

# **CORAZON GOLD CORP.**

NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS TO BE HELD ON  
DECEMBER 9, 2011

AND

MANAGEMENT INFORMATION CIRCULAR

*(November 2, 2011)*

**CORAZON GOLD CORP.**  
**Suite 1060 – 1055 West Hastings Street**  
**Vancouver, BC V6E 2E9**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS GIVEN** that an annual general meeting (the “Meeting”) of the shareholders of **CORAZON GOLD CORP.** (the “Company”) will be held at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, on Friday, December 9, 2011 at the hour of 2:00 p.m. (Pacific Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2010, together with the report of the auditors thereon;
2. to fix the number of directors at five;
3. to elect directors of the Company for the ensuing year;
4. to appoint the auditor for the Company for the ensuing year; and
5. to transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

This notice is accompanied by a Management Information Circular and a form of proxy for registered shareholders or a voting instruction form (“VIF”) for non-registered shareholders, along with a copy of the audited consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) of the Company for the year ended December 31, 2010. Additional copies are available upon request to the Company or they can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders who are unable to attend the Meeting are requested to complete, date and sign the enclosed form of proxy or VIF and return it in accordance with the instructions set out therein so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has, by resolution, fixed the close of business on November 2, 2011, as the record date, being the date for the determination of shareholders of common shares entitled to receive notice of and to vote at the Meeting and at any adjournment thereof.

The board of directors of the Company has, by resolution, fixed 2:00 p.m. (Pacific Time) on December 7, 2011, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof, shall be deposited with the Company’s transfer agent. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Vancouver, British Columbia, as of the 2nd day of November, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

“Patrick Brauckmann”  
President and Chief Executive Officer

**CORAZON GOLD CORP.**  
Suite 1060 – 1055 West Hastings Street  
Vancouver, British Columbia, V6E 2E9

**INFORMATION CIRCULAR**  
(as at November 2, 2011 except as otherwise indicated)

### **SOLICITATION OF PROXIES**

This information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of Corazon Gold Corp. (the “Company”). The form of proxy which accompanies this Circular (the “Proxy”) is for use at the annual general meeting of the shareholders of the Company to be held on Friday, December 9, 2011 (the “Meeting”), at the time and place set out in the accompanying notice of meeting (the “Notice of Meeting”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

The contents and the mailing of the Circular have been approved by the directors of the Company.

### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors or officers of the Company. **A shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to CIBC Mellon Trust Company. (“CIBC”) by 2:00 p.m. Vancouver Time on December 7, 2011, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it to the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or;
- (b) signing and dating a written notice of revocation and delivering it as set out in (a) above; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### **Provisions Relating to Voting of Proxies**

**The shares represented by proxy in the enclosed Proxy will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing such person. If there is no direction by the registered shareholder, the Proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of Proxy. It is intended that the proxyholder named by management in the accompanying form of Proxy will vote the shares represented by the Proxy in favour of each matter identified in the Proxy and for the nominees for the Company’s Board of Directors (the “Board of Directors” or “Board”) and auditor identified in the Proxy.**

### **Non-Registered Holders**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (a “Non-Registered Holder”) in respect of shares which are held either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals

with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 (“NI 54-101”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with the transfer agent; or
2. more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management proxyholder named in the form and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.

### **Financial Statements**

The audited financial statements of the Company for the year ended December 31, 2010, together with the auditor’s report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

### **REVERSE TAKEOVER TRANSACTION (“RTO”)**

On January 14, 2011, the Company completed the acquisition of all of the issued and outstanding shares of 0887398 B.C. Ltd (“0887398”) pursuant to a share exchange agreement dated October 6, 2010 among 0887398, its shareholders, 0887406 B.C. Ltd. (“0887406”) and Corazon Exploraciones, S.A. (“Corazon”). 0887398 held 99.9 % of the issued and outstanding shares of Corazon and 0887406 held the remaining 0.1% of the issued and outstanding shares of Corazon. The Company acquired all of the issued and outstanding shares of 0887398 in exchange for the issuance of an aggregate 23,446,318 common shares of the Company on the basis of one share for each share of 0887398. In addition, 0887406 transferred its ownership in Corazon to the Company pursuant to the terms of a share purchase agreement between the Company and 0887406. As a result, 0887398 and 0887406 became wholly-owned subsidiaries of the Company which holds indirectly 100% of the issued and outstanding shares of Corazon.

