CORAZON GOLD CORP.

Management Discussion & Analysis
September 30, 2012

The following Management Discussion and Analysis ("MD&A") of Corazon Gold Corp. (the "Company" or "Corazon") should be read in conjunction with the unaudited consolidated financial statements of the Company for the period ended September 30, 2012 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on Sedar at www.sedar.com. This MD&A is dated November 27, 2012.

ACQUISITION OF ICN RESOURCES

On October 18, 2012, the Company closed a plan of arrangement whereby the Company acquired all of the outstanding shares of ICN Resources Inc. ("ICN") in consideration of the Company agreeing to issue up to 51,665,740 common shares of the Company. ICN shareholders are required to deliver the certificate representing their ICN Shares, together with a completed letter of transmittal, to Corazon's transfer agent, Canadian Stock Transfer, in order to receive their shares of Corazon. To date, 46,956,392 shares of Corazon have been issued to former ICN shareholders. All outstanding ICN options and warrants are now be exercisable into shares of Corazon, rather than ICN, on the same terms as provided for with respect to the existing ICN options and warrants.

DESCRIPTION OF THE COMPANY AND ITS PROPERTIES

Santa Domingo Project, Nicaragua

The Santo Domingo gold project (the "Project") is located in the canton of Santo Domingo, in the eastern section of the La Libertad-Santo Domingo mining district, state of Chontales, central Nicaragua. The Project totals 650 hectares and is situated 177 kilometres northwest of the major Pacific port and capital city of Managua, Nicaragua. The Project included sub-surface rights, as well as approximately 130 acres of deeded land with surface rights.

On April 15, 2010 Corazon, entered into a Concession Agreement for the option to acquire a 100% interest in the Santo Domingo concession from Cooperative de Pequenos Mineros de Santo

Domingo RL for staged payments totaling USD$5,500,000. Under the Concession Agreement, Corazon paid an initial USD$500,000 and was required to make two payments of USD$2,500,000, the first no later than April 15, 2011 and the second by April 15, 2012. On April 15, 2011 the Company made the first payment of USD$2,500,000 as required by the Concession Agreement.

The Company completed geologic mapping and sampling, trenching and two phases of drilling. Drill testing of the numerous veins identified in the mapping and trenching program began on February 6, 2011 and concluded on March 29, 2012. Based on the drilling results obtained, and their implications of the project's limited economic potential, the Company ceased exploration of the Santo Domingo project and elected not to make the USD$2,500,000 payment required on April 15, 2012 in order to acquire the concession. The option payments and the capitalized expenses as of December 31, 2011 of $6,133,926 were written off, additional capitalized expenses related to the project as of September 30, 2012 of $784,621 have been written off. The Santo Domingo project has been closed and the Company does not expect to have any more resource expenditure to be write off for this project.

ReMac Zinc Project, BC, Canada

The Company's previous business consisted of the exploration of its zinc project in British Columbia. A geological evaluation of the drilling results was completed and a new digital database of these drill results combined with all historical drill program data has been completed. The Company's management has elected not to expend further funds on the development of the zinc project at this time. All resource property expenditures to December 31, 2011 were written off and the Company did not incur any resource expenditure on the property for the nine months ended September 30, 2012.

La Ranchera Project, Nicaragua

In February 2012, Nicaragua's Ministry of Energy and Mines granted the Company three 25-year exploration and exploitation concessions. The Concession La Ranchera totals 28.21 square kilometres and is adjacent to Caza Gold Corp.'s large high-sulphidation epithermal gold project in central Nicaragua. Corazon is developing an exploration program for the property and will monitor the progress of Caza and several adjacent concessions. No conclusive exploration work has been conducted to date.

SDL Project, Nicaragua

Corazon retains two additional concessions in the Santo Domingo-La Libertad mining district. The concessions encompass 126 square kilometres of mineral rights along the east-northeast strike projection of the veins and structures, which constitute the La Libertad-Santo Domingo mining districts. The two concessions, Pijibay and Pilatos, are considered prospective for hosting gold and silver mineralization due to similarities in geology and structural features that continue from the main La Libertad-Santo Domingo district, 10 to 15 kilometres to the southwest. These structural components consist of northeast-trending regional structures, and a series of north-south aerial photo and satellite lineaments that intersect with the northeast trend within Corazon's SDL concessions. These features control mineralization in both B2Gold Corp.'s Cerro Quiroz concession, immediately to the west of Corazon's two new concessions, and also on B2Gold's La Libertad concession, which hosts the La Libertad mine where B2Gold is developing the Jabali vein for production.

Corazon has begun preliminary exploration over this new concession area. This work has led to the identification of a felsic intrusive centre flanked by silicification and extensive siliceous sinter (paleo-hot-spring) deposits. Reconnaissance traverses over the area have identified a broad zone of subangular to rounded surficial vein material that is suspected to be sourced from bedrock on Corazon's concession and is highly anomalous in gold and silver. In total, 30 samples were collected, which returned assay values ranging from insignificant mineralizaton to up to 35.6 grams per tonne gold and 224 g/t silver. The results can be found in the Company's website**.** Further exploration is planned.

La Pila Project, Nicaragua

In June 2012, Nicaragua's Ministry of Energy and Mines granted the Company a 25-year exploration and exploitation concession for the 13.86 square kilometre La Pila property. La Pila is located in north central Nicaragua adjacent to B2Gold's Pavon property which hosts an epithermal gold vein system. Corazon is developing an exploration program for the property.

Rio Coco Project, Nicaragua

In April 2012, Nicaragua's Ministry of Energy and Mines and the Autonomous Region of the Northern Atlantic granted Corazon three contiguous, 25-year exploration and exploitation concessions located in northern Nicaragua, along the Rio Coco. The three contiguous concessions, named Arcosa, Azul and Calcedonia, encompass 300 square kilometres of mineral rights. Each concession hosts considerable historic small-scale placer and hard-rock gold mining. The three concessions cover a regional play exploring for breccia-hosted gold-zinc-copper deposits similar to that found historically at Coco Mina, located two kilometres to the south of the new Arcosa concession, the westernmost of Corazon's new concessions. The Coco Mina deposit was explored and partially developed by Rosario Resources Corp. and Fresnillo Plc in the mid-1970s. The geological environment hosting Coco Mina is believed to extend northerly into Corazon's recently granted concessions. Corazon has begun a first phase exploration program that includes a widespread stream-sediment survey, and reconnaissance traverses over areas of known gold mineralization. On November 1, 2012, Corazon announced that the initial assay results of the stream-sediment survey had been received from ALS Laboratories and that the complete results will be announced once received and compiled.

