, the Andean Cordillera and the Oriente or eastern Amazon basin. The Andean Cordillera comprises two parallel sub-ranges: the Cordillera Real and the Western Cordillera, which are separated by a high plateau, the Interandean Valley. The Corriente Copper Belt is located in the southeast portion of the Cordillera Real. Referred to as the sub-Andean zone, it straddles the border between Ecuador and Peru.

The Cordillera Real comprises metamorphic rocks and intrusives, with ages ranging from Precambrian to Cretaceous. Metamorphic rocks attain grades up to greenschist and amphibolite facies.

During early Jurassic time, this area of Ecuador-Peru was the site of a basin where calcareous and clastic sediments were deposited as well as tuffs and lavas of andesitic to basaltic composition. At some stage during the Jurassic period, three large batholiths were emplaced along a rough N-NE axis: from north to south, the Rosa Florida along the Colombian border, the Abitagua, and the Zamora, which borders Peru. These batholiths are interpreted to be part of an island-arc sequence.

The Zamora Batholith is a composite, undeformed body of lower to mid Jurassic age which has a north-south extent of roughly 200 kms and is up to 50 kms wide. Three ages of magmatism corresponding to the Jurassic, Cretaceous, and Tertiary are thought to have occurred in the region of the Zamora Batholith.

The Zamora Batholith contains phases or coeval bodies which vary in composition from hornblende quartz diorite and tonalite, to granodiorite and monzogranite. Various subvolcanic bodies of andesite and dacite are associated with the Zamora Batholith. The porphyry copper mineralized systems are all hosted by intrusives, breccias and subvolcanic bodies which intrude and are closely related in age to the Zamora Batholith. To the west of the Batholith is the thrustured metamorphic belt of the Cordillera Real, with contemporaneous volcanic and sedimentary rocks to the east.

The mineral deposits encountered in the Corriente Copper Belt display many of the characteristics of calcalkaline type porphyry copper systems. Sulfides occurring principally in the form of pyrite and chalcopyrite are widely distributed in low concentrations through large volumes of rock. The porphyry deposits in the Corriente Copper Belt appear to be of Middle Jurassic age. The San Carlos deposit has been dated at 154 million years.

San Carlos and the other seven porphyry copper prospects identified in southeast Ecuador are centered on multiphase monzogranite to granodiorite porphyry stocks within the Zamora Batholith with associated K-silicate alteration and principally chalcopyrite mineralization. Intermediate argillic and less widespread sericitic alteration overprints the K-silicate alteration, but does so erratically.

#### *Exploration Activities*

Corriente started work on the Corriente Copper Belt in December 1999 with preparations to drill the first of the untested porphyry targets at Warintza. Between January and April 2000, 2,378 metres were drilled at Warintza in a series of 16 holes. Drill results from the Warintza project, released on May 2, 2000, confirmed the presence of a high-grade (>1% Copper) supergene blanket and the local presence of high grade (>1% Copper) primary sulphide mineralization. A number of holes had grades greater than 1% copper with a best intersection of 82 metres at 1.37% copper in hole 1. The secondary copper mineralization appears to average approximately 40 metres thick and occurs at a depth generally between 50 to 100 metres.

The company then moved on to scout drilling at the Mirador property. Between May and August 2000, 5,654 metres were drilled in a series of 32 holes to test the Mirador system. The best assay interval was in hole 35 with 263 metres of 0.98% copper equivalent. Mirador appears to be a conventional porphyry copper-gold system with classic high-level alteration features such as abundant silicification and brecciation.

In October and November 2000, Corriente drilled 17 holes totalling 5,262 metres to test the Panantza project, located in the central part of the Corriente Copper Belt, close to the San Carlos property. Interpretation indicates that Panantza has a well-developed high-grade core (approximately 300 metres by 300 metres and extending below the deepest hole at 448 metres) surrounded by a much larger area of intermediate-grade mineralization. Drill holes within the high-grade core show relatively consistent strong copper numbers such as in hole PA-12 with 300 metres of 1% copper equivalent and hole PA-17 which intersected 64 metres of 1.31% copper equivalent followed by 384 metres of 0.83% copper equivalent. All of the holes drilled within the high-grade core were stopped in mineralization because of depth limitations of the drilling equipment and remain open at depth. Results from the exploration work accomplished during 2001 clearly confirmed the change in status of the Corriente Copper Belt from purely an exploration play to that of both exploration and development. Over 12000 metres of drilling were completed during 2001 and two separate scoping studies analysed the economics of resource development at the Panantza/San Carlos and Mirador Projects.

The Ecuador work program during 2002 saw the completion of 10 holes totalling 2,738 metres of core on the Mirador target. Metallurgical testwork carried out by an independent company was completed during the year using samples from the Mirador, Panantza and Warintza deposits. The test work established that the copper mineralization responds well to conventional processing techniques with excellent recoveries of copper and, in the case of Mirador, of gold as well. Independent resource calculations for Panantza indicated an inferred resource of 148 million tonnes of 0.82% copper and 0.1 g/t gold and, for Mirador, 182 million tonnes of 0.76% copper and 0.22 g/t gold. The drilling program at Mirador established the

general margins of the deposit and provided additional evidence that the mineralization continues at depth beyond Corriente's deepest drilling.

During 2003, the Ecuador work program completed drilling on seven holes totalling 2,113 metres of core on the Mirador target.

The company's 2004 exploration program completed drilling on 25, 9 and 10 holes totalling 5,812, 1,207 and 1,853 metres of core on the Mirador Norte, Panantza and San Miguel targets, respectively. Results were received from drilling at the Mirador Norte property, which is a copper deposit located approximately 3 km north of the Mirador copper-gold project. Drilling result highlights include 31 metres of 1.15% copper and 99 metres of 0.98% copper (including 24 metres of 1.56% copper). The main focus of the drilling at Mirador Norte was to identify higher grade, near surface zones, usually related to secondary enrichment of copper. The high-grade zones could provide an opportunity to enhance the economics of operations at the nearby Mirador Project, which has been the subject of several resource and feasibility studies.

