Celeste Copper Corporation
(a development stage corporation)
Consolidated Interim Financial Statements
For the twelve month period ended November 30, 2008
and the six month period ended May 31, 2009

Contents

The accompanying unaudited interim consolidated financial statements of Celeste Copper Corp. for the quarter ended May 31, 2009 have been prepared by management and approved by the audit committee. These statements have not been reviewed by the Company’s external auditors.

July 30, 2009

Consolidated Interim Balance Sheets

	(unaudited) As at May 31, 2009	(audited) As at November 30, 2008
Assets		
Current assets		
Cash and cash equivalents	**$ 410,327**	$ 834,623
Accounts receivable (Note 11)	**15,527**	35,507
Prepaid expenses	**47,092**	42,823
	472,946	912,953
Restricted cash (Note 6)	**237,392**	682,414
Mineral properties (Note 4)	**2,394,694**	1,235,495
	$ 3,105,032	$ 2,830,862
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 11)	**$ 122,444**	$ 176,267
Option obligation (Note 6)	**596,993**	500,000
	719,437	676,267
Shareholders' Equity		
Equity Instruments (Note 7)	**2,733,589**	2,310,269
Contributed surplus (Note 7(d))	**423,223**	360,798
Deficit	**(771,217)**	(516,472)
	2,385,595	2,154,595
	$ 3,105,032	$ 2,830,862

Going concern assumption (Note 1)
Commitments (Note 10)

Celeste Copper Corporation
(a development stage corporation)
Consolidated Interim Statements of Loss, Comprehensive Loss and Deficit
(unaudited)

	Three months ended May 31, 2009	Three months ended May 31, 2008	**Six months ended May 31, 2009**	Six months ended May 31, 2008
Expense				
General and administrative expenses	**$ 103,172**	$ 67,071	**$ 179,308**	$ 107,249
Foreign exchange loss(gain)	**58,696**	210	**44,405**	2,852
Stock based compensation	**40,600**	-	**40,600**	-
Overhead recovery (Note 11)	**-**	-	**(6,000)**	-
	(202,468)	(67,281)	**(258,313)**	(110,101)
Interest income	**-**	-	**(3,568)**	-
Net loss and comprehensive loss for the period	**(202,468)**	(67,281)	**(254,745)**	(110,101)
Deficit, beginning of period	**(568,749)**	(94,465)	**(516,472)**	(51,645)
Deficit, end of period	**$ (771,217)**	$ **(161,746)**	$ **(771,217)**	$ (161,746)
Basic and diluted loss per share (Note 8)	$ **(0.01)**	**$** -	**$** **(0.01)**	$ -

	Three months ended May 31, 2009	Three months ended May 31, 2008	**Six months ended May 31, 2009**	Six months ended May 31, 2008
Cash flows from (used in) operating activities				
Net loss and comprehensive loss for the period	**$ (202,468)**	$ (67,281)	**$ (254,745)**	$ (110,101)
Non-cash items:				
Stock based compensation	**40,600**	-	**40,600**	-
Unrealized foreign exchange loss (gain) on cash and cash equivalents	**-**	-	**-**	-
	(161,868)	(67,281)	**(214,145)**	(110,101)
Change in non-cash working capital (Note 9)	**55,386**	21,155	**11,473**	157,481
	(106,482)	(46,126)	**(202,672)**	47,380
Cash flows from (used in) financing activities				
Peak Ridge investment (Note 6)	**96,993**	-	**96,993**	-
Deferred issue costs	**-**	(957)	**-**	(34,277)
Proceeds on issuance of share capital, net of issue costs	**445,145**	155,618	**445,145**	257,367
	542,138	154,661	**542,138**	223,090
Cash flows from (used in) investing activity				
Mineral property expenditures	**(938,123)**	(94,572)	**(1,159,199)**	(266,400)
Change in non-cash working capital (Note 9)	**(65,203)**	-	**(49,585)**	-
Restricted cash	**336,520**	-	**445,022**	-
	(666,806)	(94,572)	**(763,762)**	(266,400)
Increase(decrease) in cash and cash equivalents	**(231,150)**	13,963	**(424,296)**	4,070
Effect of foreign exchange on cash, cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of period	**641,477**	13,778	**834,623**	23,671
Cash and cash equivalents, end of period	**$ 410,327**	$ 27,741	**$ 410,327**	$ 27,741