On January 18, 2011, the Company’s name was changed to Corazon Gold Corp. and its common shares commenced trading under the symbol CGW as a Tier 2 Issuer on the TSX Venture Exchange.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

As at November 2, 2011, the Company’s authorized capital consisted of an unlimited number of common shares without par value of which 60,496,553 common shares were issued and outstanding. All common shares in the

capital of the Company carry the right to one vote. November 2, 2011 has been fixed by the directors of the Company as the record date for the purpose of determining those shareholders of the Company entitled to receive notice of and to vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must complete and return their Proxy to the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company:

<b>Member</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Percentage of Issued Capital</b>
Patrick Brauckmann	9,500,000	15.7%
Kevin Torudag	9,500,000 <sup>(2)</sup>	15.7%

Note:

- (1) The above information was supplied to the Company by the shareholders and from the insider reports available at [www.sedi.ca](http://www.sedi.ca).
- (2) These shares are registered in the name of Lockwood Financial Ltd., a company controlled by Mr. Torudag.

As at November 2, 2011, the total number of common shares owned or controlled by management and the directors of the Company and their associates or affiliates was 19,487,141 common shares, representing 32.3% of the total issued and outstanding common shares.

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The number of directors on the board of directors of the Company is currently set at five. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at five.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company and its subsidiaries which each beneficially owns, controls or directs, directly or indirectly, as of the date of this Circular.

<b>Name, Current Position with the Company and Province or State and Country of Residence</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Director Since</b>	<b>Number of Shares beneficially owned, controlled or directed, directly or indirectly</b>
<b>Patrick Brauckmann</b> <sup>(2)(3)(4)</sup> BC, Canada <i>President, CEO and Director</i>	Financial Consultant since June 1992; founder of Corazón in 2010.	January 14, 2011	9,500,000

<b>Name, Current Position with the Company and Province or State and Country of Residence</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Director Since</b>	<b>Number of Shares beneficially owned, controlled or directed, directly or indirectly</b>
<b>J. Stephen Barley</b> <sup>(1)(2)(3)</sup> BC, Canada <i>Director</i>	President of CHM Financial Services Inc., a private corporate finance services company since 2001; Executive Chairman of Redhawk Resources, Inc. and a Director since July 2007; Director of ICN Resources Ltd since September 2009.; President and Director of Calypso Uranium Corp. since March 2006; Director of Enterprise Energy Resources Inc. since July 2006; President of Palo Duro Energy Inc. since January 2011 and a Director since August 2006; President and Director of Cap-Link Ventures Inc. (now Petrodorado Energy Ltd.) from June 2007 to January 2010; Director of Thor Explorations Ltd.	April 20, 2005	137,141
<b>Rosalie Moore</b> <sup>(1)(4)</sup> BC, Canada <i>Director</i>	A Geologist/Analyst/Consultant most recently with Geologic Resource Partners, a Boston-based mining-focused equity hedge fund from April 2006 to February 2011; Director of Continental Gold Limited (TSX:CNL) from December 2007 until April 2010; Director of Kiska Metals Corp. (TSXV:KSK) from August 2009 until June 2010; and CEO and Director of Geoinformatics Explorations from April 2008 to August 2009.	January 14, 2011	666,667
<b>John King Burns</b> <sup>(1)(3)</sup> Pennsylvania, USA <i>Director</i>	Director of NuCoal Energy Corp., a private Saskatoon-based energy company since (dates required); Chairman, Director at Dolly Varden Silver Corp, March 2011 - present; Senior Advisor, Structured Finance of Western Potash Corp. from September 2010 to present; Senior Advisor to the Board, Potomac Energy (and Strategic Resources) Fund from September 2010 to present; Chairman of Advisory Board at Lockwood Financial Group since September 2010 to present; Independent Director at China International Gold Resource Corp. from October 2009 to present; Chairman and Director of the Board of Simba Energy from September 2009 to Present; Founder: Carbon Fuels and Chemicals Corp., October 2008 to present; Chairman & Director, NovaDX Ventures, March 2004 to present; Director, Senior Advisor, Structured Finance, Western Potash Corp. from 2010 - 2011 (1 year); Formerly Lead Director, Interim Chairman of Athabasca Potash Inc. from October 2007 to September 2009; Director, Chairman of Northern Orion Resources from 1995 to 2007.	January 14, 2011	Nil