For 2005, drilling was limited to the Mirador Project mine area for geotechnical and development study purposes.

In 2006, an additional 25 holes totalling 8,400 metres were completed. Results include hole PA039 with 17 metres of 1.31% copper in a secondary copper horizon overlying 399 metres of 0.66% copper, hole PA041 with 443 metres of 0.60% copper, and hole PA052 with 276 metres of 0.77% copper. One purpose of this drilling was to define the southern edge of Panantza's mineralization. However, rather than delineate the edge of the Panantza deposit, the most recent results indicate the Panantza mineralization extends farther south than previously recognized. The southernmost holes drilled, PA033 and PA034, were both terminated in copper mineralization averaging over 0.8% Cu at the hole bottoms, at approximately 330 metres and 342 metres deep respectively. The Panantza drill plan has now been expanded to complete additional holes to follow this mineralization to the south.

In addition, the deepest holes from this round of drilling (such as PA051) indicate mineralization extends more than 200 metres deeper than previous drilling in the southwest portion of the deposit and mineralization remains open for further extension at depth. The deposit is also still open to the south and west.

San Carlos is a large copper-molybdenum mineralized porphyry system with surface dimensions of about 2,000 metres x 2500 metres. The mineralization has been tested with 25 diamond drill holes at variable spacing. The current inferred resource estimate based on these drill holes is 657 million tonnes at 0.61% copper, calculated at a 0.4% copper cut-off.

The company feels that Panantza-San Carlos concessions represent a rare opportunity to capitalize on seven years of community work, project engineering and management development that has been built around the nearby Mirador Project. This body of knowledge will significantly assist in the project development process and at the same time allow the company to take economic advantage of infrastructure that is being put in place for the Mirador Project.

#### *Government Relations*

Since December 2006, Corriente's management has continually sought to work closely with the Ecuador Government in realizing an objective of developing a responsible mining industry for the benefit of all stakeholders.

In this regard, we believe that recent developments, such as the President's consistent support for large-scale mining and his stewardship in the creation of a new Mining Law in the face of a vocal anti-mining movement, provide evidence that this objective is being achieved.

#### *Community Relations and Sustainable Development*

Corriente's approach to business and sustainable development involves implementing strategies beneficial to the community, environment and the country and its economy. The company's commitment and obligation to these strategies extend beyond standard compliance with national and international guidelines and involve building relationships based on honesty, openness and mutual trust. This is the

essence of Corriente's community relations and sustainable development theme: "El Trato Justo" or "A Fair Deal".

The company has designed and implemented a number of community relations ("CR") plan strategies after identifying local and regional communities' needs as well as the related impacts of the company's future mining activities on these communities. The company's CR plans focus on the critical needs of the local and regional communities and the provincial and federal governments, and are regularly reviewed to ensure appropriateness and effectiveness.

Since 2004, the company has actively initiated and provided financial, equipment and manpower resources in the areas of education, employment, health, building assistance, environmental preservation and cultural and economic development programs. The company continues to be committed to local communities in all aspects of its mining and economic development activities.

#### *Personnel*

Beginning in the second quarter of 2006, the company began hiring key management and technical staff for its Ecuador operating group, focused on the development and operations of the company's Mirador Project. While on the accelerated development timelines, the company was able to virtually complete the hiring of its senior management staff in Ecuador, all of whom were focused on the development and operations of the company's Mirador Project.

In connection with the Mirador Project timeline extension referenced above, on February 23, 2007, the company implemented a restructuring of its Ecuador operations to reduce the number of its employees while still maintaining a core group of technical and professional staff. Reflecting these initial and subsequent personnel changes for 2007, the company recorded severance expenses of approximately \$1.25 million for the year ended December 31, 2007.

As at December 31, 2008, the company had 98 employees, as shown in the table below. This represents an increase of 26 employees from December 31, 2007, virtually all of whom worked at or in support of the company's Community and Government Relations teams. Going forward, management expects that these teams, as well as those devoted to the Mirador EIAA and Project camp work, will be further expanded.

Personnel Classification	2008			2007
	Canada	Ecuador	Total	Total
Senior management	3	5	8	8
Technical and Admin	4	74	76	51
Labor	0	12	12	13
	7	91	98	72

#### *Social and Environmental*

The company has adopted a written Health, Safety, Environment and Community policy, which sets out the guidelines that it will follow in its implementation of responsible environmental stewardship and contributions to an enhanced standard of living and improved health and safety in the communities in which it operates.

#### Environmental Impact Assessments ("EIA")

On May 4, 2006, Corriente announced that the Mirador Project's EIA was approved by the MMP.

The EIA covered both the environmental aspects of proposed mining operations in Mirador and community and social plans associated with the same project. During the lengthy preparation of the EIA, the company worked closely with the MMP to ensure that the report met all required government guidelines and regulations. The Mirador EIA is one of the most comprehensive documents on social and environmental issues ever submitted to the MMP in Ecuador for a mining project. The submission of the EIA and subsequent approval followed an extensive consultation process with local communities carried out in late November and early December 2005.

As a requirement of the MMP's approval of the Mirador EIA, the company was required to post US\$3,024,000 (amortized cost at December 31, 2008 – C\$3,683,000) in favour of the MMP as a security deposit against the company's obligations under the EIA. The required security deposit amount is reviewed on an annual basis by the MMP and is expected to be subject to adjustment as the project progresses to completion.

In September 2006, the company filed an amendment to the Mirador EIA ("EIAA") to allow for mill, tailings and dump location changes to the original mine plan. While subsequent public consultations were successful, the EIAA was rejected by authorities in May 2007 and is being revised for re-submittal now that the new Mining Law is in place. The EIAA will also incorporate engineering enhancements completed through 2008 on the Mirador Project.

For the company to receive a mine operating permit for the Mirador Project, approvals for the EIAA and construction and operating-related permit applications must be received from the MMP and other Ecuador governmental authorities during the course of development of the Mirador mine, prior to the beginning of mine operations.