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

1. Nature of Operations and Going Concern Assumption

Celeste Copper Corporation (the "Corporation") was incorporated under the Business Corporations Act (Alberta) on April 27, 2007. The Corporation is engaged in the exploration for and development of copper mineral properties in the country of Chile. To date the Corporation has not earned significant revenues from its exploration rights and is considered to be in the development stage. On January 11, 2008, the Corporation formed a subsidiary in Chile and transferred all prior mining costs and agreements. (99.90% owned by the Corporation and 0.10% owned by a third party) Although the Corporation has taken steps to verify the title to the resource 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 Corporation's title. Property title may be subject to unregistered prior agreements or transfers and as result the property titles may be affected by undetected defects.

Mineral properties, including exploration properties, are recognized in these consolidated financial statements in accordance with the accounting policies outlined in Note 2, accordingly, their carrying amounts represent costs incurred to date, net of abandonments and write-downs, and do not necessarily reflect present or future values. The ability of the Corporation to continue as a going concern and the recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete their development and upon future profitable operations. There is no assurance that these activities will be successful.

These consolidated financial statements have been prepared on a going concern basis, which assumes the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. These consolidated financial statements do not include any adjustments that would be necessary should the Corporation be unable to raise sufficient capital and consequently be unable to operate as a going concern.

2. Significant Accounting Policies

These consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Basis of consolidation
These consolidated financial statements include the accounts of the Corporation, its 99.9% owned Chilean subsidiary, Minera Alberta Chile Limitada and 1402227 Alberta Ltd. All intercompany balances and transactions have been eliminated upon consolidation.

2. Significant Accounting Policies - continued

b) Mineral properties

The Corporation's policy is to defer expenditures related to the acquisition, exploration and development of its exploration properties. If an exploration property is abandoned, continued exploration is not planned in the foreseeable future or when other events and circumstances indicate that the carrying amount may not be recovered, the accumulated costs and expenditures are written down to fair value. Deferred expenditures relating to exploration projects represent costs to be charged to operations in the future and do not necessarily reflect the present or future values of the particular projects. Development projects include those projects where development alternatives are in progress and/or studies have been completed suggesting that the properties are economically viable. The Corporation reviews the carrying amount of development projects when events or circumstances suggest that the carrying amount may not be recoverable.

Indications that the net carrying amount of the capitalized costs on the exploration properties may not be recovered would include when:

- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the foreseeable future;
- Lease ownership rights expire;
- Sufficient funding is not expected to be available to complete the exploration program; or
- Other indications of impairment exist.

Mineral properties and related expenditures are recorded at cost. These net costs are deferred until the mineral properties to which they relate are placed into production, sold or abandoned. The costs will be amortized using the unit-of-production method over the estimated useful lives of the mineral properties following the commencement of production or written off, if the mineral properties are sold, impaired or abandoned.

General exploration costs not specifically relating to a mineral property are expensed as incurred.

c) Asset retirement obligation

Asset retirement costs and liabilities associated with site restoration and abandonment of long lived assets are initially measured at fair value which approximates the cost a third party would incur in performing the tasks necessary to retire such assets. Such costs are capitalized as part of the cost of mineral properties and amortized to expense through depletion over the life of the asset. The change in the liability due to the passage of time is measured by applying an interest method of allocation to the opening liability and is recognized as an increase in the carrying value of the liability and an expense. The expense is recorded as accretion expense in the statement of loss. A change in the liability resulting from revisions to either the timing or the amount of the original estimate of undiscounted cash flow is recognized as an increase or decrease in the carrying amount of the liability, with an offsetting increase or decrease in the carrying amount of the associated asset.

At May 31, 2009, the Corporation has only performed preliminary exploratory work on its mineral properties, and has not incurred significant reclamation obligations. As such, no asset retirement obligation accrual was made in these consolidated financial statements.

2. Significant Accounting Policies - continued

d) Future income taxes

The Corporation follows the asset and liability method of accounting for income taxes. Under this method future tax assets and liabilities are determined based on differences between financial reporting and income tax bases of assets and liabilities, and are measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on the future tax assets and liabilities of a change in tax rates is recognized in net income in the period in which the change is substantively enacted. A valuation allowance is recorded against a future income tax asset if it is more likely than not that the asset will not be realized.

e) Foreign currency translation

Foreign currency accounts are translated into Canadian dollars as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in the determination of losses in the current year.

