Consolidated Financial Statements
(Expressed in Canadian dollars)

0887398 B.C. LTD.

(An Exploration Stage Company)

Period from February 26, 2010 to December 31, 2010

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of 0887398 B.C. Ltd.

We have audited the accompanying consolidated financial statements of 0887398 B.C. Ltd., which comprise the consolidated balance sheet as at December 31, 2010, the consolidated statements of operations, comprehensive loss and deficit and cash flows for the period from February 26, 2010 to December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of 0887398 B.C. Ltd. as at December 31, 2010, and the results of its operations and its cash flows for the period from February 26, 2010 to December 31, 2010 in accordance with Canadian generally accepted accounting principles.

KPMG LLP (signed)

Chartered Accountants

August 16, 2012
Vancouver, Canada

0887398 B.C. LTD

(An Exploration Stage Company)

Consolidated Balance Sheet
(Expressed in Canadian dollars)

December 31, 2010

Assets

Current assets:		
Cash and cash equivalents	$	63,426
Receivables, deposits and prepaid expenses		20,403
		83,829
Equipment (note 4)		61,638
Resource property (note 5)		1,228,196
	$	1,373,663

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	$	375,024
Promissory notes (note 6)		429,500
		804,524
Shareholders' equity:		
Share capital (note 7)		1,046,948
Deficit		(477,809)
		569,139
Nature and continuance of operations (note 1)		
Commitments (notes 5 and 8)		
Subsequent events (notes 6 and 13)		
	$	1,373,663

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

"Patrick Brauckmann" Director

0887398 B.C. LTD
(An Exploration Stage Company)

Consolidated Statement of Operations, Comprehensive Loss and Deficit
(Expressed in Canadian dollars)

Period from February 26, 2010 to December 31, 2010

Administrative expenses:		
Audit and accounting fees	$	39,500
Consulting fees		128,160
Corporate development		30,237
Depreciation		6,624
Legal fees and expenses		154,202
Office		14,843
Property examination costs		23,557
Regulatory fees		654
Salaries and benefits		2,713
Travel and accommodation		80,230
		480,720
Other expense (income):		
Foreign exchange loss (gain)		(2,911)
Loss and comprehensive loss for the period, being deficit at end of period	$	477,809
Loss per share - basic and diluted	$	(0.02)
Weighted average shares outstanding basic and diluted		21,458,378

See accompanying notes to consolidated financial statements.

0887398 B.C. LTD
(An Exploration Stage Company)

Consolidated Statement of Cash Flows
(Expressed in Canadian dollars)

Period from February 26, 2010 to December 31, 2010

Cash provided by (used in):		
Operations:		
Loss for the period	$	(477,809)
Items not involving cash:		
Depreciation		6,624
Changes in non-cash operating working capital:		
Receivables, deposits and prepaid expenses		(20,403)
Accounts payable and accrued liabilities		388,860
		(102,728)
Financing:		
Proceeds from share issue		1,033,112
Proceeds from issuance of promissory notes		429,500
		1,462,612
Investments:		
Acquisition of property and equipment		(68,262
Resource property expenditures		(1,228,196)
		(1,296,458)
Increase in cash and cash equivalents, being cash and cash equivalents end of period	$	63,426
Supplemental schedule of non-cash financing and investing activities:		
Issue of common shares to settle accounts payable	$	13,836

See accompanying notes to consolidated financial statements.

1. Basis of presentation and nature and continuance of operations:

0887398 B.C. Ltd. (the "Company") and its subsidiary, Corazon Exploraciones, S.A. ("Corazon") a private company, which is incorporated in Nicaragua, have been principally engaged in the acquisition, exploration and development of a resource property located in Santo Domingo, Nicaragua.

Corazon was incorporated on February 26, 2010. On August 9, 2010, 0887398 B.C. Ltd. was incorporated by the shareholders of Corazon and issued 20,000,000 common shares in the Company in exchange exchange for 99.9% of the outstanding common shares of Corazon held by the same shareholders. The transaction has been accounted for and these financial statements have been prepared under the continuity of interests method whereby these financial statements have been prepared from and include the results of Corazon from Corazon's date of incorporation on February 26, 2010.

Subsequent to year-end, on January 14, 2011, ReMac Zinc Corp. ("ReMac") completed the acquisition of all of the issued and outstanding shares of the Company in exchange for the issuance of an aggregate 23,446,318 common shares of ReMac on the basis of one common share for each common share of the Company, pursuant to a share exchange agreement dated October 6, 2010 among the Company, its shareholders, and its subsidiaries. As a result of the transaction, the Company and its subsidiaries became wholly-owned subsidiaries of ReMac.