In December 2007, Corriente announced that the Ministry of Environment (the "MOE") in Ecuador approved the EIA for the company's port operation in Machala (the "Machala EIA"), which is designed to act as a shipping facility for copper concentrates sent to overseas smelters. In October 2008, the Ministry of Environment in Ecuador approved the Environmental License for Corriente to build and operate the dedicated port. The company owns a 27 hectare port site on the Santa Rosa Channel in Machala, which is connected to the Mirador Project by a 400 km paved highway. Receipt of the Machala EIA is an important part of the overall Mirador Project approval process and provides the key access for a Pacific shipping route for the company's copper concentrates. As a requirement of the MOE's approval of the Machala Port EIA, the company was required to post US\$307,000 (amortized cost at December 31, 2008 – C\$374,000) in favour of the MMP as a security deposit against the company's obligations under this EIA.

## **RISK FACTORS**

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the company strives to manage such risks to the extent possible and practical. It should be noted that this list is not exhaustive and that other risk factors may apply. Few exploration projects successfully achieve development and production. Due in some cases to factors that cannot be predicted or foreseen, an investment in the company may not be suitable for all investors. Following are the risk factors which the company's management believes are most important in the context of the company's business.

### *Foreign Country and Political Risk*

The mineral properties on which the company is actively pursuing its exploration and development activities are all located in Ecuador, South America. As a result, the company is subject to certain risks, including currency fluctuations and possible political or economic instability in Ecuador, which may result in the impairment or loss of mineral concessions or other mineral rights. In recent history, Ecuador has undergone numerous political changes at the national executive branch, legislative branch and judicial branch levels. Also, mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations related to the mining industry.

Any changes in regulations or shifts in political attitudes are beyond the control of the company and may adversely affect its business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on future exploitation and production, price controls, export controls, foreign exchange controls, import duties, royalties, income taxes, expropriation of property, environmental legislation and mine and/or site safety.

Despite the April 29, 1996 "Agreement between the Government of Canada and the Government of the Republic of Ecuador for the Promotion and Reciprocal Protection of Investments", the company's mineral

properties could conceivably be expropriated by the Ecuador Government, which could result in a significant or total loss for the company without compensation.

In November 2006, Rafael Correa won the Ecuador Presidential run-off election over Alvaro Noboa and officially took office on January 15, 2007. During the intervening (transition) period, the administration of President Alfredo Palacio experienced a number of indigenous protests in southeast Ecuador which eventually resulted in the suspension of the company's exploration and development activities (see "*Properties in Advanced Development - Mirador Project*") and a delay in the Mirador Project's development timeline.

Since President Correa's January 15, 2007 inauguration, his administration has focused primarily on exacting electoral and governmental reforms. In April 2007, a National Referendum approved the creation of a Constitutional Assembly to replace Congress. On September 30, 2007, Constitutional Assembly elections were held in which President Correa's Alianza Pais party had elected 80 of the 130 members of the Constitutional Assembly, thereby giving the President a clear majority in the Assembly.

On April 18, 2008, the Constitutional Assembly of Ecuador passed the Mandate into law on April 18, 2008, which established a number of conditions and restrictions on metallic mining concessions previously issued by the Government of Ecuador (see "*Significant Events for the Period Ended December 31, 2008 and to date*"). According to the Ministry of Mines and Petroleum (the "MMP"), the new Mining Law (note 15) enacted on January 29, 2009 establishes the new legal framework for mining. However, the Regulations underlying the Mining Law have yet to be developed, creating some uncertainty regarding the mining industry in Ecuador. To date, the company's discussions with the MMP and legal counsel have not resulted in a determination of any material impairment in the carrying value of the company's concessions as a result of the lack of defined Regulations or clear governmental confirmation that the Mandate is no longer in effect.

While the new Mining Law is considered to be a significant milestone for the country, much work remains to be done in developing the Regulations to the Mining Law and finalizing the terms and conditions that would foster feasible mining investments in Ecuador.

Management believes that the current political and mining investment climate in Ecuador will improve and stabilize, but there can be no certainty that this will be the case in the near future.

To mitigate such risk, the company funds its Ecuador operations on an as-needed basis and works closely with federal and territorial governments and community groups. The company does not presently maintain political risk insurance for its foreign exploration and development projects.

#### *Economic Instability May Affect the Company's Business*

Since the middle of 2008, macroeconomic events, including global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns have negatively affected prices for commodities, including copper. Within this timeframe, the company's market capitalization has fluctuated significantly. Although circumstances may improve over the longer term, the impact upon the company's liquidity and its ability to raise the capital required to execute its business plans going forward may be negative. As a result, the company will consider its business plans and options carefully going forward into 2009. The company intends to preserve its cash balances to the greatest extent possible by curtailing capital and operational expenditures where possible.

The company has assessed the carrying values of its mineral properties as a result of the market downturn in copper prices and based on current and expected metals prices and cost structures, management has determined that the values of the company's mineral properties have not been impaired at this time. However, should current market conditions and commodity prices become significantly worse, recognition of an impairment of mineral properties may be required.

#### *Exploration and Mining Risks*

The business of exploring for minerals and mining involves a high degree of risk. Due in some cases to factors that cannot be foreseen, only a small proportion of the properties that are explored are ultimately developed into producing mines. There is no assurance that the company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. At present, only the company's Mirador

Project property has proven or probable reserves while any planned exploration programs for the company's other properties are exploratory searches for proven or probable reserves. The mining areas presently being assessed by the company may not contain economically recoverable volumes of minerals or metals.

The operations of the company may be disrupted by a variety of risks and hazards which are beyond the control of the company, including labour disruptions, accidents, the inability to obtain suitable or adequate machinery, equipment or labour and other risks involved in the conduct of exploration programs. Once economically recoverable volumes of minerals are found, substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or have sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing copper, gold and other mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Depending on the price of copper or other minerals produced, which have fluctuated widely in the past, the company may determine that it is impractical to commence or continue commercial production.

