CORAZON GOLD CORP.

Management Discussion & Analysis
December 31, 2012

The following Management Discussion and Analysis ("MD&A") of Corazon Gold Corp. (the "Company" or "Corazon") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 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 April 25, 2013.

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, 47,543,464 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.

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 also ICN ceased to be a reporting issuer in the Provinces of British Columbia and Alberta in accordance with applicable securities laws.

Acquisition cost:

47,543,463 Corazon common shares issued	$3,328,042
4,122,277 Corazon's commitment to issue shares	288,560
2,896,061 Replacement Warrants issued	28,150
Transaction costs	41,468
	$3,686,220

Allocation of acquisition costs:

Cash and cash equivalents	$61,614
Other current assets	93,093
Exploration and evaluation assets	3,893,645
Reclamation bond	41,086
Equipment	33,433
Accounts payable and accrued liabilities	(63,298)
Loan payable	(325,000)
Income tax payable	(48,353)
	$3,686,220

DESCRIPTION OF THE COMPANY AND ITS PROPERTIES

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 in 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. No 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. No exploration is currently being planned.

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, include 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. Corazon concluded the first phase of an exploration program that included 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. A total of 227 stream sediment samples have been collected by Corazon's technical staff along with 19 rock samples, from this database, 68 stream sediments samples are part of the Regional Survey whereas 159 samples were collected from the Barkadia prospect area. All samples were screened in the field to -10 mesh and sent to Inspectorate's preparation facility in Managua where they were dried and screened to -80 mesh. Nearly all of the samples were analyzed by both Inspectorate and ALS laboratories. In order to get the stream sediment samples out of Nicaragua, the government required that they be prepped and reduced in size owing to fears that miners were moving large quantities of gold out of the country in bulk, unprocessed samples. The Company is currently reviewing proposals for an airborne geophysical survey and LIDAR survey of the project area. Additional sampling of identifiable outcropping will be necessary once further information is gleaned from the airborne survey.

Buckeye Project, Colorado, USA

Corazon signed a letter agreement in 2011 for an option to acquire a group of mineral claims known as the Buckeye Property in Colorado. The Buckeye Property comprised 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 (a Corazon contract geologist). A USD$50,000 non-refundable 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 2012. The Company advanced USD$250,000 to the Buckeye partnership in 2012 for exploration work on the property and in December 2012 elected not to advance any further funds and not to enter into an option agreement with the Buckeye Partnership.

The following table shows the allocation of the funds from April 1 to December 31, 2012 advanced to the Buckeye Project in relation of the examination costs, the amounts are expressed in US dollars.

		Dec. 31, 2012
Examination costs		
Assay and laboratory	$	8,552
Consultants		182,273
Field supplies		5,532
General expenses		11,326
Land and claims services		29,925
Travel		12,392
Total examination costs	USD$	250,000

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

The Hog Ranch property is subject to an annual advance royalty of US$20,000, payable on November 15 of each year, and a production royalty to the owner in the amount of 1% of gross proceeds on the sale of minerals from the properties. The Company is also required to pay the owner a further US$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. On November 12, 2010, the first annual advance royalty of US$20,000 was paid.

The Estill private fee lands are subject to a 3% NSR with the exception that precious metals 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 Estill property is subject to a lease payment of US$17,760 on October 1 of each year, should the total exploration expenditure on the Estill properties be less than $200,000; or US$11,840 on October 1 of each year, should the total exploration expenditure on the Estill properties be $200,000 or more.

The Company entered into a Definitive Agreement with Pacific Rim Mining Corp. ("Pacific Rim") for the Option and Joint Venture of the Company's Hog Ranch and Estill Properties. As per the Definitive Agreement, Pacific Rim has been granted the option to acquire a 65% interest (the "Interest") in the Hog Ranch Property and Estill Properties through the expenditure of an aggregate of US$8,000,000 in exploration work and the issuance of an aggregate of 1,000,000 common shares of Pacific Rim to the Company over a five year period. To date the Company received 400,000 common shares of Pacific Rim in accordance with the terms of the Definitive Agreement.

Annual lease payments of up to US$37,760 are required to keep the properties in good standing; as of December 31, 2012, the properties are in good standing.