The Corporation uses the temporal method of foreign currency translation to translate the accounts of its integrated foreign subsidiary. The Corporation translates all foreign currency denominated monetary assets and liabilities at the period-end exchange rate. Foreign currency denominated non-monetary assets and liabilities are translated at their historical exchange rates. Expenses and other income are translated at the rates prevailing on the respective translation date. Exchange gains and losses resulting from movements in rates are reflected in operations in the period.

f) Per share amounts

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is presented using the treasury stock method and is calculated by dividing net earnings applicable to shares by the sum of the weighted average number of shares outstanding and all additional shares that would have been outstanding if potentially dilutive shares had been issued.

g) Stock based compensation

Under the fair value method, compensation cost attributable to all stock options granted is measured at fair value at the date of grant and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to share capital and the contributed surplus balance is reduced.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash, term deposits and other interest bearing instruments with maturity dates of 90 days or less.

2. Significant Accounting Policies - continued

i) Use of estimates
The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses and other income during the reporting period. Significant estimates and assumptions include those related to the recoverability of mineral properties, determinations as to whether costs are expensed or deferred and valuation assumptions for stock options and warrants. By their natures, these estimates and assumptions are subject to measurement uncertainty, and the impact in the consolidated financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

j) Financial instruments – recognition and measurement
This new standard requires all financial instruments within its scope, including all derivatives, to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The Corporation has classified its financial assets and liabilities as follows:

Held-for-trading	Other liabilities
Cash and cash equivalents	Accounts payable and accrued liabilities
Loans and receivables	
Accounts receivable	

k) Derivative instruments
Derivative instruments, including embedded derivatives, are recorded on the balance sheet at fair value unless they qualify for the normal sale and purchase exception. Changes in the fair values of derivative instruments are recognized in net loss with the exception of derivatives designated as cash flow hedges. The Corporation did not identify any derivatives which require separate recognition and measurement.

l) Comprehensive income
Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources and includes unrealized gains and losses on financial assets classified as held available-for-sale. In accordance with this new standard, the Corporation will report in a statement of comprehensive income combined with the statement of loss, other comprehensive income when comprehensive income is recorded, to date there has been none.

3. Changes in Accounting Policies

a) Accounting changes
Voluntary changes in accounting policies are permitted only if they result in consolidated financial statements which provide more reliable and relevant information. Accounting policy changes are applied retrospectively unless it is impracticable to determine the period or cumulative impact of the change. Corrections of prior period errors are applied retrospectively and change in accounting estimates are applied prospectively by including the effect of the change in earnings.

b) Financial Instruments and Capital Disclosures
The issuance of Section 3862 “Financial Instruments – Disclosures” and Section 3863 “Financial Instruments – Presentation” replace Section 3861 “Financial Instruments - Disclosure and Presentation”, and revise disclosures related to financial instruments, including hedging instruments, and carry forward unchanged presentation requirements.

Section 1535 “Capital Disclosures” requires the Corporation to disclose its objectives, policies, and processes for managing capital, and in addition, whether the entity has complied with any externally imposed capital requirements.

These standards apply to interim and annual financial statements related to fiscal years beginning on or after October 1, 2007. The adoption of these new accounting standards on December 1, 2007, did not impact the amounts reported in the Corporation’s financial statements, however it did result in expanded note disclosure (see Notes 13 and 14).

Effective December 1, 2007, the Corporation adopted CICA Handbook the amended Section 1400 “General Standards of Financial Statement Presentation”. The amendments require management to make an assessment regarding the entity’s ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern. The adoption of this new section did not have an impact on the consolidated financial statements.

c) Pending accounting pronouncements
The Corporation is currently assessing the impact of these following new standards on its consolidated financial statements.

i) Financial Statement Concepts
Section 1000 “Financial Statement Concepts” has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Organization is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

3. Changes in Accounting Policies - continued

ii) Consolidated financial statements, non-controlling interests and business combinations
Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling Interests" replace Section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements, subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These standards are effective for the Corporation for interim and annual financial statements beginning on January 1, 2011. Early adoption is permitted.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

iii) International Financial Reporting Standards ("IFRS")
In 2005, the Accounting Standards Board of Canada ("AcSB") announced that accounting standards in Canada are to converge with IFRS. The AcSB has indicated that Canadian entities will need to begin reporting under IFRS by the first quarter of 2011 with appropriate comparative data from the prior year. Under IFRS, the primary audience is capital markets and as a result there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed.