An additional project risk related to the company's development of its Mirador and Panantzsa-San Carlos Projects includes the cyclical demand for major components and resources utilized in a mine's construction and operation, including equipment, parts and qualified employees. These same conditions may also adversely impact the mine's ultimate construction schedule if an inordinate demand on metals causes shortages or cost increases.

#### *Surface Rights and Access*

Although the company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time-consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the legal right to access the surface and carry on mining activities, the company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the company may need to rely on the assistance of local officials or the courts in such jurisdiction.

#### *Estimates of Mineral Resources and Production Risks*

The mineral resource estimates disclosed by the company are estimates only, and no assurance can be given that any proven or probable reserves will be discovered or that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, earthquakes, fire, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Consequently, the company's estimated mineral resources should not be interpreted as assurances or evidence of commercial viability or potential or of the profitability of any future operations.

### *Financing Risks*

The company has no source of positive operating cash flow and has no assurance that additional funding that could be needed in addition to its cash and cash equivalents on hand will be available for further exploration and project development. Further advanced development of one or more of the company's properties will be dependent upon the company's ability to obtain financing through joint venturing, equity or debt financing or other means. Although the company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of its projects.

Additional funds raised by the company through the issuance of equity or convertible debt securities will cause the company's current stockholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the company's common stockholders.

The company does not have any contractual restrictions on its ability to incur debt and expects to incur significant amounts of indebtedness to finance development of its Mirador Project through the construction phase. Any such indebtedness could contain covenants which would restrict the company's operations.

### *Limited Experience with Development-Stage Mining Operations*

The company has no previous experience in placing mineral properties into production and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies or contractors that can provide such expertise. There can be no assurance that the company will have available to it the necessary expertise when and if it places its mineral properties into production.

### *Base and Precious Metals Prices*

The principal activity of the company is the exploration and development of copper-gold mineral properties. The mineral exploration and development industry in general is intensely competitive and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist for the sale of the same. Factors beyond the control of the company may affect the marketability of any substances discovered. Base and precious metals prices have fluctuated widely, particularly in recent years. The feasible development of such properties is highly dependent upon the price of copper and, to a lesser extent, gold. A sustained and substantial decline in commodity copper prices could result in the write-down, termination of exploration and development work or loss of its interests in identified mineral properties.

### *Competition*

The company competes with many companies that have substantially greater financial and technical resources for the acquisition of mineral properties and mining and processing equipment, the securing of engineering services and the recruitment and retention of qualified employees and consultants.

### *Environmental and other Regulatory Requirements*

The activities of the company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Companies engaged in exploration and development activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the company may require for exploration and development of its

properties will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the company may undertake.

The company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities resulting from exploration and/or mining activities and these may be costly to remedy. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Corriente's policy is to abide by the regulations and requirements of Ecuador and the company's Health, Safety and Environmental Policies, as well as its approved EIA's.

#### *Infrastructure*

Mining, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the company's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the company's projects will be commenced or completed on a timely basis, if at all; the company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of the company's advanced-stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the company's operations and profitability.

#### *Uninsured or Uninsurable Risks*

The company may become subject to liability for pollution or hazards against which it cannot insure or may elect not to insure where premium costs are disproportionate to the company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration, development and production activities.

#### *Title Matters*

Title to and the area of mining concessions may be disputed. 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 or the rights of indigenous peoples.

#### *Repatriation of Earnings*

Currently there are no restrictions on the repatriation from Ecuador of earnings to foreign entities. However, despite the existence of a Canada – Ecuador Tax Treaty, there can be no assurance that restrictions on repatriation of earnings from Ecuador will not be imposed in the future.

#### *Foreign Subsidiaries*

The company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the company's valuation and stock price.

### *Dependence on Key Personnel*

The company's development to date has largely depended on, and in the future will continue to depend on, the efforts of key management, project management and operations personnel. Loss of any of these people could have a material adverse effect on the company and its business. The company has not obtained and does not intend to obtain key-person insurance in respect of any officers or other employees.

### *Share Price Fluctuations*

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development-stage companies such as the company, have experienced wide fluctuations in price which have not necessarily been related to the underlying asset values or prospects of such companies. Price fluctuations will continue to occur in the future.

### *No Dividends*

The company has no history of earnings from operations and, due to the nature of its business, there can be no assurance that the company will ever be profitable. Investors cannot expect to receive a dividend on their investment in the company in the foreseeable future, if ever. Investors should not expect to receive any return on their investment in the company's securities other than possible capital gains.

### *Financial Risk*

The company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and copper price risk).

#### *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual payment obligations. The company's credit risk is primarily attributable to cash and cash equivalents and investments.

The company's cash and cash equivalents and investments are held at a large Canadian financial institution, which has no known liquidity problems. Any cash maintained in Ecuador is held in a well-established bank. The company's cash equivalent investments (presented as part of cash and cash equivalents) are comprised of financial instruments issued by a Canadian chartered bank, which carry a R1-High (DBRS) investment rating and are easily liquidated, as they mature daily. The company's largest concentration of financial assets, investments, are exclusively in instruments of the Province of Ontario and a Canadian Crown corporation, and carry a R1-High (DBRS) investment rating, and are easily liquidated. The company has no investments in asset-backed commercial paper. The company manages counterparty credit risk by regularly monitoring counterparty credit ratings.

The company's accounts receivable consist mainly of GST receivable due from the Government of Canada. The EIA deposits included in other assets are held in a major US bank and are comprised of financial instruments issued by a large US bank.

The convertible loan in the amount of \$957,000 is due from Q2 Gold, a related company, and its subsidiaries. Q2 Gold's assets are primarily made up of concessions located in Ecuador which are believed to have gold resource potential. The convertible loan is collateralized by the assets of Q2 Gold.

#### *Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 12 to the consolidated financial statements.

Accounts payable relating to mineral properties and other accounts payable and accrued liabilities are due within the current operating period. As at December 31, 2008, the company had a total cash, cash equivalents and investments balance of \$93,777,000 to settle current liabilities of \$1,595,000.

## Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange, interest rates and commodity prices.