Trout Creek Property, Nevada, USA

The Company entered into a letter of agreement to acquire a 100% interest in 71 mining claims located in Humboldt County, Nevada. To earn its interest in these claims, 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 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.

Prior the acquisition of ICN, the optionor and ICN amended the letter agreement 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$60,526.

On April 14, 2013 the Company renegotiated the agreement. The new terms require that the Company pay the filing fees to BLM and the County this fall. Every May 1, management will meet with the optionors to review the status of the property, the Company will continue working in the property but the schedule on payments and work expenditures requirements has been suspended until further notice.

Rockland-Pine Grove Property, Nevada, USA

The Rockland-Pine Grove Property is located in Lyon County, Nevada. In order to obtain 100% interest on these claims the Company was 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% NSR 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. The 2012 requirements were met but after careful consideration the Company decided to terminate the agreement and write off the property.

Goldfield Bonanza Property, Nevada, USA

In fiscal year 2011, ICN paid Lode Star US $100,000 and issued 1,750,000 units of ICN at a value of $836,250 ($537,500 was ascribed to the value of ICN common shares and $298,750 was ascribed to the warrants) as per the Agreement. On April 9, 2012, ICN paid Lode Star US $100,000 and issued 500,000 units at a value of $96,391. Upon the completion of the terms, a joint venture will be formed between the Company and Lode Star. The Company was required to pay US$100,000 (paid), issue 500,000 units (issued) and incur a minimum of US$1,000,000 (incurred) in exploration expenditures to meet the 2012 requirements.

On April 12, 2013, after acquisition of ICN by Corazon, the Company renegotiated the agreement for the Goldfield project. Under the new agreement Corazon is required to pay US$50,000 upon approval of the TSXV, US$50,000 on or before October 7, 2013, US$300,000 on or before April 7, 2014, US$800,000 on or before April 7, 2015 and US$1,600,000 on or before April 7, 2016. The Company is also required to issue additional 500,000 common shares in consideration to the amendments to the Option Agreement.

As of April 25, 2013 the payment was pending TSXV approval has not been received.

Kings River Property, Nevada, USA

The Company entered into a letter of agreement for a purchase option on the Kings River Project from Seabridge Gold Inc. ("SEA"). This project consists of 84 unpatented mineral claims, located in Humboldt County, Nevada. The terms of the letter agreement with SEA allow the Company, or a subsidiary, to acquire 100% of the claims over a 12 month period, subject to a retained 1.5% NSR on gold and silver reserved for the benefit of SEA. The total consideration is issuance of 250,000 ICN shares and a final US $100,000 cash payment over the term of the agreement. The issuance of the 250,000 common shares requirement was completed by ICN prior its acquisition by the Company.

By December 31, 2012 the Company was required to make a $100,000 payment in order to meet the 2012 requirements. On November 13, 2012, the payment was extended until May 30, 2013 and on April 10, 2013 this payment was renegotiated with SEA and postponed until November 30, 2013. In consideration to the last amendment the Company granted an additional 0.5% NSR to SEA for a total of a 2% NSR.

AWA Property, Nevada, USA

The Company entered into a letter agreement to option the AWA Property from Camron and Dean Stitzel (the "Vendors"). To acquire a 100% interest in the property, the Company was required to pay the Vendors a total of US$1,000,000 in cash of which US$20,000 was paid and complete a minimum of US$575,000 in work commitments over a six (6) year option period. The property was subject to a 3% NSR and the Company has the right to buy back 1% NSR for US$1,000,000. All the 2012 requirements were met but after careful data review the Company decided to terminate the agreement and wrote off the property as of December 31, 2012.

Silver Cliff Property, Colorado, USA

The Silver Cliff Property, which is located in Custer County, Colorado. The Property is optioned from David Cooper Knight and Debra Jane Knight (the "Knights") and consists of 35 unpatented mineral claims.

The terms of the letter agreement with the optionors allow the Company to acquire a 100% undivided interest in the Property.

Under the letter of agreement, the Knights are entitled to a bonus in connection with the Company achieving certain project milestones. Under the terms of the 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 January 17, 2013 the Company amended the agreement and on January 25, 2013 the Company paid a further US $30,000 and issued 250,000 shares to the Knights. Under the amended agreement the remaining shares issuances and cash payments terms were extended by one year.