Buckeye Project, Colorado, USA

Corazon signed a letter agreement for an option to acquire a group of mineral claims known as the Buckeye Property in Colorado. The Buckeye Property currently comprises 2,368 acres of mineral rights within a 62,916 acre area of influence within the Leadville, London, Kokomo, Climax, St. Kevin – Sugar Loaf and Gilman Mining districts in Central Colorado. The Buckeye property is controlled and owned by the Buckeye Partnership, Leonard J. Karr and Robert J. Johansing (also Corazon's Exploration Manager). A USD$50,000 deposit was paid upon signing of the letter agreement with the Buckeye partners. Corazon expects to complete the terms of the option agreement no later than December 31st, 2012. Fieldwork, consisting of mapping and sampling, began on June 10, 2012 along the Arkansas River Valley. A well defined E-W trending vein swarm and associated phyllic alteration of the Minturn Formation were identified in the southeast corner of the claim block, where no historic drilling has been conducted. Fieldwork was completed in October 2012 and data is being compiled. As of September 30, 2012 the Company has advanced USD$217,000 for the exploration program.

The following table shows the allocation of the funds from April 1 to September 30, 2012 advanced to the Buckeye Project in relation of the examination costs, this amounts are expressed in US dollars.

		Sept. 30, 2011
Examination costs		
Assay and laboratory	$	8,552
Consultants		155,548
Field supplies		4,867
General expenses		16,809
Land and claims services		26,471
Travel		4,753
Total examination costs	USD$	217,000

Hog Ranch and Estill Property, Nevada, U.S.A.

On April 28, 2009, ICN entered into an option agreement with Seabridge Gold Inc. ("SEA") and its wholly-owned subsidiary, Seabridge Gold Corporation ("Seabridge"), whereby the Company paid CDN$500,000 and issued 1,000,000 shares of the Company to SEA, for and in consideration of Seabridge granting the Company an option (the "SEA Option Agreement") to acquire a 100% interest in certain unpatented lode mining claims and private fee land located in Washoe County, Nevada, subject to the terms of the agreements with the underlying owners. To exercise the option, ICN was required to pay an additional CDN$525,000 and issue an additional 1,000,000 common shares on or before April 17, 2010. On April 15, 2010, the parties to this agreement agreed that in lieu of making the cash payment Seabridge accepted as effective exercise of the option, a convertible debenture of ICN for the principal amount of CDN$525,000 with an 18 month term, bearing interest at a rate of 5% per year (compounding annually) convertible into ICN's common shares, at $0.30 per share. The additional 1,000,000 common shares were issued on April 8, 2010.

On October 17, 2011, the convertible debenture matured and as requested by the holder, ICN issued 1,750,000 common shares at a price of CDN$0.30 per share in lieu of making the final cash payment of CDN$525,000 upon maturity of the convertible debenture.

The Hog Ranch property is subject to an annual advance royalty of US$20,000, payable on November 15 of each year, a production royalty to the owner in the amount of 1% of gross proceeds on the sale of minerals from the claims, and a payment to the owner a further USD$250,000 in cash upon the earlier of (i) confirmation by an independent third party of a measured and indicated gold reserve of more than 1.0 million ounces, (ii) completion of a positive bankable feasibility study which demonstrates a mine capable of producing at least 100,000 ounces of gold per annum.

The Estill private fee lands carry a sliding scale net smelter royalty such that precious metal production is subject to a royalty ranging from 1.8% to 3.0%, plus an additional 0.3% for every $100/oz increment of gold price above $400/oz. The property is subject to an annual advance minimum royalty payment of US$17,760 on October 1 of each year.

In connection with the SEA Option Agreement, the ICN paid a finder's fee of $95,000.

The Hog Ranch property comprises 466 unpatented lode mining claims that cover approximately 9,628 acres (3,896 hectares), which contain the past-producing Hog Ranch mine site, and a mining lease with Estill Ranches LLC ("Estill") on approximately 592 acres (239.6 hectares) of privately owned fee land. The Hog Ranch property is a large gold-bearing hydrothermal system which is the westernmost of a series of gold deposits in the northern Nevada epithermal district, which includes bonanza grade gold deposits such as Sleeper, Midas and Hollister. These deposits are likely related to the Northern Nevada Rift system, a series of faults associated with 14 to 17 million year old Miocene age volcanism, associated with the Yellowstone hotspot. In the 1980's and early 1990's Western Goldfields and subsequently Western Mining Corporation extracted approximately 200,000 ounces of gold in total from a low grade, open pit heap leach operation on the property. The production and known exploration targets occur in near surface epithermal style mineralized area. Only limited testing to depth beneath the known mineralization has occurred in the system.

ICN completed a Phase I drill program in December 2009. The most significant results from the Phase I program come from hole HR09-11, drilled beneath the historic 139 pit. This hole intercepted 1.5 m of 7.4 g/t Au (8.0 g/t metallic screen check assay) and 2.1 m of 9.3 g/t Au (9.4 g/t metallic screen check assay). Drill hole HR09-17, located to the northeast of the historic Geib pit, intercepted 67.1 m of 0.61 g/t Au and is located in an area of other historical drill holes which also encountered encouraging gold grades. No drilling was completed by ICN in three other areas of known gold mineralisation on the property, the Airport, Cameco and White Mountain zones, delineated by previous workers, but which were not mined. Additionally, ICN did not drill in the area of the Bell Springs pit, at the south end of the property. The complete drill results were announced in ICN's news release on March 9, 2010. ICN SEDAR filed a 43-101 technical report on the Hog Ranch property in January 2011.