The Company has not yet determined whether its resource properties contain mineral reserves that are economically recoverable. The Company's future operations and the underlying value and recoverability of the amounts shown for resource properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its resource properties and on future profitable production or proceeds from the disposition of the resource properties.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) applicable to a going-concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has recorded losses of $477,809 and has a working capital deficiency of $720,695 as at December 31, 2010.

1. Basis of presentation and nature and continuance of operations:

The Company's ability to continue operations is contingent on its ability to obtain financing. Subsequent to year-end, the Company completed the acquisition described in note 13(a) to access certain funding and public financing opportunities. During the year ended December 31, 2011, the Company, through its parent company ReMac, raised gross cash proceeds from financing transactions of $13,572,580 and had cash and cash equivalents of $5,390,658 as of December 31, 2011. Management continues to seek additional equity financing; however, there is no assurance that such financing will be available to the Company on acceptable terms, or at all.

2. Significant accounting policies:

(a) Principles of consolidation:

These consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company transactions and balances have been eliminated.

(b) Management's estimates:

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts and valuation of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Areas requiring the use of management's judgement include evaluating the carrying value and recoverability of the resource property. The use of such judgement includes, but is not limited to, the estimation of future resource prices and operating and reclamation costs. Actual results could differ and such estimates may be subject to change in the future.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase.

(d) Equipment:

Equipment is recorded at cost. The Company provides for amortization of its office equipment and computer equipment and software on a 30% declining balance.

2. Significant accounting policies (continued):

(e) Resource properties:

The Company is in the process of exploring its resource property and has not yet determined whether this property contains gold reserves that are economically recoverable.

Resource property acquisition, exploration and development costs, including costs relating to the exploration program's field office, are capitalized until the property to which they relate is placed into production, sold, abandoned or the exploration rights lapse. Once commercial production has commenced, these accumulated costs will be amortized to operations by unit-of-production depletion based on proven and probable reserves. If the resource property is abandoned or the mineral deposit proves to be uneconomical or it is determined otherwise that its carrying value cannot be supported by future production or sale, then previously capitalized costs are written down and charged against operations in the year of abandonment or in the year such determination of impairment is made.

(f) Loss per share:

Basic earnings (loss) per share are computed by dividing income (loss) available to common shareholders by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. Basic and diluted loss per share is the same, when the effect of the exercise of outstanding options would be anti-dilutive.

(g) Future income taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and losses carried forward. The resulting future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to be recovered or settled. The effect on future income tax assets and liabilities or a change in tax rates is recognized in income in the period in which the change in tax rate is enacted or substantively enacted. Future income tax assets are evaluated and, if realization is not considered 'more likely than not', a valuation allowance is provided.

2. Significant accounting policies (continued):

(h) Asset retirement obligation:

The Company recognizes statutory, contractual or other obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to be carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for accretion. Any capitalized asset retirement cost is amortized to operations over the life of the asset. The Company has no asset retirement obligations at December 31, 2010.

(i) Foreign currency translation:

The reporting and functional currency of the Company is the Canadian dollar.

As the Company's Nicaragua subsidiary is dependent on funding from its parent, it is viewed as an integrated foreign subsidiary. The temporal method of translating the foreign subsidiary accounts has been adopted. Under this method, monetary assets and liabilities of the subsidiary that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and non-monetary items are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the period. Exchange gains and losses arising on translation are included in the statement of operations.

(j) Financial instruments:

The Company is required to designate its financial instruments into one of the following five categories: held-for-trading: available-for-sale: held-to-maturity: loans and receivables: and other financial liabilities. All financial instruments are to be initially measured at fair value. Financial instruments classified as held-for-trading or available-for-sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. When available-for-sale assets are sold or an impairment write-down is required, the accumulated fair value adjustments recognized in equity are included in the statement of operations. All other financial instruments are subsequently measured at amortized cost.

2. Significant accounting policies (continued):

(k) Recently issued accounting pronouncements:

In 2006, the Canadian Accounting Standards Board (AcSB) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (IFRS) over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company is currently a private company, proposed transactions (see note 13(a)) has resulted in the Company being legally owned by a public entity.

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*, these sections are harmonized with IFRS. Section 1582 specifies a number of changes, including: an expanded definition of a business combination, a requirement to measure all business acquisitions at fair value, a requirement to measure non-controlling interests at fair value, and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. These Standards will be applicable to the Company for annual and interim accounting periods beginning on January 1, 2011.

3. Financial instruments:

The Company's financial instruments consist of cash and cash equivalents, receivables and deposits, accounts payable and accrued liabilities, and promissory notes. The estimated fair values of cash and cash equivalents, receivables and deposits, accounts payable and accrued liabilities, and promissory notes, approximate their respective carrying values due to their short-term to maturity.