### (a) Currency risk

The company's expenditures are predominantly in US dollars and any future equity raised is expected to be predominantly in Canadian dollars. The company conducts the majority of its business in Ecuador, which uses the US dollar as its primary economic currency. Future project development expenditures are expected to be paid in US dollars. A significant change in the relative currency exchange rates between the Canadian dollar and the US dollar would have an effect on the company's balance sheets, statements of earnings (loss) and cash flows.

As such, the company is subject to risk due to fluctuations in the exchange rates for the US and Canadian dollar. Beginning in 2007, the company began maintaining balances in Canadian and US dollars in a proportion related to the magnitude of future mineral property, plant and equipment, and administrative expenditures, and the jurisdictions in which they will likely be made. The company has not hedged its exposure to currency fluctuations.

At December 31, 2008, the company is exposed to currency risk through the following financial assets and liabilities denominated in US dollars:

	<i>in thousands of US dollars</i>	
	December 31, 2008	December 31, 2007
Cash and cash equivalents	\$ 3,703	\$ 78,747
Investments	61,771	–
Other assets	3,518	4,277
Accounts payable relating to mineral properties	(1,151)	(1,671)

Based on the above net exposures as at December 31, 2008, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase or decrease of approximately \$6,800,000 in the company's net earnings.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the company will realize a loss as a result of a decline in the fair value of the investments or EIA deposits included in other assets is limited because these deposits will be held to maturity, have fixed interest rates and were issued by Canadian provincial and Crown corporations or major banks. Changes in interest rates would not have a significant impact on the company's consolidated statements of earnings (loss).

### (c) Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings or economic value due to commodity price movements and volatilities. The company closely monitors commodity prices of copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the company. Fluctuations in commodity pricing may be significant, and the associated price risk cannot be estimated at this stage of the company's development. The company does not have any hedging or other commodity-based risks respecting its operations.

## CAPITAL STRUCTURE

Corriente's authorized capital consists of an unlimited number of common shares without par value. Each holder of common shares is entitled to receive notice of and to attend any meetings of the shareholders of the company and is entitled to one vote in respect of each common share held at such time. Each holder of common shares is entitled to receive dividends, if any, as and when declared by our Board of Directors. Holders of common shares are entitled to participate equally in any distribution of our net assets upon liquidation, dissolution or winding-up. There are no pre-emptive, retraction, surrender, redemption, repurchase for cancellation or conversion rights attaching to the common shares.

## DIVIDENDS

The company has not paid any dividends on its common shares since its incorporation. The company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

## MARKET FOR SECURITIES

The company's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol CTQ, the NYSE AMEX Exchange (formerly the American Stock Exchange) under the symbol ETQ and on the Frankfurt, Munich and Berlin stock exchanges in Germany, under the symbol CRB. The WKN number is 871 464 and the ISIN number is CA22027E1025.

The Toronto Stock Exchange reported the following price ranges and volumes traded in respect of the company's shares in each month of the fiscal year ended December 31, 2008:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January 2008	5.45	3.50	2,527,000
February 2008	5.52	4.28	1,563,800
March 2008	5.84	4.51	1,177,700
April 2008	5.50	2.50	2,700,100
May 2008	4.60	3.55	1,124,900
June 2008	4.80	4.00	1,066,700
July 2008	4.66	3.53	1,145,000
August 2008	5.13	4.17	958,800
September 2008	5.09	3.82	1,616,400
October 2008	4.74	2.65	2,115,100
November 2008	3.29	2.56	1,558,900
December 2008	4.17	2.68	2,843,500

The NYSE AMEX Exchange (formerly the American Stock Exchange) reported the following price ranges (\$US) and volumes traded in respect of the company's shares in each month of the fiscal year ended December 31, 2008:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January 2008	5.65	3.55	1,766,200
February 2008	5.60	4.28	1,365,600
March 2008	5.91	4.40	1,536,100
April 2008	5.49	2.48	3,067,400
May 2008	4.63	3.52	1,077,800
June 2008	4.72	3.62	958,600
July 2008	4.56	3.44	1,139,100
August 2008	4.75	3.90	951,200
September 2008	4.98	3.55	1,573,200
October 2008	4.35	2.05	2,207,100
November 2008	2.76	1.92	1,152,600
December 2008	3.57	2.17	1,733,400

### DIRECTORS AND OFFICERS

The names and municipalities of residence, offices held with the company and principal occupations of the directors and executive officers of the company, all of whom are resident in Canada, are as follows:

Name, Municipality of Residence and Position with the company	Director Since	Principal Occupation During Previous Five Years
KENNETH R. SHANNON Surrey, British Columbia Chief Executive Officer and Director	January 8, 1992	Chief Executive Officer of the company; geologist
DANIEL A. CARRIERE Vancouver, British Columbia Senior Vice-President	N/A	Senior Vice-President of the company, January 2004
DARRYL F. JONES Surrey, British Columbia Corporate Secretary and Chief Financial Officer	N/A	Chief Financial Officer and Corporate Secretary of the company
RICHARD P. CLARK <sup>(1)(2)(3)</sup> North Vancouver, British Columbia Director	July 30, 1996	President & Chief Executive Officer, Red Back Mining Inc., June 2004 to present
DAVID G. UNRUH <sup>(1)(2)(3*)</sup> West Vancouver, British Columbia Director	January 4, 2006	Retired since June 2005. Non-executive Vice Chair of both Westcoast Energy Inc. and Union Gas Limited, April 2003 to June 2005
ANTHONY F. HOLLER <sup>(2*)(3)</sup> Vancouver, British Columbia Chairman and Director	September 10, 2003	Non-executive Chairman of the company since May 2006; Chief Executive Officer and Director of ID Biomedical Corporation, 1988 to December 2005
G. ROSS MCDONALD <sup>(1)(3)</sup> North Vancouver, British Columbia Director	January 7, 2004	Chartered accountant in public practice with Smythe Ratcliffe Chartered Accountants, Vancouver, BC.
DALE C. PENIUK <sup>(1*)</sup> West Vancouver, British Columbia Director	September 8, 2006	Chartered Accountant, Self-employed financial consultant, March 2006 to present; Assurance Partner, KPMG LLP Chartered Accountants, 1996 to February 2006

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Member of the Corporate Governance and Nominating Committee
- \* Committee Chair

All of the above directors stand for election at each annual general meeting of the company. The present term of office of each of the directors will expire at the company's annual general meeting in May 2009.