4. Mineral Properties

Negrita Project	**May 31, 2009**	November 30, 2008
Acquisition costs/Option payments	**$ 503,687**	$ 371,594
Drilling	**200,188**	61,655
Consulting fees	**155,017**	30,030
Travel and accommodation	**101,952**	55,408
Geologists fees and costs	**320,738**	236,157
Independent consulting services	**43,743**	23,445
Legal fees/Agreement costs	**25,902**	25,903
Peak Ridge option capital (Note 5)	**(250,000)**	(250,000)
	1,101,227	554,192

4. Mineral Properties - continued

Celeste I, II, III Project		
Acquisition costs/Option payments	**258,394**	256,762
Drilling	**69,233**	-
Consulting fees	**38,072**	13,795
Travel and accommodation	**43,256**	30,074
Geologists fees and costs	**323,482**	313,113
Independent consulting services	**23,509**	20,167
Legal fees/Agreement costs	**13,744**	13,744
	769,690	647,655
Celeste IV - X Project		
Acquisition costs/Option payments	**3,264**	-
Drilling	**4,185**	-
Consulting fees	**17,121**	1,958
Travel and accommodation	**35,636**	31,373
Legal fees/Agreement costs	**1,652**	317
	61,858	33,648
Manto Medio Project		
Acquisition costs/Option payments	**372,616**	-
Drilling	**65,960**	-
Consulting fees	**1,000**	-
Travel and accommodation	**665**	-
Legal fees/Agreement costs	**21,678**	-
	461,919	-
Total	**$ 2,394,694**	$ 1,235,495

Negrita and Celeste I, II, III projects
On June 21, 2007, Celeste entered into a proposal for a Unilateral Purchase Option on Mining concessions (the "Agreement") with arm's length parties. Subsequently, on May 28, 2008, the parties to the Agreement changed the effective date of the Agreement from June 21, 2007 to March 20, 2008. The Agreement is for the exploration concessions Celeste I, Celeste II, Celeste III and Negrita 1 to 13. The Agreement is in effect for 36 months and the total option price is US $3,300,000. To acquire the properties, the Corporation is required to make the following payments, which are recorded when paid:

1) Option price of US$3,300,000 as follows:

   a. US $87,579 (already paid on May 7, 2007;)

b. US $212,421 (already paid on June 21, 2007) in order to maintain the option, after submitting reports relating to concession titles and independent geological assessments;

c. US $200,000 (already paid on July 25, 2008) to be paid upon listing of the Corporation on the TSX Venture Exchange.

d. US $2,800,000 to be paid within 36 months following the date the Agreement is executed. The payment can be made no earlier than November 1, 2008. The original agreement included terms that if the payment was made after December 1, 2008, the purchase price of the Concessions will be increased by an amount equal to 15% of the determined ore reserves at the time of exercising the purchase option. In November 2008, the agreement was amended to allow a 6 month extension on the payment to June 1, 2009. A fee of US $80,000 was paid in compensation for the extension.

2) US $2,250,000 for exploration on the exploration concessions Celeste I, Celeste II, and Celeste III and Negrita 1 to 13; within 36 months from the date of the Agreement. A cumulative amount of US $750,000 must be spent during the first twelve months of executing the option contract (by March 20, 2009); US$1,500,000 before March 20, 2010; and US$2,250,000 before March 20, 2011.

Celeste IV - X project
On March 6th, 2008 Celeste acquired additional claims, namely Celeste IV –X exploration concessions in the same area as the Celeste I – III concessions. These claims were staked by Celeste and have no work commitments attached to them.