On June 13, 2011, ICN entered into a definitive Option and Joint Venture Agreement with Pacific Rim Mining Corp. and its wholly owned U.S. subsidiary, Pacific Rim Exploration Ltd. ("Pacific Rim"), granting Pacific Rim the option to acquire a 65% interest in the Hog Ranch and Estill properties. In order to vest at 65% in the property, Pacific Rim must expend an aggregate of US$8,000,000 in exploration programs and issue an aggregate of 1,000,000 common shares of Pacific Rim over a five (5) year period. Upon exercise of the option, a 65% and 35% joint venture will be formed to further advance the project, whereby Pacific Rim will be operator of the joint venture. Pacific Rim has undertaken new exploration work on the properties in order to advance to the next phase of drilling. On July 14, 2011, ICN received 200,000 shares of Pacific Rim in line with the terms of the Definitive Agreement and on July 6, 2012, ICN received an additional 200,000 shares of Pacific Rim as per the agreement. Pacific Rim has paid certain advance royalties.

Annual lease payments of up to US$37,760 are required to keep the properties in good standing and as of September 30, 2012, the lease payments were made by Pacific Rim.

Trout Creek Property, Nevada, USA

ICN signed a letter agreement dated May 19, 2010 to acquire a 100% interest in 20 mining claims located in Humboldt County, Nevada. Subsequent to signing, an additional 51 claims were staked for a total of 71 claims, all of which fall under the agreement. To earn its interest in these claims, the Company is required to pay US$1,010,000 (US$25,000 paid) and incur work expenditures of US$950,000 over six years.

The property is subject to a 2% net smelter return on gold and silver, half of which may be purchased by the Company for US$1,000,000 at any time prior to completion of the first year of commercial production.

The Trout Creek property is located approximately 32 kilometres from the historic high grade Sleeper deposit, mined by AMAX Gold from 1986 to 1996, producing 1.66 million ounces of gold and 2.3 million ounces of silver. The Trout Creek property is a high level, epithermal Au-Ag system, hosted by Tertiary volcanic rocks. AMAX Gold explored the property from 1988 to 1989 and reported the following in annual summary reports: completion of 15 reverse circulation holes in two phases of drilling based on surface rock chip sampling and geophysical survey interpretations. AMAX reported up to 1.05 g/t Au, up to 400 ppm As, 175 ppm Sb, and 12.3 g/t Ag in surface rock chip sampling.

The AMAX drilling did not adequately test the 1.05 g/t surface gold value referred to above. The closest drill hole, GT-06, intercepted 29 metres of 0.48 g/t Au from the surface. This vertical hole terminated at 132.6 metres depth in mineralized rock, with the last 4.6 metres grading 0.37 g/t Au. With the exception of the first hole drilled by AMAX, all drill holes were vertical, and no further drilling has been completed on the property since 1989. All assay data reported herein is historic in nature, completed prior to National Instrument 43-101 regulation standards, and reported in summary form by AMAX. Quality control procedures are unknown, and not all assay certificates are available. This data should not be relied upon, and future surface sampling and drilling will be designed to confirm these historical data.

The Company has compiled and reinterpreted the historic data, and is currently seeking a joint venture with a third party.

On May 19, 2012, the letter agreement was further amended, whereby the Company is required to pay US$1,000,000 (US$25,000 paid) and incur work expenditures of US$1,000,000 over six years. The Company paid US$10,000 and incur US$175,000 in exploration expenditures to meet the 2012 requirements.

Rockland-Pine Grove Property, Nevada, USA

ICN signed a letter agreement on July 9, 2010, to lease a 100% interest in 111 unpatented lode mining claims located in Lyon County, Nevada. To earn its interest, the Company is required to pay minimum annual lease payments ranging from US$40,000 to US$100,000 and incur work expenditures of US$525,000 over six years. The lessor retains a 3% net smelter return on the property, one third of which may be purchased by the Company for US$5,000,000 at any time prior to completion of the first year of commercial production. Upon execution of the letter agreement, the Company paid US$10,000 and in August 2010, the Company made a lease payment of US$40,000.

The property is located approximately 35 kilometres south-southeast of Yerington, Nevada in the Walker Lane mineral belt and has geological and geochemical characteristics of epithermal gold deposits, including both high grade veins as well as larger, bulk tonnage mineralization. An inactive underground mine, the Rockland Mine, reportedly produced 50,000 tons of gold ore grading approximately 0.5 opt Au (17.1 g/t) from veins related to a Tertiary rhyolite flow-dome complex. Other hydrothermally altered rhyolitic domes occur in the district, many of which contain silicification and brecciation, accompanied by stockwork and banded chalcedonic quartz veins. These characteristics suggest comparison to epithermal vein systems at the nearby Aurora and Bodie districts in Nevada and California respectively.

Initial work on the property is focusing on geological mapping and rock and soil sampling. In the Rockland Mine target area a historic non 43-101 drill hole reported 36.6 m of 1.12 g/t Au (starting at 10.7 m depth). Follow-up drilling in this area is being planned for late this year. Verification work at the East Zone target, located approximately 3 km east of the Rockland Mine area, is focusing on untested surface rock and soil anomalies, as well as ascertaining controls on mineralization such as that found in drill holes PG-13, with 27.4 m at 1.38 g/t Au, and drill hole PG-32, which reported 86.9 metres of 1.08 g/t Au (see ICN news release dated July 19, 2010). These drill holes intercepts are historic and non 43-101 compliant, and should not be relied upon.

The Company is compiling soil sample results from work conducted by ICN in 2011 along with data generated from a ground magnetic survey covering the entire property. On July 9, 2011, ICN made the 2011 annual lease payment of US$50,000, and in July 2012, ICN made the same annual payment for the current year. Prior to the end of the 2011 field season, ICN conducted additional geophysical survey work including 16 km of CSAMT and one orientation IP line. All of the 2011 exploration work is currently being compiled, and new drill hole locations are being selected in order to permit future drilling by the US Forest Service.

Dunes and North Dunes Property, Nevada, USA

ICN staked a total of 248 unpatented mining claims to form the Dunes Property. These claims are located immediately to the west of the Sandman Project, now controlled 100% by Newmont Mining. The Dunes property was staked to include the area to the west of the North Hills and Silica Ridge deposits at Sandman, currently being explored by Newmont. To the best of the Company's knowledge, exploration work in the Dunes area was conducted by Kennecott and Santa Fe Minerals in the late 1980's.