Name, Current Position with the Company and Province or State and Country of Residence	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Director Since	Number of Shares beneficially owned, controlled or directed, directly or indirectly
<p><b>Dr. Carl Hering</b><sup>(2)(4)</sup> Colorado, USA <i>Director</i></p>	<p>President and CEO of ICN Resources Ltd. since January 2010 and Director since December 2009; Director of Santa Barbara Resources Limited since March 2007; Director of Colorado Resources Ltd. since October 2009; Director of Full Metal Minerals Ltd. since May 2004; an Independent Geological Consultant from August 1998 until January 2006 and from January 2007 to December 2009; and Senior Vice President, Exploration and Business Development with Rio Narcea Gold Mines from February 2006 until December 2006.</p>	<p>January 14, 2011</p>	<p>350,000</p>

- (1) member of audit committee.
- (2) member of compensation committee.
- (3) member of corporate governance and disclosure committee.
- (4) member of environmental health and safety committee.

The Company does not have an executive committee of its board of directors.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

#### Cease Trade Orders or Bankruptcies

Except as described below, no proposed director

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order (being a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation) that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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 the assets of that company; or

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

J. Stephen Barley was a director of Cervus Financial Group Inc. which made an application for creditor protection within the 12 month period after he resigned as a director.

### **Penalties and Sanctions**

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

The Compensation Committee is mandated to oversee the administration of the Company's compensation plans, including its stock option plan. The Compensation Committee meets at least once a year to review compensation policies relating to the Company and its subsidiaries and to approve specific compensation awards and benefits. The Compensation Committee monitors levels of executive remuneration to ensure overall compensation reflects the Company's objectives and philosophies and meets the Company's desired relative compensation position. The key components comprising the Company's executive officer compensation may include base salary and bonus (short-term incentives) and participation in the Company's stock option plan (long-term incentives). The Company has established these components for its executive compensation package because it believes that a competitive base salary and bonus may be required to retain key executives and participation in the Company's stock option plan enables the Company's executive officers to participate in the long term success of the Company and aligns their interests with those of the Company's shareholders.

#### *Base Salary and Bonus*

The base salaries (and bonus, if any) of the Company's executive officers are set by the Board, with recommendations from the Compensation Committee. Executive officers who are also directors of the Company abstain from voting on their proposed base salaries. Base salaries (and bonus, if any) of the Company's executive officers are determined through the annual assessment of each individual's performance and other factors the Compensation Committee considers to be relevant, including prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor and the Company's ability to pay.

#### **Share-based and Option-based Awards**

##### *Long-term Incentives - Stock Options*

The Company provides long-term incentives to its executive officers by way of stock option grants. Stock options are granted to reward individuals for current performance, expected future performance and to align the long term interest of the Company's executive officers with those of the Company's shareholders. The Company's stock option plan (summarized under the heading "*Incentive Plan Awards – Stock Option Plan*" below) is administered by the Board of Directors based, in part, upon recommendations of the Compensation Committee. The stock option plan is designed to give to directors, officers, employees and consultants of the Company and its affiliates, as additional compensation, the opportunity to participate in the profitability of the Company by granting to such individuals options to buy shares of the Company. The stock option plan also enables the Company to attract and retain individuals with experience and ability, and to reward such individuals for current performance and expected future performance. The Board of Directors, based, in part, upon recommendations of the Compensation Committee,



considers the amount and terms of previously granted stock options when reviewing executive officer compensation packages as a whole and determining any new stock option grants. Executive officers who are also directors of the Company abstain from voting on their proposed stock option grants. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter.

The Board of Directors determines, upon the recommendations of the Compensation Committee, the key employees and service providers to whom grants are to be made and determines the terms and conditions of the options forming part of such grants. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of stock options granted to executive officers for the Company's financial year ended December 31, 2010 was based on the individual's performance and the number and exercise price of options previously issued to the individual.

The Black-Scholes method has been used to value stock options.

#### *Other Long-term Incentives*

The Company currently does not provide a pension plan for its executive officers, nor does it have any other long-term incentives.

#### *Chief Executive Officer Compensation*

The compensation of the Chief Executive Officer may consist of an annual base salary, bonus and incentive stock options determined in the manner described in the above discussion of compensation for all executive officers.