#### Shareholdings of Directors and Officers

To the knowledge of the company, as of March 30, 2009, all directors and executive officers of the company, as a group, beneficially own or exercise control or direction over, directly or indirectly, 7,564,141 common shares, or approximately 10.1% of the company's issued and outstanding shares.

#### Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the company, no director or executive officer of the company or shareholder holding a sufficient number of securities of the company to affect materially the control of the company is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other company that: (i) was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity of a director, chief executive officer or chief financial officer; (ii) was subject to an Order issued after the director, chief executive officer or chief financial officer ceased to act in that capacity and which resulted in an event that occurred while that person was acting in that capacity.

To the knowledge of the company, no director or executive officer or shareholder holding a sufficient number of securities of the company to affect materially the control of the company is, or within the 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other company that became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### Penalties or Sanctions

To the knowledge of the company, no director or officer of the company or shareholder holding a sufficient number or securities of the company to affect materially the control of the company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority, or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### Personal Bankruptcies

To the knowledge of the company, no director or officer of the company or shareholder holding a sufficient number or securities of the company to affect materially the control of the company, or a personal holding company of any such person, has, during the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to a bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

## AUDIT COMMITTEE INFORMATION

### Charter of the Audit Committee

The mandate of Corriente's audit committee is attached as Schedule A to this Annual Information Form.

### Composition of the Audit Committee

The audit committee presently consists of Dale C. Peniuk (Chair), Richard P. Clark, G. Ross McDonald and David G. Unruh.

The board of directors of Corriente has determined, in accordance with Multilateral Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("MI 52-110"), that each member of the audit committee is both financially literate and independent.

### Relevant Education and Experience

The education and experience of each member of the audit committee that is relevant to the performance of his responsibilities as an audit committee member is described below:

**Dale C. Peniuk** Until March 2006, Mr. Peniuk was an assurance partner with KPMG's Vancouver office specializing in the mining area and the leader of KPMG's Vancouver office mining industry group. He was the lead audit engagement partner for a number of KPMG's Vancouver mining company clients. In addition to his expertise with Canadian GAAP and reporting standards, he has significant experience dealing with US GAAP and International Financial Reporting Standards. He also has been actively involved in the corporate finance area for his clients, including assistance with financings, due diligence on potential merger and acquisition opportunities and divestiture transactions. Mr. Peniuk is a member in good standing of the Institute of Chartered Accountants of BC.

**Richard P. Clark** Mr. Clark is the President and Chief Executive Officer of Red Back Mining Inc., the shares of which are listed on the Toronto Stock Exchange. He earned a Bachelor of Arts degree and a Bachelor of Laws degree from the University of British Columbia and practiced mining and securities law in Vancouver from 1987 to 1993 before leaving the practice of law to become actively involved in the management of mineral exploration and development companies.

**G. Ross McDonald** Mr. McDonald is a Chartered Accountant in public practice with Smythe Ratcliffe Chartered Accountants, Vancouver, BC. Previously, Mr. McDonald was a sole practitioner, providing accounting, audit and tax services to a number of Vancouver mining company clients over the past 30 years. Mr. McDonald is a member in good standing of the Institute of Chartered Accountants of BC.

**David G. Unruh** Mr. Unruh earned a Bachelor of Arts degree in 1966 and a Bachelor of Laws in 1970 from the University of Manitoba. Mr. Unruh joined Westcoast Energy Inc. as Senior Vice President, Law and Corporate Secretary in 1993 and continued in that role until March 14, 2002. From March 15, 2002 until his retirement on April 1, 2003, he was Senior Vice President and General Counsel for Duke Energy Gas Transmission's North American operations. From April 1, 2003 to June 30, 2005, he was non-executive Vice Chair of both Westcoast Energy Inc. and Union Gas Limited. He is a Director of Union Gas Limited, Ontario Power Generation Inc., and Pacific Northern Gas Ltd.

### Pre-Approval Policies and Procedures

The audit committee must pre-approve all non-audit services to be provided to the company by its external auditors. The audit committee may delegate that authority to any member of the committee, provided that a report on any such pre-approval is made to the committee at its next scheduled meeting.

## External Auditor Service Fees

The following table sets forth, by category, the fees billed by PricewaterhouseCoopers LLP, Corriente's auditors, in the years ended December 31, 2008 and 2007:

Fee Category	Fees Billed In	
	2008	2007
Audit fees <sup>(1)</sup>	\$ 356,258	\$ 173,021
Tax fees <sup>(2)</sup>	25,601	109,050
Quarterly review fees <sup>(3)</sup>	39,000	40,208
All other fees <sup>(4)</sup>	–	82,609
<b>Total</b>	<b>\$ 420,859</b>	<b>\$ 404,888</b>

(1) The aggregate fees billed by PricewaterhouseCoopers LLP, the company's Independent Registered Chartered Accountants, in the fiscal years ended December 31, 2008 and 2007 for professional services rendered by PricewaterhouseCoopers LLP for the audit of the company's annual consolidated financial statements and internal control over financial reporting, and services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements for such years were \$356,258 and \$173,021, respectively.

(2) The aggregate fees billed by PricewaterhouseCoopers LLP in the fiscal years ended December 31, 2008 and 2007 for professional services rendered by it for tax compliance, tax advice, tax planning and other services were \$25,601 and \$109,050, respectively.

(3) The aggregate fees billed by PricewaterhouseCoopers LLP in the fiscal years ended December 31, 2008 and 2007 for services provided by it for quarterly review of unaudited interim consolidated financial statements were \$39,000 and \$40,208, respectively.