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 had the following conditions: the loan matured on the earlier of (i) 45 days after the ICN Shareholders Meeting, if the shareholders of ICN did 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 was treated as part of the acquisition cost for ICN.

Capitalized exploration expenses for the twelve months ended December 31, 2012 and December 31, 2011

	December 31, 2012	December 31, 2011
Exploration		
Assay and laboratory	**$ 59,759**	$ 53,777
Consultants	**143,793**	232,913
Corporate social responsibility	**683,708**	489,847
Drilling	**215,121**	491,969
Land/Legal	**8,345**	-
General expenses	**306,667**	466,967
Other labour costs	**322,491**	156,685
Salaries	**160,734**	386,197
Surveying and mapping	**45,630**	8,588
Travel and meals	**32,193**	68,964
Total exploration Costs	**$ 1,978,441**	$ 2,355,907

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

SELECTED FINANCIAL INFORMATION

For the years ended December 31, 2012 and December 31, 2011 and from the period of incorporation on February 26, 2010 to December 31, 2010

	December 31, 2012	**December 31, 2011**	December 31, 2010
Financial results			
Total revenue	**$Nil**	$Nil	$Nil
Loss for the period	**$3,711,596**	$9,242,773	$481,390
Basic and diluted (income) loss per share	**$0.05**	$0.16	$0.12
Impairment of mineral property	**$1,198,152**	$6,133,926	-
Balance sheet data	**December 31, 2012**	December 30, 2011	December 30, 2010
Current assets	**$1,836,210**	$5,989,418	$83,829
Non-current assets	**$5,007,775**	$270,377	$1,247,674
Total assets	**$6,843,985**	$6,259,795	$1,331,503
Current liabilities	**$501,253**	$280,434	$804,524
Shareholders' equity	**$6,342,732**	$5,979,361	$526,979

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 years ended December 31, 2012 and December 31, 2011 and the period ended December 31, 2010

		Year ended December 31, 2012		Year ended December 31, 2011
Administrative expenses				
Audit and accounting fees	$	149,333	$	103,462
Consulting fees		87,827		110,036
Corporate development		358,452		441,185
Depreciation		86,610		60,642
Finders fees		-		250,000
Legal fees and expenses		106,901		155,055
Office		296,817		193,691
Property examination costs		515,535		6,424
Regulatory fees		51,374		116,377
Salaries and benefits		491,771		346,348
Share-based payments		352,368		1,334,258
Travel and accommodation		67,189		55,069
		2,564,177		3,172,547
Other expense (income)				
Foreign exchange loss (gain)		12,628		(20,226)
Other Income		(63,361)		(43,474)
Impairment of mineral properties		1,198,152		6,133,926
		1,147,419		6,070,226
Net loss for the period		**3,711,596**		**9,242,773**
Other comprehensive loss (income)				
Exchange differences on translating foreign operations		14,505		(55,893)
Unrealized loss on marketable securities		12,000		-
Comprehensive loss for the period	**$**	**3,738,101**	**$**	**9,186,880**
Loss per share – basic and diluted	**$**	**0.05**	**$**	**0.16**

The net loss decreased from $9,242,773 in 2011 to $3,711,596 in 2012 due to decreases in non-cash items such as impairment of mineral properties and share-based payments. There was also an overall decrease in operating expenses during the year 2012.

Salaries and benefits increased from $346,348 to $491,771 do to the Company having more full time employees, as well as payment of the Director's fees.

During the year ended December 31, 2012 the Company paid $515,535 for examination costs (2011 – 6,424). USD$300,000 was related to Buckeye Project, USD$200,000 was related to property and community relations prior to the acquisition of the concessions in Nicaragua.