The Company has designated its financial instruments as follows:

- Cash and cash equivalents are classified as "held for trading".
- Amounts receivable and deposits are classified as "loans and receivables". These financial assets are recorded at values that approximate their amortized cost using the effective interest method.
- Accounts payable and accrued liabilities and promissory notes are classified as "other financial liabilities" These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

3. Financial instruments (continued):

(a) The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in CICA Handbook Section 3862, *Financial Instruments - Disclosures*:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The following table summarizes the Company's financial instruments at December 31, 2010, and shows the level within the fair value hierarchy in which they have been classified (for financial instruments measured at fair value):

	Fair value hierarchy level	December 2010
Financial assets		
Held for trading		
Cash and cash equivalents	Level 1	$ 63,426

(b) Management of financial risk:

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Company is currently in the process of developing a risk management process. The Company's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration program, and limit the exposure to credit and market risks.

The type of risk exposure and the way in which such exposures are managed are as follows:

3. Financial instrument (continued):

(b) Management of financial risk (continued):

(*i*) Credit risk:

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The carrying value of these financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk as at December 31, 2010.

(*ii*) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure and ensures there is sufficient capital to meet short term business requirements. As at December 31, 2010, the Company had cash of $63,426 to settle current liabilities of $804,524. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms, and the promissory notes payable are due on demand. The Company completed the acquisition described in note 13(a) to access certain funding and public financial opportunities.

(*iii*) Market risk:

The significant market risks to which the Company is exposed are foreign currency risk:

Foreign currency risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in Nicaragua, some of the transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risk.

The Company's exploration expenditures are predominately in US dollars and the Nicaragua Cordoba and equity raised is predominately in Canadian dollars. The fluctuation of the US dollar and the Nicaraguan Cordoba in relation to the Canadian dollar will consequently impact the loss of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any foreign currency contracts to hedge possible currency risks at this time.

At December 31, 2010, the Company is exposed to currency risk through the following financial liabilities denominated in US dollars:

(Expressed in Canadian dollars)

3. Financial instrument (continued):

(b) Management of financial risk (continued):

(*iii*) Market risk (continued):

Foreign currency risk (continued)

	USD
Accounts payable and accrued liabilities	$ 58,513
Promissory note	47,707
	$ 106,220

A 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase or decrease of approximately $10,622 in the Company's net earnings (loss). No financial assets or liabilities were denominated in Cordoba as at December 31, 2010.

4. Equipment:

Details are as follows:

December 31, 2010	Cost	Accumulated amortization	Net book value
Automotive Equipment	$61,572	$5,901	$55,671
Computer Equipment	4,140	621	3,519
Office Equipment	2,550	102	2,448
	$68,262	$6,624	$61,638

5. Resource property:

Santo Domingo property:

On April 15, 2010, Corazon entered into a Concession Agreement which provides the option to acquire a 100% interest in the Santo Domingo concession (the Concession) from the Cooperativa de Pequenos Mineros de Santo Domingo RL (the Co-op) for USD$5,500,000. Under the Concession Agreement, Corazon paid an initial USD$500,000 on April 15, 2010, and is required to make two payments of USD$2,500,000, the first no later than April 15, 2011 (paid) and the second by April 15, 2012, respectively, to complete the acquisition of a 100% interest in the Concession. The Concession lies in the canton of Santo Domingo, in the eastern section of the La Libertad-Santo Domingo mining district, state of Chontales, central Nicaragua. The Concession totals 650 hectares and is situated 177 kilometres northwest of the major Pacific port and capital city of Managua, Nicaragua. The main focus of the project will be the exploration for gold.

Due to unsatisfactory drill results subsequent to year end, the Company wrote-down the carrying value of the Santo Domingo Concession to nil as of December 31, 2011. The Company elected not to make its April 15, 2012 option payment and notified the operators that it was abandoning the project.

Resource property expenditures to December 31, 2010 are detailed as follows:

Acquisition payment and related fees and legal expenditures	$	630,156
Assaying and laboratory		23,518
Consultants		184,014
Development		54,905
General Expenses		110,007
Salaries		54,973
Surveying and mapping		12,235
Travel		45,214
Other		113,174
Resource property expenditures for the period, being balance end of period	$	1,228,196

6. Promissory notes:

The outstanding promissory notes as at December 31, 2010 are repayable on demand without interest, are unsecured and include notes denominated in US dollars of US$47,966 (CAD$47,707). As at December 31, 2010, $25,825 in promissory notes was owed to related parties (note 10).