(4) The aggregate fees billed by PricewaterhouseCoopers LLP in the fiscal years ended December 31, 2008 and 2007 for services provided by PricewaterhouseCoopers LLP, other than the services reported in the preceding four paragraphs, were \$Nil and \$82,609, respectively.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The company is not the subject of, or party to, any legal proceedings that may be considered material to the company, and it is not and has not been subject to any penalties or sanctions imposed by a court or a securities regulatory authority.

## TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the company's shares is Computershare Investor Services Inc. through its offices located in Vancouver, British Columbia, Toronto, Ontario and Denver, Colorado.

## MATERIAL CONTRACTS

There are no contracts that may be considered material to the company, other than contracts entered into in the ordinary course of business, that have been entered into by the company in the past fiscal year or that have been entered into by the company in a previous fiscal year and are still in effect.

## INTERESTS OF EXPERTS

The auditors of the company are PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP, Chartered Accountants, report that they are independent of the company in accordance with the rules of professional conduct in British Columbia, Canada.

## **ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the company's securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, if applicable, is contained in the company's information circular in connection with the company's upcoming annual general meeting to be held May 28, 2009, a copy of which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) in April 2009.

Financial information is available in the company's audited financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2008, a copy of which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). For copies of documents, please contact the company at 520 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, telephone (604) 687-0449, fax (604) 687-0827.

## SCHEDULE A

### AUDIT COMMITTEE MANDATE

The Board has established an Audit Committee (the “Committee”) to assist the Board in fulfilling its oversight responsibilities regarding the integrity of the Company’s accounting, financial reporting, internal controls, disclosure controls, and legal and regulatory compliance.

#### 1. Membership

- 1.1. The Committee will have a minimum of three members, including the Chair of the Committee. The Board will appoint and remove the members of the Committee by a majority vote. The members will sit on the Committee at the pleasure of the Board.
- 1.2. The Board will appoint the Chair of the Committee from the Committee’s members by a majority vote. The Chair of the Committee will hold such position at the pleasure of the Board.
- 1.3. Each member of the Committee will be a director of the Company who has been determined by the Board:
  - a. to be independent of management and of any direct or indirect material business or other relationship with the Company that could interfere with his or her exercise of independent judgment or his or her ability to act in the best interests of the Company; and
  - b. to satisfy all the tests for independence (or available exemptions) under applicable laws and rules binding on the Company from time to time, including the applicable rules of any stock exchange on which the Company’s shares are listed or the securities regulatory authority that the Company is governed by.
- 1.4. All members of the Committee will be financially literate, meaning that each of them will have the ability to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that could reasonably be expected to be raised by the Company’s financial statements.
- 1.5. Notwithstanding section 1.4, a director who is not financially literate may be appointed to the Committee provided that he or she becomes financially literate within a reasonable period of time following his or her appointment.
- 1.6. At least one member of the Committee shall be an “audit committee financial expert” within the meaning of applicable rules of the Securities and Exchange Commission and National Instrument 52-110 of the Canadian Securities Administrators.

#### 2. Meetings

- 2.1. The Committee will meet at least once each quarter and otherwise as necessary. Any member of the Committee may call meetings of the Committee.
- 2.2. All directors of the Company, including management directors, may attend meetings of the Committee, provided that no director may vote at such meetings or be counted as part of the quorum if he or she is not a member of the Committee.
- 2.3. Notwithstanding section 2.2, the Committee will, as part of each regularly scheduled meeting or as deemed appropriate by the Committee, hold an in-camera session with the external auditors without management or management directors present. The Committee may hold other in-camera sessions with or without such members of management present as the Committee deems appropriate.
- 2.4. The Corporate Secretary or his or her nominee will act as Recording Secretary to the Committee, and will keep minutes of all meetings of the Committee, including all resolutions passed by the Committee.
- 2.5. The Committee will report to the Board on its meetings and each member of the Board will have access to the minutes of the Committee’s meetings.
- 2.6. The Chair of the Committee will ensure that the external auditors of the Company receive notice of every meeting of the Committee. The external auditors may request that a meeting of the Committee be called by notifying the Chair of the Committee of such request.

- 2.7. The quorum necessary for the transaction of business at Committee meetings will be a majority of the members of the Committee. A quorum, once established, is maintained even if members of the Committee leave the meeting prior to its conclusion.

### **3. Duties**

The Board hereby delegates to the Committee the following duties to be performed by the Committee on behalf of and for the Board:

#### Financial Reporting

- 3.1. Prior to public disclosure, the Committee will review and recommend to the Board for approval:
- a. the annual audited consolidated financial statements of the Company and accompanying management's discussion and analysis;
  - b. the unaudited interim consolidated financial statements of the Company and accompanying management's discussion and analysis;
  - c. earnings press releases and earnings guidance, if any;
  - d. the Company's Annual Information Form and Annual Report on Form 40-F;
  - e. any management information circular issued by the Company; and
  - f. any prospectus or registration statement filed by the Company.
- 3.2. In its review of the financial statements, the Committee will focus on:
- a. the quality and appropriateness of accounting and reporting practices and principles and any changes thereto;
  - b. major estimates or judgments, including alternative treatments of financial information discussed by management and the external auditors, the results of such discussions and the treatments preferred by the external auditors;
  - c. material financial risks, transactions, adjustments, compliance with loan agreements, and off-balance sheet transactions and structures;
  - d. related-party transactions;
  - e. compliance with accounting standards;
  - f. compliance with legal and regulatory requirements; and
  - g. disagreements with management.
- 3.3. The Committee will satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in section 3.1, and will periodically assess the adequacy of those procedures.