5. Acquisition

On May 15, 2009, the Company acquired all of the issued and outstanding shares and options of 1402227 Alberta Ltd. The acquisition was accounted for by the purchase method and the purchase price was allocated as follows:

Net working capital	**$ 69,884**
Mineral properties	**223,085**
Total consideration	**$ 292,969**

Consideration was comprised of:

Issue of 3,906,251 common shares at $0.075 per share	**$ 292,969**

6. Option Obligation

On October 17, 2008, Celeste and its wholly owned Chilean subsidiary Minera Alberta Chile Ltda. and Peak Ridge Metal Equity Special Situation Fund (“Peak Ridge) signed an agreement whereby Peak Ridge has an optionable agreement to participate in Celeste’s Negrita 1/13 project in Chile by way of investing funds up to $4,300,000 over the next phase of exploration and land acquisition. The agreement details the distribution of the funds will take place as follows:

- $1,500,000 in exploration funding consisting of:
    - $250,000 risk capital
    - $500,000 designated for additional land acquisition
    - Three further tranches of $250,000 towards continuation of exploration program
- US $2,800,000 for the 'balloon' payment due to the original claim holders of the Negrita claims for full title to the properties.

Upon exercising its option to participate, Peak Ridge will earn-in an 80% interest in the Negrita 1/13 claims and the additional target lands if acquired. Peak Ridge would also be provided a bonus equal to an amount of common shares totaling $280,000 worth of shares. This option agreement does not involve Celeste's Celeste I to III or IV to X projects.

If the option is not exercised, all payments, with the exception of the $250,000 provided as risk capital, are able to be converted into common shares of Celeste within 60 days of payment at the option of Peak Ridge. The price for common shares shall be calculated at the then 30 day weighted average trading price of the common shares of Celeste, but in no event shall the amounts be converted into common shares of Celeste at a price of less than C$0.20 per common share.

At November 30, 2008 the Corporation had received the $250,000 payment related to risk capital and the $500,000 payment related to additional land acquisitions. As of quarter end, $237,392 of these funds received remained on hand and have been presented as restricted cash as the Corporation must spend the funds on exploration expenses and land acquisitions.

The Corporation has committed to paying a finder's fee of 1.6% of all funds received from the option agreement. Payments of the finder's fee are due when the funds are received by the Corporation. In November 2008, the Corporation advanced $34,400 of this fee (50% of the total expected fee assuming all the $4.3M received). $22,400 of this advance is included in prepaids and $12,000 (1.6% of the actual $750,000 received) was capitalized to cost of properties.

7. Equity Instruments

a) Authorized
Unlimited number of common shares
Unlimited number of preferred shares

b) Issued and outstanding

	May 31, 2009		November 30, 2008	
	Number	**Stated Value**	Number	Stated Value
Common shares				
Balance, beginning of period	**24,733,321**	**$1,873,444**	10,790,00(	$ 458,594
Equity issue (i)	**139,500**	**6,975**	-	-
Equity issue (ii)	**3,906,251**	**292,969**	-	-
Equity issue (iii)	**1,993,750**	**149,531**	-	-
Equity issue (iv)	**-**	**-**	1,433,321	107,499
Equity issue (v)	**-**	**-**	1,200,000	120,000
Equity issue (vi)	**-**	**-**	1,310,000	131,000
Equity issue (vii)	**-**	**-**	10,000,000	1,585,000
Share issue costs	**-**	**(4,330)**	-	(528,649)
Balance, end of period	**30,772,822**	**2,318,589**	24,733,321	1,873,444
Warrants				
Balance, beginning of period	**6,645,000**	**$ 436,825**	1,645,000	$ 21,825
Issued (i)	**-**	**-**	5,000,000	415,000
Expired	**(1,645,000)**	**(21,825)**	-	-
Balance, end of period	**5,000,000**	**415,000**	6,645,000	436,825
	35,772,822	**$2,733,589**	31,378,321	$2,310,269

(i) On May 29, 2009 139,500 options were exercised for total consideration of $ 6,975.

(ii) On May 15 2009, the Corporation issued 3,906,251 common shares for total consideration of $ 292,969 for the purchase of all the issued and outstanding common shares of 1402227 Alberta Ltd, (See Note 5) which owned two-thirds interest of the Manto Medio mining claim in the Republic of Chile.

(iii) On May 15 2009, the Corporation issued 1,993,750 common shares to a joint venture partner for total consideration of $ 149,531 for the purchase of the remaining one-third interest in the Manto Medio mining claim in the Republic of Chile.