The North Dunes Property is a northerly, contiguous extension of the Dunes Property. ICN entered into a purchase and sale agreement for the Property in August 23, 2010 from an arm's length public company. The terms of the agreement called for a payment of US$50,120 for reimbursement for BLM claim fees for the 2010-2011 assessment year (paid). The vendor expended in excess of US$1,800,000 dollars exploring the property during 2007 and 2008. They will retain a 2% net smelter royalty.

The 358 unpatented lode mining claims that comprise the North Dunes Property cover approximately 3,000 hectares (7,400 acres) and lie along the west flank of the Slumbering Hills in Humboldt County, Nevada. The claims are located between the well-known Sleeper Mine (Paramount Gold & Silver Corp.) and the continuing exploration of high grade epithermal gold mineralization at the Sandman Project (Newmont). The Property lies immediately north and west of Sandman, and adjoins ICN's recently staked Dunes Project.

On August 22, 2011, ICN entered into a Sale and Purchase Agreement with Paramount Gold and Silver Corp. ("Paramount") for the sale of ICN's Dunes and North Dunes property. A 100% interest in the claims was purchased from ICN in exchange for 400,000 common shares (subsequently sold) in the capital of Paramount. ICN retains a net smelter royalty of 1.5% on the claims not subject to other royalties (248 in total) and a net smelter royalty of 0.5% on the remaining claims which were already subject to an underlying 2.0% royalty to a third party. Paramount has the option to purchase 0.5% of either or both net smelter returns for a cash payment of US$500,000 each.

Goldfield Bonanza Property, Nevada, USA

ICN entered into a definitive agreement with Lode Star Gold, Inc. ("Lode Star"), a private Nevada corporation, on March 28, 2011 to acquire an 80% interest in certain claims held by Lode Star. The property consists of 31 patented and one unpatented mill site claim (approximately 450 acres), and forms the Goldfield Bonanza Project, located in the historic mining district of Goldfield Nevada. The property lies directly east of the town, roughly 270 miles southeast of Reno, Nevada, and includes some of the historic past producing mines and workings.

To earn their 80% interest in the property, the Company will be required to pay to Lode Star a total of US$3,000,000 in cash, issue 3,000,000 units and complete US$5,000,000 of exploration work over a 4 year option period. Each unit consists of one common share and one full share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period of two years at an exercise price equal to 110% of the average closing market price of the Company's common shares over a five consecutive day period immediately prior to the date of issuance. As at the date of the MD&A, ICN paid Lode Star US$200,000 and issued 2,250,000 units at a value of $932,640 ($602,500 was ascribed to the value of the common shares and $330,140 was ascribed to the warrants). After the acquisition of ICN, if the Company completes all requirements of the Option to vest at 80% in the Property, a standard mining joint venture will be formed.

The Goldfield District was discovered in 1903 and has produced intermittently since that time, with the last recorded production coming from open pit operations conducted during the 1980's. According to Nevada Bureau of Mines and Geology Bulletin 78 (1972), the Goldfield District has recorded production in excess of 4.1 million ounces of gold from high grade quartz-alunite ledges, with some historic stopes grading in excess of 1 oz/ton Au (>34 g/tonne). Average grade of recorded gold production is in excess of 0.5 oz/ton (>17 g/tonne), and recorded production in the district also includes about 1.5 million ounces of silver. A qualified person (as term is defined in NI 43-101) has not done sufficient work to classify the historical estimates discussed above as current mineral resources or mineral reserves. Corazon is not treating the historical estimates as current mineral resources or mineral reserves s defined in NI 43-101 and the historical estimates should not be relied upon.

The District is a classic, epithermal, high sulfidation gold system, hosted by volcanic rocks of Tertiary age. A large portion of the property is covered by a thin veneer (<160 feet (50 metres)) of post mineral volcanic rocks, and consequently yields untested exploration targets. During the past twelve years, Lode-Star completed over 35,000 feet (10,750 m) of reverse circulation and core drilling, from both surface and underground.

ICN's year one work commitment of US$1,000,000 has been met. Initially, ICN completed a CSAMT (Controlled Source Audio-frequency Magneto Telluric) geophysical survey over the entire property, as this specific geophysical technique clearly outlines the main structural zones and highly resistive (silicified) rock beneath the post mineral cover. Drill testing of CSAMT and structural targets followed and includes both core and reverse circulation drilling.

The Company initiated further Bio-geochem sampling at Goldfield in October to further develop the Company's knowledge of the geology of Goldfield. Bio-geochem is a technique involving the sampling of plant material on an established survey grid, much like a grid that would be utilized for a conventional soil survey, the difference being that local plant material is sampled as opposed to standard B or C horizon soil material. In an arid environment like that found at Goldfield, plant roots extend many times greater below surface than their actual surface height. Elements mobilized in a hydro-geochemical sub-surface environment can be absorbed into plant material via their root system, yielding information on sub-surface metal anomalies located far deeper than a conventional soil survey might yield.

2011 Drill Highlights from Goldfield Project:

Hole ID	Azimuth	Angle	TD	From (m)	To (m)	Interval (m)	Au (g/t)
ICN-001	vertical	-	197.9	51.5	74.7	**23.2**	**10.50**
	including			*59.8*	*61.6*	*1.83*	*119.3*
				80.5	123.2	**42.7**	**1.40**
ICN-002	vertical	-	107.9	36.3	45.4	**9.1**	**4.08**
ICN-003	vertical	-	121.6	16.9	62.5	**45.6**	**96.3**
	including			*16.9*	*19.8*	*2.90*	*1454.3*
	and			*19.8*	*62.5*	*42.7*	*4.18*
ICN-004	270	-60	79.0	22.1	63.0	**40.9**	**1.43**
ICN-008	90	-65	137.2	93.1	98.5	**5.3**	**27.5**
	including			*94.5*	*95.3*	*0.8*	*183.6*
ICN-010	----	-90	46.6	9.3	18.9	**9.6**	**2.89**
ICN-013	280	-45	40.2	24.1	39.0	**14.9**	**164.5**
	including			*26.8*	*32.3*	*5.5*	*445.2*
ICN-014	90	-45	38.4	25.2	37.20	**12.0**	**222.6**
	including			*25.2*	*28.0*	*2.9*	*918.0*
	and			28.0	37.2	9.1	2.32
ICN-015	105	-70	119.8	52.7	115.7	**63.0**	**1.75**
ICN-018	97	-70	137.2	46.6	72.0	**25.3**	**4.10**
	including			*56.4*	*59.5*	*3.0*	*17.1*
ICN-023	----	-90	91.9	*46.8*	*78.2*	*31.4*	*2.73*
	including			*63.7*	*65.5*	*1.8*	*37.7*
ICN-024	90	-73	69.5	17.5	36.0	18.4	4.47