SELECTED QUARTERLY FINANCIAL RESULTS

Selected financial information for each of the eight quarters ended December 31, 2012 is as follows:

	Dec 31, 2012	Sept 30 2012	June 30 2012	March 31 2012	Dec 31 2011	Sept 30 2011	June 30 2011	March 31 2011
Financial results								
Net Revenue	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net loss (income) for the period	$923,887	$662,271	$1,102,552	$1,022,886	$7,241,544	$482,167	$565,408	$953,654
Basic and diluted loss per share	$0.02	$0.01	$0.02	$0.17	$0.16	$0.03	$0.01	$0.020
Statement of financial position								
Cash and cash equivalents	$1,657,808	$2,497,506	$3,688,494	$4,443,613	$5,390,658	$6,723,255	$7,957,701	$4,163,602
Exploration and evaluation assets	$4,737,298	$687,136	$425,613	$72,172	-	$5,833,173	$4,552,616	$1,463,669
Total assets	$6,843,985	$3,861,049	$4,447,139	$5,389,044	$6,259,795	$12,993,836	$12,822,993	$5,844,932
Total liabilities	$501,253	$262,756	$251,281	$205,112	$280,434	$182,666	$130,164	$81,447
Shareholders' equity	$6,342,732	$3,598,293	$4,195,858	$5,183,932	$5,979,361	$12,811,170	$12,692,829	$5,763,485

Three month ended December 31, 2012

The Company reported an operating loss for the three months ended December 31, 2012 of $923,887 compared to $7,241,544 for the three month ended December 31, 2011.

The decrease in the loss during 2012 fourth quarter is mainly attributed to lower impairment of the Santo Domingo Project ($6,133,926 in 2011) , and also to a reduction in share based payments.

Exploration and evaluation assets increased due to the acquisition of ICN on October 16, 2012 ($3,893,645) as well as from the capitalization of exploration expenditures and acquisition costs of the properties in Nicaragua ($976,020)

Twelve months ended December 31, 2012

The Company experienced an overall increase on its administrative in 2012 compared to 2011 due to costs associated with property examination cost prior the acquisition of new concessions and evaluation of new projects. Management developed new strategies to reduce costs.

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 December 31, 2012 and December 31, 2011 the Company's working capital and deficit were as follows:

		December 31, 2012		December 31, 2011
Working capital	$	**1,334,957**	$	**5,708,984**
Deficit		**(13,435,759)**		**(9,724,163)**

The Company has a working capital of $1,334,957. Management believes that at this point the Company has enough working capital to meet its current activities over the next nine months and is looking to close a capital financing during the third quarter of 2013.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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").

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 December 31, 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. The amended standard is effective for annual periods beginning on or after July 1, 2012.

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. The standard is effective for annual periods beginning on or after January 1, 2013.

IFRS 11 – Joint Agreements

IFRS 11, "Joint Arrangements", requires a venturer to classify its interest in a joint arrangement as a joint venture or a joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities - Non-monetary

Contributions by Venturers". The standard is effective for annual periods beginning on or after January 1, 2013.

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. The standard is effective for annual periods beginning on or after January 1, 2013.

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. The new converged fair value framework is effective for annual periods beginning on or after January 1, 2013.

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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. IFRS 9 is effective on January 1, 2015. Early adoption is permitted and the standard is to be applied retrospectively.

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, the Company's properties are located in Nicaragua and the United States of America. 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 December 31, 2012 was $13,435,759. 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	$1,657,808	-	-	$1,657,808
Marketable securites	32,000	-	-	32,000
Loans and receivables				
Other receivable	54,217	-	-	54,217
Reclamation deposits	46,284	-	-	46,284

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 Expressed In USD	December 31, 2012
Cash and cash equivalents	$ 107,150	$ 8,097	$ 115,247
Accounts receivable	48,720	5,101	53,821
Accounts payable	(63,315)	(44,747)	(108,062)
	$ 92,555	$ (31,549)	$ 61,006

Based on the above net exposures, as at December 31, 2012, a 10% change in the US dollar to Canadian dollar exchange rate would impact the Company's net loss by $9,256. A 10% change in the Nicaraguan Cordoba to Canadian dollar exchange rate would impact the Company's net gain by $3,155.

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, 2012.

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.

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	108,290,016(1)
Options	4,700,000(2)
Warrants	2,250,000(3)

(1) Includes 47,543,464 out of an aggregate of 51,665,740 common shares of the Company to be issued in connection with the acquisition of ICN.

(2) Only the options previously issued by Corazon still outstanding

(3) 2,250,000 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 $74,152, and $37,074 per year from 2013 and 2014, respectively.

LEGAL CLAIMS AND CONTINGENT LIABILITIES

At April 25 2013, 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