(iv) On December 17, 2007 the Corporation concluded a private placement of 1,433,321 common shares for cash proceeds of $107,499. Commissions, fees and expenses totaling $5,750 were incurred.

7. Share Capital - continued

(v) On April 2, 2008, the Corporation concluded a private placement of 1,200,000 common shares for cash proceeds of $120,000. Commissions, fees and expenses totaling $6,000 were incurred.

(vi) On April 16, 2008, the Corporation concluded a private placement of 1,310,000 common shares for cash proceeds of $131,000.

(vii) On July 25, 2008, the Corporation completed an initial Public Offering on the Toronto Stock Exchange Venture (the "TSX-V") whereby the Corporation issued 10,000,000 units at a price of $0.20 per unit, for the total proceeds of $2,000,000. Each unit consists of one common share of the Corporation and one half of one transferable common share purchase warrant with a fair value of $0.08 per share, or $415,000 in aggregate allocated from the total cash received. Each whole common share purchase warrant entitles the holder to acquire one additional common share at a price of $0.25 per warrant share for a period of 18 months from the date of issuance, subject to early expiry terms. Commissions, fees and expenses totaling $422,399 were incurred.

(viii) On June 9, 2008, an escrow agreement was concluded between the Corporation and certain officers and directors to place 1,150,000 common shares in escrow. Pursuant to the terms of the escrow agreement 10% of such Common Shares will be released from escrow upon receipt of notice from the TSX-V confirming the listing of the Common Shares on the TSX-V. The remaining 90% of such Common Shares will be released from escrow in 15% tranches during consecutive six month intervals over 36 month period following receipt of such notice. In addition to the Principal Escrow Agreement, 7,000,000 Common Shares held by certain seed shareholders will be subject to a Tier 2 Value Security Escrow Agreement as defined in TSX-V Policy 5.4. Pursuant to the terms of the Value Security Escrow Agreement, the shares will be issued under the same release conditions as described above.

c) Warrants

(i) The Corporation issued 5,000,000 units in conjunction with the July 25, 2008 Initial Public Offering equity issuances at a subscription price of $0.20 per Unit, each unit being comprised of one common share of the Corporation and one half of one transferable common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one additional common share at a price of $0.25 per warrant share for a period of 18 months from the date issuance, subject to early expiry terms. The fair value assigned to these warrants was calculated using the Black-Scholes option pricing model with the following assumptions: dividends 0%, expected volatility 100%, risk-free interest rate 3.40%, and an expected maturity of 18 months. The fair value assigned was $415,000.

7. Share Capital - continued

In the event the average weighted trading price of the common shares on the TSX-V exceeds $0.30 for 20 consecutive trading days (the "Trigger Event") then the warrant expiry date shall be accelerated to the close of business on the tenth business day following the date of the notice by the Corporation to the warrant holders advising of the occurrence of the Trigger Event (the "Trigger Notice"). The Corporation shall provide the Trigger Notice immediately following the occurrence of the Trigger Event. The Corporation shall pay a fee of 2% to the agent on the gross proceeds of the exercise of warrants pursuant to the Trigger Event.

d) Stock Options

The Corporation has a stock option plan, administered by the Board of Directors, in which up to 10% of the issued and outstanding common shares are reserved for issuance to directors, officers, employees or management company employees.

	May 31, 2009			November 30, 2008		
	# of options	**Weighted average exercise price**	**Weighted average remaining life**	# of options	Weighted average exercise price	Weighted average remaining life
Outstanding, beginning of period	**2,889,500**	**0.20**	3.34	139,500	0.15	0.42
Granted to employees and directors	**250,000**	**0.20**	4.88	1,750,000	0.20	3.29
Granted to employees and directors	**525,000**	**0.075**	4.96	1,750,000	0.20	3.29
Exercised	**(139,500)**	**0.05**				
Agent options granted	**-**	**-**	-	1,000,000	0.20	3.29
Outstanding, end of period	**3,525,000**	**0.17**	2.85	2,889,500	0.20	3.34
Exercisable, end of period	**3,525,000**	**0.17**	2.85	2,889,500	0.20	3.34

The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the Exchange). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Corporation and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representatives or designated beneficiaries of the holder of the option.