The Chief Executive Officer's compensation is established with reference to the range of compensation for chief executive officers of comparable companies. During the Company's financial year ended December 31, 2010, no formal compensation survey of salaries paid by comparable companies was completed given the uncertainty of market conditions relevant to the Company and its competitors. The Chief Executive Officer participates in discussions or reviews relating to executive compensation for other executive officers, but does not participate in the discussions and reviews relating to his own compensation.

### **SUMMARY COMPENSATION TABLE**

During the financial year ended December 31, 2010, the Company had two Named Executive Officers ("NEO") being: Darryl J. Yea, the Chief Executive Officer ("CEO") and Alec Peck, the Chief Financial Officer ("CFO").

"Named Executive Officer" means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The following table sets forth the compensation awarded or paid to Corazon's NEOs for the fiscal years ended December 31, 2010, 2009 and 2008.

Summary Compensation Table									
Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Darryl J. Yea (Former) CEO <sup>(3)</sup>	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alec Peck (Former) CFO <sup>(4)</sup>	2010	Nil	Nil	Nil	Nil	Nil	Nil	28,188 <sup>(3)</sup>	28,188
	2009	Nil	Nil	Nil	Nil	Nil	Nil	28,000 <sup>(2)</sup>	28,000
	2008	Nil	Nil	Nil	Nil	Nil	Nil	28,000 <sup>(2)</sup>	28,000

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Corazon Shares and expected life of the options.
- (2) Consists of consulting fees paid to Mr. Peck.
- (3) Resigned as CEO January 14, 2011 and replaced by Patrick Brauckmann
- (4) Resigned as CFO April 15, 2011 and replaced by Maricruz Alvarado

### Narrative Discussion

Although consulting fees were paid or accrued to the CFO, as noted in the “Summary Compensation Table” above, the Company has not formally entered into an agreement with the CFO for these fees.

### Officers who also act as Directors

No NEO who was also a director received compensation relating to the director role.

### INCENTIVE PLAN AWARDS

#### Outstanding share-based awards and option-based awards

The Company does not have any share-based awards. The following table sets forth the outstanding option-based awards held by each of the Company’s NEOs at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) <sup>(1)</sup>
Darryl J. Yea <sup>(2)</sup> (Former) CEO	35,714 <sup>(2)(3)</sup>	4.55	July 19, 2012	N/A
Alec Peck <sup>(3)</sup> (Former) CFO	21,429 <sup>(2)(3)</sup>	4.55	July 19, 2012	N/A

- (1) “In-the-Money Options” means the excess of the market value of the Company’s Shares on December 31, 2010 over the exercise price of the Options. The market price for the Company’s Shares on December 31, 2010, was \$0.78. No value has been given to the unexercised Options as they were not in-the-money on December 31, 2010
- (2) Resigned as CEO on January 14, 2011 and replaced by Patrick Brauckmann
- (3) Resigned as CFO on April 15, 2011 and replaced by Maricruz Alvarado

On January 14, 2011, the closing of the RTO, all outstanding options were cancelled.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

No stock options were exercised during the financial year ended December 31, 2010. The following table sets forth details of the value vested for all incentive plan awards during the most recently completed financial year by each NEOs:

#### **Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Darryl J. Yea <sup>(2)</sup> Former CEO	None	N/A	N/A
Alec Peck <sup>(3)</sup> Former CFO	None	N/A	N/A

Note:

- (1) The options granted to the NEOs vested as to 25% on the date of grant, and 12 1/2% quarterly thereafter. The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the date of vesting and the exercise price of the options under the option-based award multiplied by the number of options vested on the vesting date. Since the Company’s shares did not trade above the exercise price of the options, there were no values vested or earned during the year ended December 31, 2010.
- (2) Resigned as CEO January 14, 2011 and replaced by Patrick Brauckmann
- (3) Resigned as CFO April 15, 2011 and replaced by Maricruz Alvarado

### **Narrative Discussion**

#### ***Stock Option Plan***

The Stock Option Plan provides that the Company’s Board may from time to time, in its discretion, grant to the directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates the option to purchase the Company’s Shares. The number of authorized but unissued shares that may be issued upon the exercise of Options granted under the Stock Option Plan at any time shall not exceed 9,708,510 shares. The Stock Option Plan was approved by the shareholders at the annual meeting of shareholders held on June 26, 2008 and was amended at the annual meeting of shareholders held on December 31, 2010. All options outstanding on completion of the RTO were cancelled. Subsequent to the completion of the RTO, the Company has granted 4,950,000 options which are outstanding as of the date of this Information Circular.