During 2011, ICN drilled 26 core holes for a total of 1,767 metres and 63 RC holes for a total of 8,375 metres. The core holes were drilled in what has been referred to as the Church Zone and the RC holes were utilized to test other exploration targets throughout the property. Highlights of include:

Intervals are calculated using a 0.01 oz/ton (0.34 g/t) cut off over a minimum of 10 feet (3.05m). True with is unknown as dips of mineralized zones are variable.

The core hole program resulted in the discovery of the Church Zone beneath 55 feet (16.9 metres) of post-mineral cover. Three of the core holes drilled contain 1.5 m intercepts of greater than 50 opt gold (> 1,700 g/t). The Church Zone is open and falls within a northeast trending corridor of gold mineralization. An untested bio-geochem anomaly comparable in size to that over the Church Zone has been identified immediately to the east. 2011 Reverse Circulation (RC) Highlights

Hole ID	Azimuth	Angle	TD	From (m)	To (m)	Interval (m)	Au (g/t)
ICR-001	vertical	-90	128.0	16.8	67.1	**50.3**	**2.06**
ICR-003	vertical	-90	67.1	16.8	62.5	**45.7**	**5.52**
including				19.8	21.3	1.5	39.00
ICR-019	90	-70	158.5	80.8	93.0	12.2	1.32
ICR-031	90	-75	140.2	88.4	125.0	**36.6**	**1.68**
ICR-032	45	-75	122.0	61.0	82.3	**21.3**	**2.30**
ICR-033	270	-75	91.5	1.5	13.7	12.2	1.56
ICR-044	-	vertical	73.2	12.2	25.9	**13.7**	**6.63**
including				12.2	13.7	1.5	28.32
ICR-046	-	vertical	61.0	18.3	32.0	**13.7**	**1.63**
ICR-050	90	-75	122.0	44.2	114.3	**70.1**	**0.50**
			incl	44.2	51.8	7.6	1.33
ICR-054	270	-85	91.5	32.0	41.2	9.1	0.51
				48.8	53.4	4.6	3.23
ICR-056	270	-70	129.6	35.1	53.4	**18.3**	**1.24**
ICR-059	60	-80	170.7	160.1	161.6	1.5	2.19
ICR-061	270	-75	128.0	57.9	62.5	4.6	1.65
				68.6	118.9	**50.3**	**1.32**
including				106.7	109.8	3.0	10.87

Intervals are calculated using a 0.01 oz/ton (0.34 g/t) cut off over a minimum of 10 feet (3.05 m). True width is unknown as dips of mineralized zones are variable.

The RC holes reported herein include:

1. Holes drilled along a northeast trending corridor lying between the Newmont Lode and the January-Combination open pit, and
2. Five holes (5) were collared based on CSAMT geophysical results. These holes were designed to test geophysical anomalies similar to that found at the high grade Church Zone discovered in 2011.

The exploration RC holes drilled along the northeast corridor returned numerous lower grade intervals as exemplified by holes ICR-050 and ICR-061. The degree of silicification, quartz veining and fracturing in these holes indicates that the gold-bearing intercepts likely represent halos to higher grade mineralization. The lower grade mineralization appears to occur when drilling in the vicinity of potential high grade mineralization. Hole ICR-061 did intercept 3.0 metres of 10.87 g/t Au within a broader zone of lower grade mineralization similar to that encountered in drill hole ICR-050. Re-interpretation of the CSAMT geophysical targets will be necessary.

ICN core and RC drilling has intercepted high grade mineralization (> 16 g/t Au) within a northeast corridor along approximately 280 metres of the overall 400 m strike. Complete drill results are posted to the Company's web-site, along with location maps and initial results from the bio-geochemical survey.

The Company is in the process of compiling all results from the Phase I and II drill programs into a set of geological cross sections and a three–dimensional (3D) model to gain further understanding of controls on both the high grade and lower grade mineralization. Biogeochemical results obtained from a vegetation sampling program last year are also currently being interpreted. This data, along with alteration studies, detailed geophysics, and trace element geochemical studies will be integrated with the drill results to further aid in planning future drill campaigns on the property. In addition, drill samples for initial metallurgic work are also being selected for testing. Combined, these studies will help to define the size, distribution, mineral association, and extraction characteristics of the gold in the mineralized zones.

Kings River Property, Nevada, USA

On March 29, 2011, ICN signed a Letter Agreement for a 100% purchase option of the Kings River Project, which is located to the north of the Sleeper Mine, Nevada, within a belt of epithermal gold systems related to Miocene bi-modal volcanism.

The King's River Project is optioned from Seabridge and consists of 44 unpatented mineral claims, (900 acres or 356 hectares), lying approximately 35 miles (60 km) north of the Sleeper Mine, in Humboldt County, Nevada. The terms of the letter agreement with Seabridge allow the Company, or a subsidiary, to acquire 100% of the claims over a 12 month period, subject to a retained 1.0% net smelter return on gold and silver reserved for the benefit of Seabridge. Initial payment called for the issuance of 100,000 shares of ICN with a final payment of US$100,000 cash and the further issuance of 150,000 shares of ICN on or before May 30, 2012. ICN issued 100,000 common shares to Seabridge.

On May 21, 2012, the letter agreement was amended, whereby both parties mutually agreed to postpone the first anniversary US$100,000 cash payment for six (6) months to November 2012. On May 24, 2012, ICN issued 150,000 shares at a value of $13,500 and granted Seabridge an additional 1/2% net smelter return on all claims.