7. Share Capital - continued

(i) The board approved granting of 250,000 options exercisable at $0.20 per share to a directors of the Corporation. Under the plan the options vest immediately and expire five years from date of grant. The fair value assigned to these options was calculated using the Black-Scholes option pricing model with the following assumptions: dividends 0%, average expected volatility 100%, average risk-free interest rate 3.14% and an average expected maturity of 5 years. The fair value assigned was $11,600.

(ii) The board approved granting of 525,000 options exercisable at $0.075 per share to two directors and officers of the Corporation as part of the acquisition of 1402227 Alberta Ltd. Under the plan the options vest immediately and expire five years from date of grant. The fair value assigned to these options was calculated using the Black-Scholes option pricing model with the following assumptions: dividends 0%, average expected volatility 100%, average risk-free interest rate 3.14% and an average expected maturity of 5 years. The fair value assigned was $29,000.

(iii) The board approved granting of 1,750,000 options exercisable at $0.20 per share to directors and officers of the Corporation. Under the plan the options vest immediately and expire five years from date of grant. The fair value assigned to these options was calculated using the Black-Scholes option pricing model with the following assumptions: dividends 0%, average expected volatility 100%, average risk-free interest rate 3.14% and an average expected maturity of 5 years. The fair value assigned was $264,250.

(iv) In connection with the July 25, 2008 offering, the Agent was paid a commission of $200,000 equal to $0.02 per Unit as well as an administrative fee of $25,000. The Agent also received a non-transferable option to acquire 1,000,000 common shares equal to 10% of the total number of Units, whereby each Unit consisted of one common share of the Corporation and one half of one common share purchase warrant distributed at an exercise price of $0.20 per Unit for a period of up to 18 months following the closing date of the offering. The fair value assigned to these options was calculated using the Black-Scholes option pricing model with the following assumptions: dividends 0%, expected volatility 100%, risk-free interest rate 3.14%, and an expected maturity of 18 months. The fair value assigned was $94,500.

8. Amounts Per Share

Per share calculations are based on weighted average number of common shares outstanding during the period of 25,965,189 (2008 – 10,232,475). The effect of the conversion of the outstanding warrants and options would be anti-dilutive.

9. Supplemental Cash Flow Information

		May 31, 2008		November 30, 2008
Changes in non-cash working capital:				
Accounts receivable	$	19,980	$	(35,507)
Prepaid expenses		(4,269)		(42,823)
Accounts payable and accrued liabilities		(53,823)		15,184
	$	(38,112)	$	(63,146)
Changes in non-cash working capital related to:				
Operating	$	10,473	$	11,549
Capital		(49,585)		(74,695)
	$	(38,112)	$	(63,146)
Interest paid	$	-	$	528
Income taxes paid	$	-	$	-

10. Commitments

a) Under the terms of the consulting agreements with related parties as discussed in Note 10, four months notice must be given before termination of the agreements. The Corporation has a commitment to pay these related parties for a combined amount of $14,000 a month between the two contracts.

b) The Corporation has entered into an agreement with a consultant working in Chile which requires 60 days notice to be given before termination of the agreement. The Corporation has a commitment to pay the party to the agreement an amount of £7,500 (November 30, 2008 - $14,243 CDN) a month until September 2009.

c) Mining exploration commitments are disclosed in Note 4.

11. Related Party Transactions

During the period ended November 30, 2008 the Corporation entered into agreements with two companies controlled by officers of the Corporation for consulting services. The current accounts payable balance includes $8,645 (2008 - $24,000) of those consulting services which were incurred during the period. The Corporation incurred $84,000 (2008 - $48,000) in fees during the period as well as an additional $17,558 (2008- $Nil) in expenses. The reimbursed expenses were entirely related to travel for business purposes.

In addition the Corporation paid $9,500 (2008 - $nil) to a related company for rent of which $ 3,150 (nil – May 31, 2008) was payable at period end to a Company with a common director.

The Corporation also charged project management fees of $6,000 (2008 - $Nil) to a corporation with common directors. See Note 5 describing the acquisition of 1402227 Alberta Ltd., the accounts of which are consolidated in the financial statements of Celeste Copper as at May 31, 2009.

These transactions are recorded at their exchange values.

