Corazon Gold Corp.

Condensed Consolidated Interim Financial Statements

For the three and nine month periods ended September 30, 2012 and September 30, 2011

Expressed in Canadian Dollars

NOTICE TO READER

In accordance with the National Instrument 51-102, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the three and nine month periods ended September 30, 2012 and September 30, 2011.

The condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Corazon Gold Corp.
Consolidated statements of financial position
(Expressed in Canadian dollars - unaudited)

	Notes	September 30, 2012	December 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 2,497,506	$ 5,390,658
Receivables, deposits and prepaid expenses	5	150,694	98,760
Loan receivable	6	325,000	500,000
		2,973,200	5,989,418
Non-current assets			
Reclamation bond		5,000	5,000
Property and equipment	7	195,713	265,377
Exploration and evaluation assets	8	687,136	-
		887,849	270,377
TOTAL ASSETS		**$ 3,861,049**	**$ 6,259,795**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	$ 262,756	$ 280,434
TOTAL LIABILIITES		**262,756**	**280,434**
SHAREHOLDERS' EQUITY			
Share capital	10	13,842,226	13,842,226
Share-based payment reserve	10	2,278,163	1,843,984
Foreign currency translation reserve		(3,206)	17,314
Accumulated deficit		(12,518,890)	(9,724,163)
TOTAL SHAREHOLDERS' EQUITY		**3,598,293**	**5,979,361**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 3,861,049**	**$ 6,259,795**

Approved by the board of directors on November 21, 2012

"John King Burns"
Director

"Patrick Brauckmann"
Director

Corazon Gold Corp.
Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars - unaudited)

	Notes	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	10	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	12	(16,992)	(14,491)	(51,240)	(28,982)
Impairment of mineral properties	8	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	10	**$ 0.01**	**$ 0.01**	**$ 0.04**	**$ 0.03**
Weighted average Common Shares – basic and diluted		**60,496,552**	**60,496,552**	**60,496,552**	**54,810,328**

Corazon Gold Corp.
Consolidated statements of shareholder' equity
(Expressed in Canadian dollars - unaudited)

	Share capital		Reserves			
	Number of shares	Amount	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
Balance at December 31, 2010	**23,446,318**	**$ 1,046,948**	**$ -**	**$ (38,579)**	**$ (481,390)**	**$ 526,979**
Comprehensive loss for the nine month period ended September 30, 2011:						
Loss for the period	-	-	-	-	(2,001,229)	(2,001,229)
Other comprehensive income	-	-	-	216,867	-	216,867
Total comprehensive loss for the period ended September 30, 2011	**-**	**-**	**-**	**178,288**	**(2,482,619)**	**(1,784,362)**
Transactions with owners, in their capacity as owners, and other transfers for the nine month period ended September 30, 2011:						
Elimination of 0887398 B.C. Ltd. Shares pursuant to shares exchanged in share purchase agreement (note 2)	(23,446,318)	-	-	-	-	-
Issue of shares of the Company pursuant to share purchase agreement (note 2)	23,446,318	-	-	-	-	-
Fair value of monetary assets attributed to issued shares of legal parent at acquisition date (note 2)	3,513,734	242,790	-	-	-	242,790
					-	
Common shares issued as finders' fees (note 2)	1,250,000	250,000	-	-		250,000
Common shares issued for cash – private placements (note 10)	32,286,500	13,572,580	-	-	-	13,572,580
Share issue costs – cash (note 10)	-	(909,755)	-	-	-	(909,755)
Share issue costs – cash (note 10)	-	(347,860)	347,860	-	-	-
Share-based payments – stock options	-	-	1,063,318	-	-	1,063,318
Balance at September 30, 2011 (Amended note 3)	**60,496,552**	**$ 13,854,703**	**$ 1,411,178**	**$ 178,288**	**$ (2,482,619)**	**$ 12,961,550**
Balance at December 31, 2011	**60,496,552**	**$ 13,842,226**	**$ 1,843,984**	**$ 17,314**	**$ (9,724,163)**	**$ 5,979,361**
Comprehensive loss for the six month period ended September 30, 2012:						
Loss for the period	-	-	-	-	(2,794,727)	(2,794,727)
Other comprehensive income	-	-	-	(20,520)	-	(20,520)
Total comprehensive loss for the period ended September 30, 2012	**-**	**-**	**-**	**(20,520)**	**(2,794,727)**	**(2,815,247)**
Share-based payments – stock options	**-**	**-**	**434,179**	**-**	**-**	434,179
Balance at September 30, 2012	**60,496,552**	**$ 13,842,226**	**$ 2,278,163**	**(3,206)**	**$ (12,518,890)**	**$ 5,598,293**