The number of shares that may be reserved for issuance to any one person under Options granted in any 12 month period shall not exceed 5% of the outstanding shares determined at the date of grant (or 2% of the issued and outstanding shares in the case of an optionee who is a consultant or who performs investor relations activities for the

Company). The Board determines the price per share and the number of shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the Options.

The Stock Option Plan provides that if an Option expires or terminates without having been exercised in full, the shares not purchased become available again under the Stock Option Plan. As long as the Company is a Tier 2 Issuer, Options granted under the Stock Option Plan may be exercisable for a period of up to five (5) years, and may vest at such times as determined at the time of grant and as required by the Exchange. If the Company becomes a Tier 1 Issuer, Options granted under the Plan may be exercisable for a period of up to ten (10) years, and may vest at such times as determined at the time of grant and as required by the Exchange. All Options granted to persons providing investor relations services to the Company are subject to those vesting requirements as required by the Exchange. The exercise price must be paid in full on any exercise of Options.

If an optionee ceases to hold his position with the Company for any reason other than death, his Options may be exercised within 90 days after such position ends or in the case of termination for cause, on the date of termination, but only to the extent the optionee was entitled to exercise the Option at the date of such cessation. In the event of death of a optionee, his Options shall vest and may be exercised within the earlier of the expiry date and one (1) year after his death. Options granted pursuant to the Stock Option Plan may not be transferred or assigned.

Directors, officers, consultants and employees of the Company or its subsidiaries, and employees of a person or company which provides management services or investor relations services to the Company or its subsidiaries may participate in the Stock Option Plan. The purpose of the Stock Option Plan is to provide the participants with an opportunity to purchase the Company's shares and to benefit from the appreciation thereof. This will provide an increased incentive for the participants to contribute to the future success and prosperity of the Company, thus enhancing the value of the Company's shares for the benefit of all the Company's shareholders and increasing the ability of the Company and its subsidiaries to attract and retain individuals of exceptional skill.

#### **PENSION PLAN BENEFITS**

The Company does not have defined benefit or defined contribution plans.

#### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

Other than as described below, the Company has no contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control or change in an NEO's responsibilities.

#### ***Maricruz Alvarado – Chief Financial Officer***

The Company entered into an employment agreement with Maricruz Alvarado on April 1, 2011 for a term of 12 months, which agreement provides that Ms. Alvarado will serve as Chief Financial Officer of the Company, with a base salary of \$120,000 per annum, subject to statutory and other required deductions, paid semi-monthly, which was increased to \$130,000 per annum on July 1, 2011. Ms. Alvarado may also be granted such stock options under the Plan as may be approved by the Board of Directors from time to time.

If the Company terminates Ms. Alvarado's employment without just cause, she will be entitled to severance equal to two months' base salary. If such a scenario took place on December 31, 2011, Ms. Alvarado would be entitled to receive severance of \$21,666.

#### **DIRECTOR COMPENSATION**

##### **Director Compensation Table**

The following table sets out all amounts of compensation provided to directors who are not NEOs for the Company's most recently completed financial year.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
J. Stephen Barley	None	None	None	None	None	15,000 <sup>(2)</sup>	15,000
Steve Bastable <sup>(3)</sup>	None	None	None	None	None	None	None
George Tikkanen <sup>(3)</sup>	None	None	None	None	None	None	None

Notes:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and expected life of the options. No options were granted to the Directors of the Company during the last completed financial year.
- (2) Consulting fee paid to a company controlled by J. Stephen Barley.
- (3) Resigned as a director January 14, 2011.

### Narrative Discussion

No standard director fees are paid to the directors of the Company.

### SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY INCENTIVE PLAN COMPENSATION

#### Outstanding Option-Based Awards

The Company does not have any share-based awards that are held by the directors of the Company. The following table sets forth the outstanding option-based awards held by the directors of the Company at the end of the most recently completed financial year, excluding the NEOs as set out above:

#### Outstanding Option-Based Awards

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
J. Stephen Barley	35,714	4.55	July 19, 2012	N/A
Steve Bastable	21,429	4.55	July 19, 2012	N/A
George D. Tikkanen	21,429	4.55	July 19, 2012	N/A

All outstanding options were cancelled January 14, 2011 on completion of the RTO.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

**Value Vested or Earned for Incentive Plan Awards during the Most Recently Completed Financial Year**

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)<sup>(2)</sup></b>
J. Stephen Barley	N/A	N/A	N/A
Steve Bastable	N/A	N/A	N/A
George D. Tikkanen	N/A	N/A	N/A

Note:

(1) The options granted to the directors vested as to 25% on the date of grant, and 12 1/2% quarterly thereafter. The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the date of vesting and the exercise price of the options under the option-based award multiplied by the number of options vested on the vesting date. Since the Company's shares did not trade above the exercise price of the options, there were no values vested or earned during the year ended December 31, 2010.

(2) No share based awards or non-equity plan compensation were outstanding at December 31, 2010.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at December 31, 2010:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the securityholders	164,287	\$4.025	538,460
Equity compensation plans not approved by the securityholders	Nil	N/A	N/A
<b>Total</b>	164,287		538,460

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the executive officers, directors, employees and former executive officers, directors and employees of the Company or its subsidiaries, the proposed nominees for election to the board of directors of the Company, or their respective associates or affiliates, are or have been indebted to the Company or its subsidiaries since the beginning of the last completed financial year of the Company.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as set out below and otherwise disclosed in the Circular, none of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

## **APPOINTMENT OF AUDITOR**

### **Auditor**

At the Meeting, shareholders will be asked to approve an ordinary resolution to appoint KPMG LLP as the auditor of the Company to hold office until the next annual general meeting of the shareholders. Unless otherwise instructed, proxies given pursuant to this solicitation will be voted in favour of this resolution. KPMG LLP was appointed as auditor of the Company on January 14, 2011 following completion of the RTO.

## **AUDIT COMMITTEE**

The Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. The Company's current audit committee consists of John King Burns (Chair), Rosalie Moore and J. Stephen Barley.

### **Audit Committee Charter**

The text of the audit committee's charter is attached as Schedule "A" to this Circular.

### **Composition of Audit Committee and Independence**

National Instrument 52-110 *Audit Committees*, ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the

view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment.

The majority of the members of the audit committee of the Company are independent, as that term is defined in NI 52-110. J. Stephen Barley is not considered to be independent under NI 52-110.

### **Relevant Education and Experience**

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Company's audit committee are financially literate as that term is defined.

Rosalie Moore is a geologist/analyst/consultant most recently (April 2006 to Feb 2011) for Geologic Resource Partners (GRP), a Boston-based mining focused equity hedge fund. Her career in mining and metals exploration began as a site geologist on projects in the Americas (Nevada, Yukon, Peru and Labrador), with increasing corporate management (Diamond Fields Resources (bought by INCO in 1996 for \$4.3 billion), Pan American Silver Corp. (NASDAQ:PAAS, TSX:PAA) and Bear Creek Mining Corporation (TSXV:BCM) and investment/capital market experience (Yorkton Securities and GRP). Most recently, she served on the board of Continental Gold Limited (TSX:CNL) (from seed financing to public listing - 2007 to 2010) and was chief executive officer of Geoinformatics Exploration, managing its takeover of Rimfire Minerals Corporation to yield Kiska Metals Corp. (TSXV:KSK), where she was also a director from 2009 to 2010. Ms. Moore graduated with Bachelor of Science and Master of Science degrees in geology from Kent State University in Ohio, USA. John King Burns has extensive experience in the global resource sector and is currently a director of NuCoal Energy Corp., a private Saskatoon-based energy company. Mr. Burns was formerly the vice-president and chief financial officer of the Drexel Burnham Lambert Commodity Group in New York, London and Chicago, the former managing director and global head of the Derivative Trading and Finance Group of Barclays Metals Group, Barclays Bank PLC in London, and the former managing director and an associated person of FRM Risk Management Inc. in Chicago. He has also acted as an independent director, audit committee member and lead director for a number of publicly listed resource companies and currently sits as a director of China Gold International Resources Corp. Ltd. (TSX:CGG and 1099 HKSE).