The King's River Project consists of an untested epithermal volcanic system, occurring along a splay of the Northern Nevada Rift. Tertiary volcanic rocks of a Miocene flow-dome complex crop out along the range front fault zone. Sub-volcanic rhyodacite intrudes breccia bodies formed in the pre-Tertiary basement rocks that are hydrothermally altered, quartz veined, and contain anomalous gold and silver mineralization. Geophysics, geochemical sampling, and geological mapping will be used to target areas and structures concealed by shallow alluvial cover where bimodal volcanic rocks similar to those found at Sleeper exist.

Soil sampling and geological mapping was conducted late in 2011, and an additional 40 claims were staked to enlarge the range front target area. The Company is currently seeking a Joint Venture partner for the project.

AWA Property, Nevada, USA

The AWA Project, consists of two separate claim blocks. Seven claims lie to the north of Sleeper in the northwestern portion of the Awakening Hills, and the other block of claims (20 in total) lie to the east of the Sleeper Mine, along the eastern margin of the Awakening Hills. The later block of 20 claims is of principle interest to the Company. These claims cover an area of low to high grade gold mineralization within pre-Tertiary sedimentary rocks, but also offer untested, concealed, "Sleeper-type" potential within younger Tertiary volcanic rocks lying to the north of the known mineralized zone. To acquire a 100% interest in the two claim blocks over a six (6) year option period, the Company will be required to pay the vendors a total of US$1,000,000 in cash ($825,000 being the final payment on or before the sixth (6th) year anniversary) and complete a minimum of US$575,000 in work commitments ($500,000 in years four (4) through six (6)). The initial payment of US$5,000 has been made, the second payment of US$5,000 was paid on September 1, 2011 and a third payment of US$10,000 was paid in 2012. The Company will further evaluate both of these newly acquired claim blocks, compile existing data, conduct geochemical sampling and geologic mapping and develop new target concepts. Following completion of initial detailed evaluation, a decision will be made regarding the optimal way to further advance the properties. The Company is also in the process of staking additional claims in the area, and more detailed information will be released following completion of land acquisition.

Silver Cliff Property, Colorado, USA

On December 14, 2011, ICN signed a binding letter agreement to option the Silver Cliff Property which is located within a historic silver district located in Custer County, Colorado. The property consists of 35 unpatented mineral claims, (covering approximately 2.9 km^2). The property lies within a historic silver district located in central Colorado where high grade silver production came from numerous mines during the period from 1878 until 1894. The terms of the binding letter agreement provide that the Company can acquire a 100% undivided interest in the property in consideration the Company issuing an aggregate of 2,000,000 common shares and paying $2,000,000 in cash over a six year period.

Under the binding letter of agreement, the vendor is entitled to a bonus in connection with the Company achieving certain project milestones tied to (i) total National Instrument 43-101 M + I resources established, (ii) a positive scoping or pre-Feasibility study and (iii) project permitting status. If the foregoing facts are satisfied, the Company would be required to pay the Vendor an additional

1,000,000 common shares and an additional US$1,000,000 to US$3,000,000 in cash depending on achieving various project milestones.

Under the terms of the binding letter of agreement, the Vendor is also entitled to a net smelter returns royalty from the Property ranging from ½% to 2% depending on underlying status of additional property the Company acquires, if any, within a defined area of interest in the district.

On July 11, 2012, as per the original letter agreement, ICN issued 100,000 common shares to the Vendors as the option payment on the Silver Cliff Property, in addition to the 150,000 common shares ICN issued upon approval of the agreement. On July 11, 2012, the Silver Cliff letter agreement was amended, whereby the six (6) month anniversary cash option payment will be delayed for a further four (4) months to November 13, 2012. After the acquisition of ICN on October 18, 2012, the Company is renegotiating this agreement and this payment has not been made yet.

ICN Loan

On July 18, 2012, the Company and ICN entered into a loan agreement whereby the Company loaned $500,000 to ICN. On August 2, 2012, the Exchange approved this loan and it has the following conditions: the loan matures on the earlier of (i) 45 days after the ICN Shareholders Meeting, if the shareholders of ICN do not approve the Transaction described below and (ii) November 15, 2012. The loan bears interest at 10% per annum, calculated monthly and payable at maturity. The loan was secured by the assets of ICN, and of ICN's three US subsidiaries. As of September 30, 2012 the Company advanced $325,000 to ICN in relation to this loan. The proceeds of the loan were used by ICN for the payment of annual land claim assessment fees and other outstanding payables.

After the successful acquisition of ICN in October 2012, the $325,000 loan will be treated as part of the consideration paid for ICN.

Capitalized exploration expenses for the nine months ended September 30, 2012 and September 30, 2011

	Three months ended	Three months ended	**Nine months ended**	Nine months ended
	Sept. 30, 2012	Sept. 30, 2011	**Sept. 30, 2012**	Sept. 30, 2011
Exploration				
Assay and laboratory	**$ 6,188**	$ 15,252	**$ 10,536**	$ 53,777
Consultants	**50,166**	50,517	**252,451**	172.421
Development	**26,192**	27,581	**122,762**	117,705
Drilling	**-**	151,758	**268,445**	470,943
General expenses	**28,109**	32,334	**191,043**	198,866
Salaries	**82,574**	66,500	**263,123**	308,998
Surveying and mapping	**48,325**	2,471	**90,621**	5,642
Travel	**3,795**	6,439	**33,588**	36,969
Total exploration Costs	**$ 245,350**	$ 352,852	**$ 1,205,570**	$ 1,365,321

Exploration and evaluation expenses related to the Santo Domingo project as of September 30, 2012 have been written off as a component of the impairment of mineral properties during this period. The exploration and evaluation expenses as of September 30, 2011 were written off as a component of the impairment of mineral properties in December 31, 2011.