Corazon Gold Corp.
Consolidated statements of cash flows
(Expressed in Canadian dollars - unaudited)

	Notes	Three month September 30, 2012	Three month September 30, 2011 (Amended note 3)	Nine month September 30, 2012	Nine month September 30, 2011 (Amended note 3)
Operating activities					
Loss for the period		$ (662,271)	$ (482,167)	$(2794,727)	$ (2,001,229)
Items not involving cash:					
Depreciation		16,949	27,400	63,157	39,846
Issuance of common shares as finders' fees		-	-	-	250,000
Share-based payments		72,106	214,505	335,343	941,379
Impairment of mineral property		90,893	-	875,154	-
Changes in non-cash working capital items:					
Receivables, deposits and prepaid expenses		(70,675)	(878)	(51,934)	(188,994)
Accounts payable and accrued liabilities		11,475	98,902	(17,678)	(192,359)
Net cash flows used in operating activities		(541,523)	(142,238)	(1,590,685)	(1,151,357)
Investing activities					
Acquisition of property and equipment		34,730	(175,298)	7,233	(230,564)
Cash acquired on reverse asset acquisition	2	-	-	-	270,613
Loan repayment - ICN Resources		(325,000)	-	175,000	-
Expenditures on exploration and evaluation assets		(315,910)	(1,054,688)	(1,450,682)	(4,416,882)
Net cash flows used in investing activities		(606,180)	(1,229,986)	(1,268,449)	(4,376,833)
Financing activities					
Common shares issued for cash		-	-	-	13,813,703
Share issue costs		-	-	-	(1,149,264)
Increase (decrease) in promissory notes		-	-	-	(429,500)
Net cash flows from financing activities		-	-	-	12,234,939
Increase in cash and cash equivalents		(1,147,703)	(1,372,224)	(2,859,134)	6,706,749
Effect of exchange rates on cash holdings in foreign currencies		(43,285)	137,780	(34,018)	(46,920)
Cash and cash equivalents, beginning		3,688,494	7,957,699	5,390,658	63,426
Cash and cash equivalents, ending		**$ 2,497,506**	**$ 6,723,255**	**$2,497,506**	**$ 6,723,255**

Supplementary information for non-cash investing and financing activities:

Capitalization of share based compensation in exploration and evaluation assets	21,615	40,466	98,836	80,932
Common shares issued as finder's fee	-	-	-	250,000
Net liability assumed on reverse asset acquisition	-	-	-	24,823

See accompanying notes to the consolidated financial statements

1. Nature and continuance of operations

Corazon Gold Corp. (the "Company"), formerly ReMac Zinc Corp., was incorporated on April 20, 2005, under the laws of the province of Alberta, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and Nicaragua. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "V.CGW".

The principal address and registered office of the Company is #1060 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As September 30, 2012, the Company had not identified economical reserves at any of its mineral properties and is, therefore, not able to finance day to day activities through operational revenues. The Company's ability to continue as a going concern in the long term is dependent upon the mineral property exploration activities identifying commercially economical mineral reserves and its ability to attain profitable operations or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes it has sufficient cash at September 30, 2012 to fund planned expenditures for at least the next twelve months after such date.