(Expressed in Canadian dollars)

7. Share capital:

(a) Authorized:

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Common shares issued and outstanding:

	Number of Shares		Amount
Issued:			
Shares issued for cash on incorporation of Corazon	1,000	$	530,000
Elimination of Corazon's shares on shares exchanged pursuant to share purchase agreement	(1,000)		-
Issue of shares of the Company in exchange for 99.9% of the issued and outstanding shares of Corazon	20,000,000		-
Private placement at $0.15 per share	3,106,318		465,948
Private placement at $0.15 per share	340,000		51,000
Balance, December 31, 2010	23,446,318	$	1,046,948

On February 26, 2010, Corazon issued 1,000 common shares in exchange for $530,000.

On August 9, 2010, the Company entered into a share purchase agreement with a shareholder of Corazon whereby the shareholder sold 999 of the 1,000 common shares in the capital of Corazon in exchange for 20,000,000 common shares of the Company.

On August 20, 2010, the Company completed a capital financing of 3,106,318 common shares at a price of $0.15 per common share for cash proceeds of $452,112 and $13,836 for the settlement of accounts payable. No gain or loss occurred on the settlement of the accounts payable.

On September 16, 2010, the Company completed a private placement and issued 340,000 common shares at a price of $0.15 per common share for gross proceeds of $51,000.

8. Commitment:

On July 1, 2010, the Company entered into a lease agreement for the one year rental of a house and office in the Santo Domingo area for an annual cost of $6,383.

(Expressed in Canadian dollars)

9. Segmented information:

The Company has one operating segment, which is the exploration and development of resource properties. The Company's principal operations were carried out in Canada and Nicaragua. Details are as follows:

Assets by geographic area:	
Nicaragua	$ 1,368,776
Canada	4,887
	$ 1,373,663

Loss by geographic area:	
Nicaragua	$ 436,382
Canada	41,427
	$ 477,809

10. Related party transactions:

During the period ending December 31, 2010, consulting fees aggregating $95,000 (USD$92,800) were charged by the President and Director of the Company.

As at December 31, 2010, a $25,825 promissory note is due to the spouse of the President and Director of the Company. The note is repayable on demand, non-interest bearing, and unsecured.

11. Income taxes:

(a) The Company has accumulated non-capital losses for income tax purposes of approximately $480,720 as at December 31, 2010 that may be used to reduce future taxable income. These losses expire as follows:

	Canada	Nicaragua	Total
2013	$ -	$ 439,293	$ 439,293
2030	41,427	-	41,427
	$ 41,427	$ 439,293	$ 480,720

(Expressed in Canadian dollars)

11. Income taxes (continued):

(b) The recovery of income taxes differs from the amounts computed by applying statutory rates to the loss before income taxes due to the following:

Loss for the year before income taxes	$	477,809
Statutory tax rate		28.5%
Expected income tax recovery	$	136,176
Benefit of losses not recognized		(142,145)
Non deductible foreign exchange		830
Difference in tax rate in foreign jurisdiction		5,139
Future income tax recovery	$	-

(c) Future income taxes arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of future income tax assets and liabilities are as follows:

Future tax assets:		
Operating loss carry-forwards	$	142,145
Less: Valuation allowance		(142,145)
Net future tax asset	$	-

12. Capital management:

The Company's objectives when managing capital are to:

- ensure there are adequate capital resources to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of resource properties;
- to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk;
- to maintain investor, creditor and market confidence to sustain future development of the business; and
- to provide returns to shareholders.

12. Capital management (continued):

The property in which the Company currently has an interest is in the exploration stage and as such, the Company is dependent on external financing to fund its activities. To undertake planned exploration and other operating activity, during the period ending December 31, 2010, the Company raised $516,948 through a private placement.

The Company has no external capital requirements or restrictions.

13. Subsequent events:

(a) On January 14, 2011, ReMac Zinc Corp. ("ReMac") completed the acquisition of all of the issued and outstanding shares of the Company. As a result of the transaction, the Company became a wholly-owned subsidiary of ReMac and ReMac holds indirectly 100% of the issued and outstanding shares of Corazon.

Also, as a result of the share exchange, the former shareholders of the Company obtained control of ReMac. Consequently, the transaction has been recognized as a reverse acquisition, with the Company being the deemed acquirer of the net assets of Remac. ReMac changed its name to Corazon Gold Corp. upon completion of the transaction.

Pursuant to the agreement, ReMac granted an aggregate 2% net smelter returns royalty to two controlling shareholders of the Company. All outstanding options (109,287 options) of ReMac at the date of the transaction were fully vested and were cancelled for no consideration upon closing.

ReMac issued 1,250,000 common shares with an estimated fair value of $250,000 as a finders' fee and other estimated costs of the transaction of $54,333 which were all expensed.

(b) The Company wrote-down the carrying value of the Santo Domingo Concession to nil as of December 31, 2011 (see note 5).