SELECTED FINANCIAL INFORMATION

For the six month period ended September 30, 2012 and September 30, 2011

	Sep. 30, 2012	Sep. 30, 2011 (Amended) (1)
Financial results		
Total revenue	**$Nil**	$Nil
Loss for the period	**$2,794,727**	$2,001,229
Basic and diluted (income) loss per share	**$0.04**	$0.03
Impairment of mineral property	**$875,154**	**$Nil**
Balance sheet data	**September 30, 2012**	December 30, 2011
Current assets	**$2,973,200**	$5,989,418
Non-current assets	**$887,849**	$270,377
Total assets	**$3,861,049**	$6,259,795
Current liabilities	**$262,756**	$280,434
Shareholders' equity	**$3,598,293**	$5,979,361

Correction of Comparative numbers for 2011

In order to reflect the 2011 year-end adjustments and corrections, the 2011 comparative numbers have been adjusted accordingly and are re-stated in summary form below. These corrections include accruing interest on term deposits of approximately $15,000 and corrections to stock based compensation calculations resulting in a reduction of compensation expense of $111,802 and capitalizing compensation costs of approximately $80,000 to mineral properties. The Company made an adjustment to reverse the gain previously recognized on the reverse asset transaction (note 2) of approximately $160,000 which was recognized in error.

Correction on Balance sheet items – September 30, 2011

	As previously reported	Adjustment	Adjusted balance
Receivables, deposits and prepaid expenses	$ 180,255	$ 28,982	$ 209,397
Mineral properties	5,833,173	121,398	5,954,571
Total Assets	$ 12,993,836	$ 150,380	$ 13,144,216
Share capital	$ 13,681,795	$ 172,908	$ 13,854,703
Share based payment reserve	1,578,881	(167,703)	1,411,178
Deficit	$ (2,627,794)	$ 145,175	$ (2,482,619)

Correction to Consolidated Statement of Comprehensive loss – September 30, 2011

Nine month period ended September 30, 2011

	As reported	Adjustment	Adjusted balance
Statements of operation 2011 - nine month period			
Share-based payments	$ 1,230,480	$ (289,101)	$ 941,379
Interest income	-	28,982	28,982
Reversed gain on reverse asset acquisition	160,829	(160,829)	-
Net loss for the nine month period ended Sep. 30,2011	$ (2,158,483)	$ 157,254	$ (2,001,229)

Three month period ended September 30, 2011

	As reported	Adjustment	Adjusted balance
Statements of operation 2011 - three month period			
Share-based payments	$ 310,872	$ (96,367)	$ 214,505
Interest income	-	14,491	14,491
Net loss for the three month period ended Sep. 30 2011	$ (593,025)	$ 110,858	$ (482,167)

RESULTS OF OPERATIONS

Corazon is a mineral exploration company which has elected under IFRS to capitalize exploration and evaluation expenditures. Corporate and administration expenses, as well as any exploration expenditures incurred prior to obtaining the legal right to explore, are charged to the statement of earnings when incurred. The exploration properties acquired by the Company are still in the early exploration and development stage. No revenues have been reported for the period ended September 30, 2012 or for the period September 30, 2011.

	Three months September 30, 2012	Three months September 30, 2011 (Amended note 3)	Nine months September 30, 2012	Nine months September 30, 2011 (Amended note 3)
Administrative expenses				
Audit and accounting fees	$ 34,240	$ -	$ 59,880	$ 3,418
Consulting fees	15,000	25,847	45,000	90,243
Corporate development	42,061	70,758	313,136	232,911
Depreciation	16,949	27,400	63,157	39,846
Legal fees and expenses	49,542	24,498	86,760	92,703
Finder fees	-	-	-	250,000
Office	57,908	55,396	176,928	110,146
Property examination costs	135,803	-	481,716	-
Regulatory fees	4,043	1,358	21,209	110,546
Salaries and benefits	147,996	106,385	356,239	223,450
Share-based payments	72,104	214,505	335,343	941,379
Travel and accommodation	12,079	11,624	28,565	50,432
	587,725	537,771	1,967,933	2,145,074
Other expense (income)				
Foreign exchange loss (gain)	645	(41,113)	2,880	(114,863)
Other Income	(16,992)	(14,491)	(51,240)	(28,982)
Impairment of mineral properties	90,893	-	875,154	-
	74,546	(55,604)	826,794	(143,845)
Net loss for the period	**662,271**	**482,167**	**2,794,727**	**2,001,229**
Other comprehensive loss (income)				
Exchange differences on translating foreign operations	20,520	(335,694)	3,206	(216,867)
Comprehensive loss for the period	**$ 682,791**	**$ 146,473**	**$ 2,797,933**	**$ 1,784,362**
Loss per share – basic and diluted	**$ 0.01**	**$ 0.01**	**$ 0.04**	**$ 0.03**

Expenses for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011

The Company recorded an operating loss of $2,794,727 for the period ended September 30, 2012 compared to a loss of ($2,001,229) period ended September 30, 2011

During the nine month period ended September 30, 2012, the net loss is impacted by the recognition of an impairment of mineral properties of $875,154 during the nine-month period ended June 30, 2012 (2011 – nil).

Excluding the impact of the impairment charge the overall operating expenses for the nine-month ended September 30, 2012 have decreased. Salaries and benefits have increased from $223,450 to $356,239 since the Company has more full time employees. Share-based payments have decreased from $941,379 in June 2011 to $335,343 since most of the options granted during 2011 have vested and most of the shared-based compensation was recognized in 2011.

During the period ended September 30, 2012 the Company paid $481,716 for examination costs (2011 – nil). $281,716 was related to Buckeye Project and the other $200,000 was related to property and community relations prior to the acquisition of the concessions in Nicaragua.

Expenses for the three months ended September 30, 2012 compared to the three months ended September 30, 2011

The Company reported an operating loss for the three months ended September 30, 2012 of $687,136 compared to $482,167 for the three months ended September 30, 2011.

The increase in the loss during the three months ended September 30, 2012 compared to 2011 is mainly attributed to the impairment of the Santo Domingo project ($90,893), and an increase on property examination costs ($135,803), as well as the increase in general expenses due to the increase in business activities.