2. Reverse asset acquisition

On January 14, 2011, ReMac Zinc Corp. ("ReMac") completed the acquisition of all of the issued and outstanding shares of 0887398 B.C. Ltd. ("0887398") 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 0887398, pursuant to a share exchange agreement dated October 6, 2010 among 0887398, its shareholders, and its subsidiaries 0887406 B.C. Ltd. ("0887406") and Corazon Exploraciones, S.A. ("Corazon"). 0887398 owned 99.9 % of the issued and outstanding shares of Corazon and 0887406 owned the remaining 0.1% of the issued and outstanding shares of Corazon. In addition, 0887406 agreed to transfer its ownership in Corazon to ReMac pursuant to the terms of a share purchase agreement between ReMac and 0887406. As a result, 0887398 and 0887406 became wholly-owned subsidiaries of ReMac and ReMac holds indirectly 100% of the issued and outstanding shares of Corazon.

0887398 and its subsidiary, Corazon, were principally engaged in the acquisition, exploration and development of a resource property located in Santo Domingo, Nicaragua. As a result of the share exchange, the former shareholders of 0887398 obtained control of ReMac. Consequently the transaction has recognized as a reverse asset acquisition in these consolidated financial statements, with 0887398 being the deemed acquirer of the net assets of ReMac. The consolidated financial statements are a continuation of 0887398 and the net assets and results of operations of ReMac are included in these financial statements from the date of acquisition (January 14, 2011). 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 0887398. This royalty was exclusive to the Santo Domingo property. 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.

3. Significant accounting policies

The financial statements were authorized for issue on November 21, 2012 by the directors of the Company.

Basis of preparation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting using accounting policies consistent with IFRS issued by the IASB and interpretations of IFRIC. These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in and should be read in conjunction with the Corporation's December 31, 2011 consolidated financial statements.

The condensed 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.

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 $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)

3. Significant accounting policies

Correction of Comparative numbers for 2011 *(Cont'd)*

Correction to Consolidated Statement of Comprehensive loss

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)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned* June 30, 2012	Percentage owned* December 31, 2011
ReMac Zinc Development Corp. ("RMZD")	Canada	100%	100%
0887398 B.C. Ltd.	Canada	100%	100%
0887406 B.C. Ltd.	Canada	100%	100%
Corazon Exploraciones, S.A.	Nicaragua	100%	100%
Corazon JV El Salvador Ltd.	Cayman Islands	100%	-
Corazon JV Honduras Ltd.	Cayman Islands	100%	-

*Percentage of voting power is in proportion to ownership. Due to the reverse asset acquisition transaction described in Note 2, the comparative figures reflect the 0887406 and Corazon, the subsidiaries of 0887398.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. Significant accounting policies (cont'd)

Significant accounting judgments, estimates and assumptions

Corazon was incorporated on February 26, 2010. On August 9, 2010, 0887398 was incorporated by the shareholders of Corazon and Corazon was issued 20,000,000 common shares of 0887398 in exchange for 99.9% of the outstanding common shares of Corazon held by the same shareholders. This common control restructuring transaction has been accounted for at book value and accounted for as a continuity of interest of Corazon in these financial statements from the date of its incorporation.

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Mineral properties

The application of the Company's accounting policy for and determination on recovery of capitalized mineral properties expenditures requires judgment in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized will be recognized as a loss in the year that the new information becomes available.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiary that has operations in Nicaragua is the United States dollar and all other subsidiaries have a Canadian dollar functional currency.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized as profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

3. Significant accounting policies (cont'd)

Cash and cash equivalents

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Cash and cash equivalents include cash on hand, deposits held and other short-term highly liquid investments with original maturities of three months or less from the date of purchase.

Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset acquisition. Once a license to explore an area has been secured, exploration and evaluation expenditures are capitalized on a property-by-property basis until such time the property is placed in production, is sold or abandoned or determined to be impaired. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Recoverability of the carrying amount of any of the resource properties is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Government tax credits received are recorded as a reduction to the cumulative costs incurred. Option payments received on mineral property interests optioned to third parties are credited against previous capitalized acquisition and exploration and evaluation costs for that mineral property and to income to the extent that amounts exceed those costs.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Where a potential impairment is indicated, assessments are performed for each area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major component) of plant and equipment. The cost of replacing or overhauling a component of plant and equipment is recognized in the carrying amount when there is a future economic benefit to the Company and its cost is reasonably determinable. The carrying amount of the replaced component is written off. Costs of repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

3. Significant accounting policies (cont'd)

Property and equipment (cont'd)

Depreciation and amortization are calculated to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of property and equipment are as follows:

Class of equipment	**Depreciation rate**
Vehicles	30% declining balance
Office equipment	20% declining balance
Computer equipment	55% declining balance
Leasehold improvements	3 years straight line

Share-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments at the date of grant and amortized over the vesting periods with the corresponding amount being recorded to the option reserve in equity. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The share-based payment reserve records items recognized as share-based payments until such time that the share options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

3. **Significant accounting policies** (cont'd)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are initially measured at fair value and are subsequently measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

The Company has classified cash and cash equities, receivables and deposits, loan receivable, and reclamation bond as loans and receivables.

The Company has classified accounts payable and accrued liabilities and promissory notes as other liabilities.

The fair value of cash and cash equivalents, receivables and deposits, loan receivable, reclamation bond, accounts payable and accrued liabilities and promissory notes approximate their carrying value due to the short arm term nature of these items.

3. Significant accounting policies (cont'd)

Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include property and equipment and explorations and evaluation assets) is reviewed at each reporting date or earlier when facts and circumstances support that there is an indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. Significant accounting policies (cont'd)

Income taxes *(cont'd)*

Deferred income tax (cont'd):

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to resource properties along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for resource properties.

3. Significant accounting policies (cont'd)

Accounting standards issued but not yet effective

The following new and revised accounting standards have not yet been adopted and the Company has not yet completed the process of assessing the impact that they will have on its financial statements or whether to early adopt any of the new requirements.

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 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 paid 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.

3. Significant accounting policies (cont'd)

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.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	June 30, 2012	December 31, 2011
Cash at bank	$ 237,506	$ 275,658
Guaranteed investment certificates	2,260,000	5,115,000
	$ 2,497,506	$ 5,390,658

5. Receivables, deposits and prepaid expenses

	June 30, 2012	December 31, 2011
Value-added tax receivables	$ 63,891	$ 32,649
Other receivables	53,875	54,322
Prepaid expenses	32,928	11,789
	$ 150,694	$ 98,760

6. Loans receivable

On December 12, 2011, the Company entered into a loan agreement and advanced $500,000 to a publicly traded company listed on the TSX-V, which shares two common Directors with the Company. The loan was repaid in full including interest paid of $19,023 on May 2, 2012 in advance to its maturity date of May 12, 2012and at September 30, 2012 there was no interest outstanding on this loan.

On July 18, 2012, the Company and ICN Resources Ltd ("ICN") entered into a loan agreement whereby the Company will loan up to $500,000 to ICN. The loan was approved by the exchange on August 2, 2012 and 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 is secured by the assets of ICN, and each of ICN's three US subsidiaries. As of September 30, 2012 the Company advanced $325,000 to ICN in relation to this loan.

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

7. Property and equipment

	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
Cost:					
At December 31, 2011	$113,362	$106,769	$35,827	$77,454	$333,412
Additions	6,274	17,207	3,080	-	26,561
Dispositions	(29,376)	-	-	-	(29,376)
Effect of foreign exchange	(3,639)	(511)	(644)	-	(4,794)
At June 30, 2012	$86,621	$123,465	$38,263	$77,454	$325,803
Accumulated depreciation:					
At December 31, 2011	$31,769	$11,817	$11,540	$12,909	$68,035
Charge for the year	12,102	16,326	10,554	24,204	63,156
Effect of foreign exchange	(908)	(119)	(74)	-	(1,101)
At June 30, 2012	$42,933	$24,024	$22,020	$37,113	$130,090
Net book value:					
At December 31, 2011	$81,593	$94,952	$24,287	$64,545	$265,377
At June 30, 2012	$43,688	$95,441	$16,243	$40,341	$195,713