12. Segmented Information

The Corporation's operations involve the acquisition, exploration, development and operation of mineral properties in Chile. Operations and identifiable assets by geographic region are as follows:

	May 31, 2009	November 30, 2008
Operating loss		
Canada	**$ (254,745)**	$ (464,827)
Identifiable assets		
Canada	**$ 429,765**	$ 912,953
Chile	**2,675,267**	1,917,909
	$ 3,105,032	$ 2,830,862
Mineral property expenditures		
Chile	**$ 1,159,199**	$ 917,262

13. Capital Management

The Corporation defines capital as debt and shareholders' equity comprised of deficit, share capital and contributes surplus. The Corporation's primary capital management objective is to maintain a strong balance sheet affording the Corporation financial flexibility to achieve goals of continued growth and access to capital. The basis for the Corporation's capital structure is dependent on the Corporation's expected business growth and changes in the business environment.

The Corporation manages its capital structure and makes adjustments according to market conditions to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Corporation may adjust capital spending, issue new shares or issue new debt. The Corporation does not currently have any long-term debt, capital leases or any off-balance-sheet obligations other than earn-in options, and because it does not anticipate any such debt during 2009, it has not formalized its policy on debt within the capital structure.

The Corporation monitors working capital and total shareholders' equity on a quarterly basis and makes adjustments to its business plan and capital budget accordingly.

No dividends have been paid or declared on any of the Corporation's shares since the date of incorporation. This policy is based on operational results, financial policy and financing requirements and is continuously reviewed by the Corporation.

The Corporation is not subject to any externally imposed capital requirements.

There were no changes in the Corporation's approach to capital management during the period ended May 31, 2009

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14. Financial Instruments and Risk Management

The carrying values of financial assets and liabilities included in the balance sheet are as follows:

	May 31, 2009	November 30, 2008
Financial assets held for trading:		
Cash and cash equivalents	**$ 647,719**	$1,517,037
Loans and receivables		
Accounts receivable	**$ 15,527**	$ 15,527
Financial liabilities-other liabilities:		
Accounts payable and accrued liabilities	**$ 122,444**	$176,267

The Corporation has determined that the fair value of its short-term financial assets and liabilities approximate their respective carrying amounts as at the balance sheet dates due to the short-term nature of these instruments.

The Corporation is exposed to market and liquidity risks associated with its financial instruments. Overall, the Corporation's board of directors has responsibility for the establishment and approval of the Corporation's risk management policies. Management performs a risk assessment on a continual basis to ensure that all significant risks related to the Corporation and its operations have been reviewed and assessed to reflect changes in market conditions and the Corporation's operating activities.

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency exchange risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Corporation's operating and financial results. The Corporation is exposed to foreign currency exchange risk arising from the translation of the United States dollar and Chilean Pesos denominated monetary assets and liabilities into Canadian dollars. At May 31, 2009 the Corporation had Chilean Pesos denominated accounts payable and accrued liabilities of $Nil (2008 – $Nil). At May 31, 2009, with other variables unchanged, a $0.01 movement in the Canadian dollar against the Chilean Pesos would have less than a $Nil (2008- $Nil) effect on net loss. At May 31, 2009, the Corporation had cash and cash equivalents denominated in United States dollars of $273,731 (2008 - $Nil). At May 31, 2009, with other variables unchanged, a $0.01 movement in the Canadian dollar against the United States dollar would have less than $2,737 (2007- $Nil) effect on net loss.

14. Financial Instruments and Risk Management - continued

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and Chilean Pesos, as outlined above. As the Corporation has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Corporation's reputation.

The Corporation prepares annual mineral property expenditure budgets, which are regularly monitored and updated as considered necessary. To facilitate its expenditure program, the Corporation raises funds through private equity placements, public offerings and option agreements with third parties.

As at May 31, 2009, the Corporation's financial liabilities were comprised of accounts payable and accrued liabilities all of which have a maturity of less than one year.

15. Subsequent events

On July 6th, 2009 Celeste Copper Corporation announced that Mr, Mark Elridge had resigned from the Board of Directors and that Mr. David McQuaig had resigned from the Board of Directors and from his position as Chief Financial Officer of the Corporation. The Board of Directors appointed Mr. Erich Boechler Interim Chief Financial Officer effective July 10, 2009. Mr. Boechler ia a member of the Board of Directors of the Corporation.