#### External Auditors

- 3.4. The external auditors will report directly to the Committee. The Committee will:
- a. select the external auditors to be recommended to shareholders for approval, for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and approve all audit engagement fees and terms, taking care to ensure that in the opinion of the Committee, the audit fees charged by the external auditors with respect to the audit are appropriate in relation to the work required to support an audit opinion, without regard to fees that are paid or payable or might be paid to the external auditors for other services;
  - b. oversee the work of the external auditors and review the annual audit plan of the external auditors, including the scope of the audit to be performed. The Committee will discuss with the external auditors and management the adequacy and effectiveness of the disclosure controls and procedures and internal controls over financial reporting of the Company and elicit recommendations for the improvement of such controls or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of internal controls to prevent or detect any payments, transactions or procedures that might be deemed illegal or otherwise improper;
  - c. meet regularly with the external auditors without management present and ask the external auditors to report any significant disagreements with management regarding financial reporting, the resolution of such disagreements and any restrictions imposed by management

- on the scope and extent of the audit examinations or interim reviews conducted by the external auditors;
- d. pre-approve all audit, audit-related and permitted non-audit services to be provided to the Company or any of its subsidiaries by the external auditors, in accordance with applicable securities laws;
  - e. annually review the qualifications, expertise and resources and the overall performance of the external audit team and, if necessary, terminate the external auditors or cause the rotation of the audit partner in charge of the engagement;
  - f. at least annually, obtain and review a report by the external auditors describing the audit firm's internal quality-control procedures, any material issues raised by the most recent internal quality control review, peer review or review by an auditor oversight body of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues, and all relationships between the external auditors and the Company;
  - g. annually assess and confirm the independence of the external auditors and require the external auditors to deliver a report to the Committee regarding its independence, such report to include disclosure regarding all engagements (and fees related thereto) by the Company and relationships which may affect the objectivity or independence of the external auditors;
  - h. actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor and for taking appropriate action for overseeing the independence of the external auditor;
  - i. review post-audit management letters containing recommendations of the external auditors, and management's response to such letters;
  - j. review reports of the external auditors; and
  - k. pre-approve the hiring of employees and former employees of current and former auditors.

Notwithstanding section 3.4.d above, the Committee may delegate the pre-approval of audit, audit-related and non-audit services to any one member of the Committee, provided that a report on any such pre-approval is made to the Committee at the Committee's first scheduled meeting following the pre-approval.

#### Whistleblower, Ethics and Internal Controls Complaint Procedures

- 3.5. The Committee will ensure that the Company has in place adequate procedures for:
- a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
  - b. and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Accounting and Financial Management

- 3.6. The Committee will review:
- a. with management and the external auditors, the Company's significant accounting policies and practices, including any changes from preceding years and any proposed changes for future years;
  - b. with management and the external auditors, emerging accounting issues and their potential impact on the Company's financial reporting;
  - c. significant judgments, assumptions and estimates made by management in preparing financial statements;
  - d. the evaluation by management of the adequacy and effectiveness of the Company's disclosure controls and procedures and internal controls over financial reporting;
  - e. the evaluation by the external auditors of management's internal control systems, management's responses to any identified deficiencies or weaknesses, and any special audit steps adopted in light of material deficiencies or weaknesses;
  - f. all alternative treatments of financial information discussed by the external auditors and management, the results of such discussions, and the treatments preferred by the external auditors;
  - g. the effect of off-balance sheet transactions or structures on the financial statements;
  - h. any errors or omissions in, and any required restatement of, the financial statements for preceding years:

- i. all significant tax issues;
- j. all material contingent liabilities and related-party transactions;
- k. management's approach to safeguarding corporate assets and information systems, the adequacy of staffing of key financial functions, and plans for improvements; and
- l. internal interim and post-implementation reviews of major capital projects.

#### Legal/Regulatory Matters and Ethics

- 3.7. The Committee will review:
- a. with management, the external auditors and legal counsel, any litigation, claim or other contingency, including any tax assessment, that could have a material effect upon the financial position or operating results of the Company;
  - b. annually, management's relationships with regulators, and the accuracy and timeliness of filings with regulatory authorities;
  - c. annually, the ethics policy, management's approach to business ethics and corporate conduct and the program used by management to monitor compliance with the policy; and
  - d. review and approve all related party transactions with any director, executive officer, holder of 5% or more of the Company's voting securities or any family member of the foregoing persons.

#### Risk Management

- 3.8. The Committee will:
- a. consider management reports on the insurance coverage of the Company;
  - b. consider management reports on financial risk management, including derivative exposure and policies;
  - c. review other risk management matters as from time to time the Committee may consider suitable or the Board may specifically direct.

#### Other

- 3.9. The Committee will review:
- a. the expenses of the Chief Executive Officer;
  - b. the proposed disclosure concerning the Committee to be included in the Company's Annual Information Form or any management information circular;
  - c. the disclosure policy of the Company; and
  - d. at least once annually, the adequacy of these Terms of Reference and the Committee's performance, and report its evaluation and any recommendations for change to the Corporate Governance Committee.
- 3.10. The Committee will oversee the Company's design and evaluation of the effectiveness of:
- a. disclosure controls and procedures; and
  - b. internal controls over financial reporting.
- 3.11. The Committee will also have such other duties and responsibilities as are delegated to it from time to time by the Board.

#### **4. Matters For Which The Committee Is Not Responsible**

The Committee is not responsible for those matters which are the responsibility of management or the external auditors including, without limitation:

- a. planning and conducting the external audit;
- b. ensuring that the financial statements of the Company have been prepared in accordance with generally accepted accounting principles;
- c. ensuring that the financial statements of the Company and the other financial information of the Company contained in regulatory filings and other public disclosure of the Company fairly present in all material respects the financial condition, results of operations and cash flows of the Company;
- d. ensuring the adequacy of the Company's disclosure controls and procedures structure, internal control over financial reporting structure and the financial risk management systems of the Company; and
- e. ensuring compliance with applicable laws and regulations.

## **5. Authority**

The Committee, in fulfilling its mandate, will have the authority to:

- a. engage and set compensation for independent counsel and other advisers;
- b. communicate directly with the Chief Executive Officer, Chief Financial Officer, external auditors and the Company's legal counsel;
- c. delegate tasks to Committee members or subcommittees of the Committee; and
- d. obtain from the Company appropriate funding as determined by the Committee to carry out its duties, including: for the payment of compensation of the Company's external auditors for the purpose of issuing an audit report or performing other audit services; compensation of counsel and other advisers; and other administrative expenses of the Committee.

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