8. Exploration and evaluation assets

Resource property expenditures are detailed as follows:

	Acquisition cost	Exploration and evaluation	Other	Total resource property expenditure
At December 31, 2011	$ -	$ -	$ -	$ -
Additions				
La Ranchera	1,699			1,699
Rio Coco	41,351	537,280	42,997	621,628
SDL Project	17,554		46,255	63,809
Santo Domingo	-	668,290	206,864	875,154
Impairment loss- Santo Domingo	-	(668,290)	(206,864)	(875,154)
At September 30, 2012	$ 60,604	$ 537,280	$ 89,252	$ 687,136

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. The Concession Agreement required the Company to pay an initial USD$500,000 on April 15, 2010 (paid), and 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 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 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 is the exploration for gold.

Corazon completed 7,450 meters of core drilling, along with other evaluation of the economic potential of the project, but results, while ore-grade in places, did not support further expenditures. Therefore, the Company elected not to make its April 15, 2012 option payment and notified the Co-op that it was abandoning the project. The Company wrote down the carrying value of the Santo Domingo concession to nil as at December 31, 2011 and costs subsequent to December 31, 2011 were impaired as incurred and totaled $784,261 through to June 30, 2012.

La Ranchera Project, Nicaragua

In February 2012, the Nicaragua's Ministry of Energy and Mines (MEM) granted the Company three 25-year exploration and exploitation concessions. The La Ranchera Concession totals 28.21 square kilometres and it is adjacent to Caza Gold Corp.'s ("Caza") large high-sulphidation epithermal gold project in central Nicaragua. The Company is developing an exploration program for the property and will monitor the progress of Caza and their several adjacent concessions.

SDL Project, Nicaragua

The other two concessions are 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 new concessions, Pijibay and Pilatos, are considered prospective for gold and silver due to similarities in geology and structural features ("Features") that influence mineralization in the main La Libertad-Santo Domingo district, 10 to 15 kilometres to the southwest.

8. Exploration and evaluation assets (cont'd)

Rio Coco Project, Nicaragua

In April 2012, the Company was granted three contiguous, 25-year exploration and exploitation concessions located along the Rio Coco River by Nicaragua's Ministry of Energy and Mines (MEM) and the Autonomous Region of the Northern Atlantic (RAAN). The three contiguous concessions, named Arcosa, Azul and Calcedonia, encompass 300 square kilometres of mineral rights, and each concession is home to considerable small-scale placer and hard-rock gold mining. Corazon has begun a first phase exploration program that includes a widespread stream-sediment survey, and reconnaissance traverses over areas of known gold mineralization.

Other projects

Buckeye project, Colorado, USA

Corazon has signed a letter agreement to enter into an option agreement to acquire a group of mineral claims known as the Buckeye Property. The Buckeye Property currently comprises 2,368 acres of mineral rights within a 62,916 acre Area of Influence (AOI) within the Leadville, London, Kokomo, Climax, St. Kevin – Sugar Loaf and Gilman Mining districts in Central Colorado. The 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, which was recorded under property examination cost expense. Corazon expects to complete the terms of the option agreement no later than December 31, 2012.

ReMac Zinc property, BC, Canada

The ReMac Zinc project consists of 40 contiguous mineral claims located in British Columbia, Canada. This mineral claims cover an area of 3,943.82 hectares (the "ReMac Zinc property") which is 100% owned by the Company.

Currently the Company is maintaining ownership in the ReMac Zinc property which has a nil carrying value, but does not have an exploration program planned in the near future. The Company is currently assessing the viability of continued ownership in the ReMac Zinc property. All resource property expenditures incurred to December 31, 2011 have been impaired. The Company has not incurred any resource expenditures on the property in the six-month period ended June 30, 2012.

9. Accounts payable and accrued liabilities

	September 30, 2012	December 31, 2011
Accounts payable	$ 4,475	$ 74,508
Accrued liabilities	213,248	189,419
Payroll liabilities	45,033	16,507
	$ 262,756	$ 280,434

10. Share capital

Authorized share capital

The Company has the ability to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Issued share capital

At September 30, 2012 and December 31, 2011 there were 60,496,552 issued and fully paid common shares.

Private placements

Concurrently with the completion of the reverse asset acquisition in January 14, 2011 (note 2), the Company completed a financing involving the issuance of 12,875,000 common shares at a price of $0.20 per common share and 7,437,500 common shares at a price of $0.40 per common share for total proceeds of $5,550,000. The Company incurred share issuance costs of $220,304.

On April 12, 2011 the Company completed a private placement for 11,974,000 shares at a price of $0.67 per share for total proceeds of $8,022,580. The Company incurred share issuance costs of $1,050,329, which included $348,401 recorded as the fair value of 711,240 warrants issued to the private placement underwriters (the "Warrants"). The Warrants expired on April 12, 2012, and each Warrant provided the holder the right to purchase one common share of the Company at a price of $0.67. The fair value of the warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life of one year; an expected volatility of 143%; a risk-free rate of 1.86%; and an expected dividend yield of 0%.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six month period ended June 30, 2012 was based on the loss attributable to common shareholders of $2,132,456 (2011 - $1,519,062) and the weighted average number of common shares outstanding of 60,496,552 (2011– 51,920,093).

Diluted loss per share did not include the effect of 4,700,000 stock options, as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive share option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable share options.

In conjunction with the closing of the reverse assets acquisition transaction on January 14, 2011 (note 2), all previous, fully vested, outstanding share options (109,287) were cancelled.

On March 2, 2011, the Company granted an aggregate of 2,100,000 stock options to directors, officers and employees of the Company at an exercise price of $0.75 per share. The options have a five-year expiry. The options vest as to 25% every six months, commencing on the grant date.

On April 19, 2011, the Company granted an aggregate of 200,000 stock options to officers and employees of the Company at an exercise price of $0.80 per share. The options have a five-year expiry. The options vest as to 25% every six months, commencing on the grant date.

10. Share capital (cont'd)

Stock options *(cont'd)*

On October 7, 2011, the Company granted an aggregate of 2,650,000 stock options to directors, officers and employees of the Company at an exercise price of $0.30 per share. The options have a five-year expiry. The options vest as to 25% every six months, commencing on the grant date.

The changes in options during the year ended December 31, 2011 (none during the period from February 26, 2010 to December 31, 2010) are as follows:

	2012	
	Number of options	**Weighted average exercise price**
Options outstanding, beginning of period December 31, 2011	4,800,000	$ 0.50
Options granted	-	-
Options cancelled / expired	(75,000)	0.30
Options forfeited	(25,000)	0.30
Options outstanding, Sept. 30, 2012	4,700,000	$ 0.50
Options exercisable, Sept. 30, 2012	3,387,500	$ 0.58

Details of options outstanding as at September 30, 2012 are as follows:

Exercise price	**Number of options outstanding**	**Contractual life remaining**	**Number of options exercisable**
$ 0.75	2,000,000	3.4	2,000,000
$ 0.80	150,000	3.5	112,500
$ 0.30	2,550,000	4.0	1,275,000
	4,700,000		3,387,500

The weighted average contractual life remaining of options outstanding as at September 30, 2012 is 3.7 years.

The weighted average fair value of options granted during the nine month period ended September 30, 2011 was $0.75. No options have been granted during the nine-month period ended September 30, 2012. The fair value was determined using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Sep. 30, 2012	Sep. 30, 2011
Expected life of options	na	3.26 years
Annualized volatility	na	209.86%
Risk-free interest rate	na	2.23%
Dividend rate	na	0%

Warrants

At September 30, 2012, there were no warrants outstanding. The warrants, which were issued to agents in connection with the April 12, 2011 private placement at an exercise price of $0.67, expired unexercised on April 12, 2012.

11. Related party transactions

The following amounts due to related parties are included in trade payables and accrued liabilities:

	September 30, 2012	December 31, 2010
Directors of the Company and of its subsidiaries	$ -	$ 15,000

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company incurred the following transactions with a company, which shares two common directors of the Company.

	September 30, 2012	Year ended December 31, 2011
Loan to ICN Resources Ltd.	$ 325,000	$ 500,000
Loan repaid by ICN Resources Ltd.	$ 500,000	$ -

See Note 6 for description of the loans.

Key management personnel compensation

	September 30, 2012	Year ended December 31, 2011
Short-term employee benefits – salaries, wages and consulting fees	$ 198,312	$ 237,334
Share-based compensation	121,245	399,130
	$ 319,557	$ 636,464

12. Financial risk management

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 the loan being secured by shares having a fair value in excess of the carrying value.

12. Financial risk management (cont'd)

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.

12. Financial risk management (cont'd)

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 are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. The Company has no external capital requirements or restrictions.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2012	December 31, 2011
Cash and cash equivalents	$ 2,497,506	$ 5,390,658
Loans and receivables:		
Other receivables	53,875	51,666
Loan receivable	325,000	500,000
Reclamation bond	5,000	5,000
	$ 2,881,381	$ 5,947,324

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2012	December 31, 2011
Non-derivative other financial liabilities:		
Accounts payable and accrual liabilities	$ 262,756	$ 280,434
Promissory notes	-	-
	$ 262,756	$ 280,434

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

13. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The following non-current assets, excluding financial assets, are located in the following countries:

	As at September 30, 2012		
	Canada	**Nicaragua**	**Total**
Equipment	$ 124,808	$ 70,905	$ 195,713
Exploration and evaluation assets	-	687,136	687,136
	$ 124,808	$ 758,041	$ 882,849

	As at December 31, 2011		
	Canada	**Nicaragua**	**Total**
Equipment	$ 162,981	$ 102,396	$ 265,377
	$ 162,981	$ 102,396	$ 265,377

14. Commitments

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

15. Events after the reporting period

On October 18, 2012 the Company closed the plan of arrangement with ICN Resources Inc. ("ICN") whereby the Company acquired all of the outstanding shares of ICN. This business combination resulted in a well-financed company with gold and silver exploration projects in Nicaragua, Nevada and Colorado. The Transaction was approved by approximately 99% of the shareholders of ICN that voted on a special resolution with respect to the Transaction at an annual and special meeting of ICN shareholders held on October 15, 2012, and a final order with respect to the Transaction was obtained by ICN from the British Columbia Supreme Court on October 16, 2012.

Pursuant to the terms of an arrangement agreement dated August 10, 2012, as amended, 0947474 B.C. Ltd., a wholly-owned subsidiary of Corazon Gold Corp, amalgamated with ICN on October 17, 2012 under the name "ICN Resources Ltd.", the amalgamated company became a wholly-owned subsidiary of Corazon Gold Corp, the Company has agreed to issue up to 51,665,740 common shares of the Company (each, a "Corazon Share") to the former shareholders of common shares of ICN (each, an "ICN Share") on a one for one basis. In order to obtain their Corazon Shares, 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, pursuant to the instructions set forth in the letter of transmittal previously delivered to ICN shareholders. Blank copies of the letter of transmittal can be obtained from Corazon upon request. All outstanding ICN options and warrants will now be exercisable into Corazon Shares, rather than ICN Shares, on the same terms as provided for with respect to the existing ICN options and warrants, without any further action required on the holder thereof.

As a result of the completion of the Transaction, the ICN Shares were delisted from the TSX Venture Exchange effective at market close on October 18, 2012.