J. Stephen Barley has over 25 years of experience in the public corporate arena assisting in the structuring of mergers, acquisitions and providing corporate finance advice. Mr. Barley has a BComm from Mount Allison University and a LLB from Dalhousie University and is a member of both the Law Society of British Columbia and Alberta. After 15 years of private practice as a corporate finance and securities lawyer, Mr. Barley left the practice of law in 1997 to become President of CHM Financial Services Inc. a private company offering advice to and investing in numerous public companies engaged in the resource and technology sector. Mr. Barley serves as an officer and/or director of a number of publicly traded companies.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the audit committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the board of directors of the Company.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).



## Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## Audit Fees

The following table sets forth the fees paid by the Company and its subsidiary to Chang Lee LLP, Chartered Accountants, its former auditor, for services rendered in the last two fiscal years:

	2010	2009
	(\$ thousand)	
Audit and related fees <sup>(1)</sup> .....	\$12,852	\$10,200
Tax fees <sup>(2)</sup> .....	\$900	\$900
All other fees <sup>(3)</sup> .....	--	--
<b>Total</b>	<b>\$13,752</b>	<b>\$11,100</b>

Notes:

- (1) Aggregate fees billed by the Company's auditor (or accrued) for audit and related services.
- (2) Aggregate fees billed by the Company's auditor (or accrued) for professional services rendered for tax compliance, tax advice and tax planning.
- (3) Aggregate fees billed by the Company's auditor (or accrued) and not included above.

## Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

### Board of Directors

Management is nominating five individuals to the Company's board of directors (the "Board"), all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the company's board of directors, reasonably interfere with the exercise of a director's independent judgement. Of the proposed nominees, two directors, J. Stephen Barley and Patrick Brauckmann are not considered to be "independent" within the meaning of NI 52-110. Three directors, Rosalie Moore, John King Burns and Carl Hering, are considered by the Board to be "independent" within the meaning of NI 52-110.

### Directorships

The following directors of the Company are directors of other reporting issuers:

- John King Burns is a director of Dolly Varden Silver Corp., China Gold International Resources Corp. Ltd, Simba Energy, NovaDX Ventures.
- J. Stephen Barley is a director of Redhawk Resources, Inc., Calypso Uranium Corp., Enterprise Energy Resources Inc., Palo Duro Energy Inc., Thor Explorations Ltd., and ICN Resources Ltd.

### **Orientation and Continuing Education**

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development the Board does not feel it necessary to have such policies or programs in place.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination and Assessment**

The Board has not adopted a formal process for nominating new directors. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and President of the Company. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

### **Board Committees**

#### ***Audit Committee***

The Audit Committee is a committee of the Board to which the Board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits. The Committee consists of John King Burns, (Chair), Rosalie Moore and J. Stephen Barley.

The Audit Committee reviews and reports to the Board on the financial statements and MD&A, the auditors report, if any, prepared in relation to those financial statements, reviews annual and interim earnings press releases before publicly disclosed, satisfies itself that adequate procedures are in place for the review of public disclosure of financial information extracted or derived from financial statements and periodically assess the adequacy of those procedures. The Committee recommends to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services and the compensation of the external auditor, oversees the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Committee also monitors, evaluates and reports to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established, monitors the management of the principal risks that could impact the financial reporting, establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, pre-approves all non-audit services to be provided to the Company or its subsidiary entities by the external

auditor, reviews and approves hiring policies regarding partners, employees and former partners and employees of the present and former external auditor with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understands the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109, reviews and recommends to the Board any changes to accounting policies; reviews the opportunities and risks inherent in financial management and the effectiveness of the controls thereon; and reviews major transactions (acquisitions, divestitures and funding).

Furthermore, the Committee will foster open communication among Corazon's auditors, financial and senior management and the Board of Directors.

### ***Compensation Committee***

The Compensation Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to compensation. The current members of the Compensation Committee are Carl Hering (Chair), who is an independent director, and J. Stephen Barley and Patrick Brauckmann, who are not independent directors. The committee's role includes establishing a remuneration and benefits plan for directors, executives and other key employees and reviewing the adequacy and form of compensation of directors and senior management. The Company reviews and approves corporate goals and objectives relevant to the compensation of the CEO, evaluates the performance of the CEO in light of those goals and objectives, and sets the CEO's compensation level based on the evaluation, subject to approval of the Board of Directors. The committee recommends to the Board of Directors, from time to time, the remuneration to be paid by the Company to directors in light of time commitment, fees paid by comparable companies and responsibilities. The committee is also responsible for establishing a plan of succession, undertaking the performance evaluation of the CEO and making recommendations to the Board of Directors. The committee also reviews and approves any hirings, transfers, promotions and severance or similar termination payments proposed to be made to any current or former member of senior management of the Company. The committee also reviews and makes recommendations to the Board of Directors regarding the Company's incentive compensation plans and equity-based plans.

### ***Corporate Governance and Disclosure Committee***

The members of the Corporate Governance and Disclosure Committee are J. Stephen Barley (Chair) and Patrick Brauckmann, who are not independent directors, and John King Burns, who is an independent director. The Corporate Governance and Disclosure Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the governance of the Company and its relationship with senior management. The committee's role includes developing and monitoring the effectiveness of the Company's system of corporate governance, assessing the effectiveness of individual directors, the Board of Directors and various board committees, assisting the Board of Directors in setting the objectives for the CEO, evaluating CEO performance, and ensuring appropriate corporate governance and proper delineation of the roles, duties and responsibilities of management, the Board of Directors and its committees. The committee is responsible for recommending to the Board of Directors a set of corporate governance principles and reviewing those principles at least once a year. In addition, the Committee is responsible for identifying and recommending candidates qualified to become directors and Board of Directors committee members and to ensure that an effective CEO succession plan, including emergency succession, is in place.

### ***Environmental, Health and Safety Committee***

The Environmental, Health and Safety Committee ("EH&S") consists of Rosalie Moore (Chair) and Carl Hering, who are independent directors and Patrick Brauckmann, who is not an independent director. The Committee is appointed by the Board to review and oversee the Company's EH&S policies, programs and practices that affect, or could affect, the Company's employees, customers, shareholders, and neighbouring communities. The Committee

1. oversees, reviews and receives updates on the Company's EH&S policies, programs and practices, its competitors' activities, and industry best practices;
2. oversees and reviews regulatory, environmental, and health and safety trends, issues and concerns which affect or could affect the Company's EH&S practices, including the Company's overall environmental compliance, remediation and sustainability efforts related to operations, products and services;

3. oversees, reviews and receive updates on the Company's policies regarding EH&S and business continuity risks; and
4. reports to the Board regularly concerning implementation of policies and assist the Board in assuring compliance with and implementation of these policies to improve the Company's EH&S practices, or to further the interests of the Company's employees, customers, shareholders, or neighboring communities.

#### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided by the Company's comparative annual financial statements to December 31, 2010, a copy of which, together with Management's Discussion and Analysis thereon, can be found on Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company at (604) 629-9670.

#### **SHAREHOLDERS PROPOSALS**

Pursuant to Section 187 of the *BC Business Corporations Act*, any notice of a Shareholder proposal intended to be raised at the annual general meeting of Shareholders of the Company to be held during 2012 must be submitted to the Company at its registered office, to the attention of the Corporate Secretary, on or before September 9, 2012, to be considered for inclusion in the management information circular for that annual general meeting of Shareholders.

#### **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, as of the 2nd day of November, 2011.

#### **ON BEHALF OF THE BOARD**

*"Patrick Brauckmann"*

Patrick Brauckmann  
President and Chief Executive Officer

**CORAZON GOLD CORP.**

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**Schedule "A"**  
**Audit Committee Charter**

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The Audit Committee is a committee of the Board to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

- (a) review and report to the Board of Corazon Gold Corp. ("Corazon") on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102);
  - (ii) the auditors report, if any, prepared in relation to those financial statements,
- (b) review Corazon's annual and interim earnings press releases before Corazon publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of Corazon's public disclosure of financial information extracted or derived from Corazon's financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Corazon; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Corazon, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of Redhawk,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by Corazon regarding accounting, internal accounting controls, or auditing matters;
  - (ii) the confidential, anonymous submission by employees of Corazon of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to Corazon or its subsidiary entities by Corazon external auditor,

- (j) review and approve Corazon hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of Corazon,
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109,
- (l) review and recommend to the Board any changes to accounting policies;
- (m) review the opportunities and risks inherent in Corazon financial management and the effectiveness of the controls thereon; and
- (n) review major transactions (acquisitions, divestitures and funding).

### **Composition of the Committee**

The committee will be composed of three directors from the Board, the majority of whom will not be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the Board on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting; and
2. reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.