SELECTED QUARTERLY FINANCIAL RESULTS

Selected financial information for each of the eight quarters ended September 30, 2012 is as follows:

	Sept 30 2012	June 30 2012	March 31 2012	Dec 31 2011	Sept 30 2011	June 30 2011	March 31 2011	Dec 31 2010
					Amended	Amended	Amended	
Financial results								
Net Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net loss (income) for the period	$662,271	$1,102,552	$1,029,904	$7,241,544	$482,167	$565,408	$953,654	$158,251
Basic and diluted loss per share	$0.01	$0.02	$0.17	$0.16	$0.03	$0.01	$0.020	$0.007
Balance sheet data								
Cash and cash equivalents	$2,497,506	$3,688,494	$4,443,613	$5,390,658	$6,723,255	$7,957,701	$4,163,602	$63,426
Resource properties	$687,136	$425,613	$72,172	-	$5,833,173	$4,552,616	$1,463,669	$1,190,422
Total assets	$3,861,049	$4,447,139	$5,389,044	$6,259,795	$12,993,836	$12,822,993	$5,844,932	$1,331,503
Total liabilities	$262,756	$251,281	$212,130	$280,434	$182,666	$130,164	$81,447	$804,524
Shareholders' equity	$3,598,293	$4,195,858	$5,176,914	$5,979,361	$12,811,170	$12,692,829	$5,763,485	$526,979

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At September 30, 2012 and December 31, 2011 the Company's working capital and deficit were as follows:

		September 30, 2012		December 31, 2011
Working capital	$	**2,710,444**	$	**5,708,984**
Deficit		**(12,518,890)**		**(9,724,163)**

Three months ended September 30, 2012

The Company has a working capital of $2,710,444. Management believes that at this point the Company has enough working capital to meet its current activities over the next twelve months.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS

The annual consolidated financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These interim consolidated financial statements of the Company comply with IAS 34 of IFRS as issued by the IASB and interpretations of the IFRIC.

On January 14, 2011, the Company acquired all of the outstanding shares of 0887398, a private entity incorporated on February 26, 2010, in a reverse asset acquisition. An explanation of the IFRS adjustments necessary as at December 31, 2010 and for the period from February 26, 2010 to December 31, 2010 related to 0887398 and can be found in note 17 of the audited financial statements for the year ended December 31, 2011.

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

CHANGES IN ACCOUNTING STANDARDS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2012 reporting period. The following standards are assessed not to have any impact on the Company's financial statements:

Accounting standards effective January 1, 2013

IAS 1 – Presentation of Financial Statements

IAS 1 – Presentation of Financial Statements requires an entity to group items presented in the statement of other comprehensive income on the basis of whether they may be reclassified to profit or loss subsequent to initial recognition. For those items presented before tax, the amendments to IAS 1 also require that the tax related to the two separate groups be presented separately.

IFRS 10 – Consolidated Financial Statements

IFRS 10 – Consolidated Financial Statements, supersedes SIC 12 – Consolidation – special purpose entities and the requirements relating to consolidated financial statements in IAS 27 – Consolidated and Separate Financial Statements. IFRS 10 establishes control as the basis for an investor to consolidate its investees and defines control as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. Interests are widely defined as contractual and non–contractual involvement that exposes an entity to a variability of returns from the performance of the other entity. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows.

IFRS 13 – Fair Value Measurement

IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

Accounting standards effective January 1, 2015

IFRS 9 – Financial instruments

IFRS 9 was issued in November 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Foreign Countries and Regulatory Requirements. Currently, a portion of the Company's properties are located in Nicaragua. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of September 30, 2012 was $12,518,890. The Company is an exploration company. The Company has not yet determined that economic resources exist and/or that commercial development is feasible and/or warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$2,497,506	-	-	$3,688,494
Loans and receivables				
Other receivable	53,875	-	-	53,875
Loan-ICN Resources Ltd	325,00	-	-	325,00
Reclamation deposits	5,000	-	-	5,000

Management of Financial Risk:

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Nicaragua. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables and the loan receivable. This risk is minimal for other receivables as they consist primarily of refundable input taxes. The credit risk associated with loan receivable is viewed as reasonable due to loan being secured by shares having a fair value in excess of the carrying value.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding (see note 1).

All of the contractual maturities of the Company's non-derivative financial liabilities are within one year of the financial statement end date.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's Nicaraguan subsidiary is exposed to currency risk as it incurs expenditures that are denominated in the Nicaraguan Cordoba while its functional currency is the United States dollar. The parent company is exposed to currency risk as it holds cash balances that are denominated in United States dollars while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of the Canadian dollar equivalent of financial assets and liabilities of the Company that are denominated in US dollars and its subsidiary Corazon that are denominated in Nicaraguan Cordoba:

	USD	Nicaraguan Cordoba	Sept. 30, 2012
Cash and cash equivalents	37,071	3,334	$ 40,405
Accounts receivable	50,678	-	50,678
Accounts payable	(4,515)	-	(4,515)
	83,234	3,334	$ 86,568

Based on the above net exposures, as at September 30, 2012 a 10% change in the US dollar to Canadian dollar exchange rate would impact the Company's net loss by $8,323. A 10% change in the Nicaraguan Cordoba to Canadian dollar exchange rate would impact the Company's net loss by $333.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises from the interest rate impact on its cash equivalents and loan receivable. Because the cash equivalents are held on deposit at financial institutions and may be withdrawn at any time, the Company's exposure to interest rate risk is not significant. The fixed interest rate on the loan receivable is estimated to approximate market rates as at December 31, 2011.

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.

The properties 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 year ended December 31, 2011, the Company raised gross proceeds $13,573,580 through private placements (Note 12 of accompanying Financial Statements). The Company has no external capital requirements or restrictions.

OUTSTANDING SHARE DATA

Common shares, options, warrants and convertible securities outstanding as at the date of this report**:**

Security	Common Shares on Exercise
Common Shares	107,452,945[(1)]
Options	8,425,000[(2)]
Warrants	2,896,061[(2)]

(1) Includes 46,956,392 out of an aggregate of 51,665,740 common shares of the Company to be issued in connection with the acquisition of ICN.

(2) Includes 3,725,000 options and 2,896,061 warrants of the Company in connection with the acquisition of ICN.

CONTRACTUAL OBLIGATIONS

The Company has entered into a 3 year premises lease for its Vancouver head office which requires the Company to pay US$71,760, $74,152, and $76,544 per year from 2012 to 2014, respectively.

LEGAL CLAIMS AND CONTINGENT LIABILITIES

At November 21 2012, there were no material legal claims or contingent liabilities outstanding against the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM