

Corazon Gold Corp.
Consolidated Financial Statements
Period Ended March 31, 2013 and March 31, 2012

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 month period ended March 31, 2013 and March 31, 2012.

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)

As at	Notes	March 31, 2013	December 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 794,267	\$ 1,657,808
Receivables, deposits and prepaid expenses	5	130,522	146,402
Marketable securities	6	22,000	32,000
		946,789	1,836,210
Non-current assets			
Reclamation bond		47,160	46,284
Property and equipment	7	205,751	224,193
Exploration and evaluation assets	8	5,200,172	4,737,298
		5,453,083	5,007,775
TOTAL ASSETS		\$ 6,399,872	\$ 6,843,985
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 349,058	\$ 501,253
TOTAL LIABILITIES		349,058	501,253
SHAREHOLDERS' EQUITY			
Share capital	10	17,180,268	17,170,268
Commitment to issue shares	10	288,560	288,560
Share-based payment reserve	10	2,350,380	2,328,854
Accumulated other comprehensive income (loss)		3,811	(9,191)
Accumulated deficit		(13,772,205)	(13,435,759)
TOTAL SHAREHOLDERS' EQUITY		6,050,814	6,342,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 6,399,872	\$ 6,843,985

Nature and continuance of operations (Note 1)
Commitments (Note 14)
Events after reporting period (Note 15)

Approved by the board of directors on May 30, 2013

"John King Burns"
Director

"Patrick Brauckmann"
Director

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

	Notes	Period ended March 31, 2013	Period ended March 31, 2012
Administrative expenses			
Consulting fees		\$ 45,767	\$ 15,000
Corporate development		1,119	91,054
Depreciation	7	19,992	22,819
Legal fees and expenses		11,300	155,055
Office		95,781	47,203
Property examination costs		2,056	51,603
Regulatory fees		13,631	116,377
Salaries and benefits		117,460	103,755
Share-based payments	10	16,837	187,511
Travel and accommodation		13,868	2,523
		337,811	3,172,547
Other expense (income)			
Foreign exchange loss (gain)		(1,365)	(864)
Interest income		-	(27,241)
Impairment of exploration and evaluation assets		-	508,038
		(1,365)	479,933
Loss for the period		336,446	1,022,886
Other comprehensive loss (income)			
Exchange differences on translating foreign operations		(23,002)	(10,165)
Unrealized loss on marketable securities		10,000	-
Comprehensive loss for the period		\$ 323,444	\$ 1,012,721
Loss per share – basic and diluted	10	\$ 0.04	\$ 0.17
Weighted average number of common shares outstanding (basic and diluted)			
		79,558,913	60,496,552

See accompanying notes to the interim consolidated financial statements

Corazon Gold Corp.
Consolidated statement of changes in shareholders' equity
(Expressed in Canadian dollars)

	Share capital		Reserves			Deficit	Total
	Number of shares	Amount	Commitment to issue shares	Share-based payment reserve	Foreign currency translation reserve		
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 period ended March 31, 2012:							
Loss for the year	-	-	-	-	-	(1,022,866)	(1,022,866)
Other comprehensive income	-	-	-	-	(10,165)	-	(10,165)
Total comprehensive loss for the period	-	-	-	-	(10,165)	(1,022,866)	(1,033,051)
Transactions with owners, in their capacity as owners, and other transfers for the period ended March 31, 2012:							
Share-based payments – stock options	-	-	-	237,622	-	-	237,622
Total transactions with owners and other transfers	-	-	-	237,622	-	-	237,622
Balance at March 31, 2012	60,496,552	\$ 13,842,226	\$ -	\$ 2,081,606	\$ 7,149	\$ (10,747,049)	\$ 5,183,932
Balance at December 31, 2012	108,040,015	\$ 17,170,268	\$ 288,560	\$ 2,328,854	\$ (9,191)	\$ (1,345,759)	\$ 6,342,732
Comprehensive loss for the period ended March 31, 2013:							
Loss for the year	-	-	-	-	-	(336,446)	(336,446)
Other comprehensive loss	-	-	-	-	13,002	-	13,002
Total comprehensive loss for the period	-	-	-	-	13,002	(336,446)	(323,444)
Transactions with owners, in their capacity as owners, and other transfers for the period ended March 31, 2013:							
Issue share for property payment	250,000	10,000	-	-	-	-	10,000
Share-based payments – stock options	-	-	-	21,526	-	-	21,526
Balance at March 31, 2013	108,290,015	\$ 17,180,268	\$ 288,560	\$ 2,350,380	\$ 3,811	\$ (13,773,708)	\$ 6,050,814

See accompanying notes to the interim consolidated financial statements

Corazon Gold Corp.
Consolidated statement of cash flow
(Expressed in Canadian dollars)

Notes	Period ended March 31, 2013	Period ended March 31, 2012
Operating activities		
Loss for the period	\$ (336,446)	\$ (1,022,886)
Items not involving cash:		
Depreciation	19,992	22,819
Share-based payments	16,837	237,622
Impairment of exploration and evaluation asset	-	508,038
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	15,880	(10,350)
Accounts payable and accrued liabilities	(152,195)	(75,322)
Net cash flows used in operating activities	(435,932)	(340,079)
Investing activities		
Acquisition of property and equipment	-	(19,302)
Expenditures on exploration and evaluation assets	(448,185)	(580,210)
Net cash flows used in investing activities	(448,185)	(599,512)
Financing activities		
Common shares issued for cash	-	-
Share issue costs	-	-
Net cash flows from financing activities	-	-
Increase (Decrease) in cash and cash equivalents	(884,117)	(939,591)
Effect of exchange rates on cash holdings in foreign operations	20,576	(7,454)
Cash and cash equivalents, beginning	1,657,808	5,390,658
Cash and cash equivalents, ending	\$ 794,267	\$ 4,444,613
Supplementary information for non-cash investing and financing activities:		
Capitalization of share based payments in exploration and evaluation assets	\$4,689	\$50,112
Unrealized loss on marketable securities	\$10,000	-
Common shares issued as payment for property	250,000	-
Cash paid for interest	-	-
Cash paid for income taxes	-	-

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, United States of America and Nicaragua. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "CGW".

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("ASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") 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 at March 31, 2013, 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. An inability to raise additional financing may impact the future assessment of the Company to continue as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

2. Acquisitions

Acquisition of ICN

On October 16, 2012, the Company completed the acquisition of all of the issued and outstanding shares of ICN Resources Ltd ("ICN") in exchange for the issuance of an aggregate 51,665,740 common shares of the Company on the basis of one common share for each common share of ICN of which 47,543,463 have been issued as at March 31, 2013 and 4,122,277 remain to be issued. The Company also granted 2,896,061 warrants with an estimated fair value of \$28,150 using the Black-Sholes Option Pricing Model with a volatility of 81.02%, risk free rate of 1.04% expected life of 1.37 years and a dividend rate of 0% pursuant to the arrangement agreement dated August 10, 2012.

ICN and its subsidiaries, Esmeralda Gold, Inc., Eureka Gold Inc. and Washoe Gold Inc., were principally engaged in the acquisition and exploration of resource properties located in the state of Nevada, United States of America. The acquisition was accounted for as an asset acquisition.

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.

2. Acquisition (cont'd)

Acquisition costs

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

3. Significant accounting policies

Basis of preparation

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.

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*	
		December 31, 2012	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%
ICN Resources Ltd	Canada	100%	-
Esmeralda Gold Inc.	USA	100%	-
Eureka Gold Inc.	USA	100%	-
Washoe Gold Inc.	USA	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.

3. Significant accounting policies (cont'd)

The results of subsidiaries acquired during the year are included in the statements of operations and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

Significant accounting judgments, estimates and assumptions

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.

Significant assumptions about the future and other sources of estimation and judgment uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The valuation of shares issued in non-cash transactions are generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

3. Significant accounting policies (cont'd)

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 Corazon Exploraciones, S.A. is the United States dollar and all other subsidiaries have a Canadian dollar functional currency. The functional currency determination were conducted through analysis of consideration factors identified in the International Accounting Standards ("IAS") 2, The Effects of Changes in Foreign Exchange Rates.

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 in 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.

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

Cash and cash equivalents

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 evaluations 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

3. Significant accounting policies (cont'd)

loss. Recoverability of the carrying amount of any 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.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major component) of equipment. The cost of replacing or overhauling a component of 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 operations and comprehensive loss 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.

Depreciation is calculated to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation 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	30% and 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

3. Significant accounting policies (cont'd)

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.

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 other 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.

3. Significant accounting policies (cont'd)

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 equivalents, receivables and deposits, loan receivable, and reclamation bond as loans and receivables.

The Company has classified its marketable securities as available for sale.

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

The fair value of receivables and deposits, loan receivable, reclamation bond, accounts payable and accrued liabilities and promissory notes approximately their carrying value due to the short term nature of these items. The fair value of cash and cash equivalents and marketable securities are valued at a level 1 fair value measurement.

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 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.

3. Significant accounting policies (cont'd)

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 tax:

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

The carrying amount of deferred 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 tax asset to be utilized.

Deferred 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 tax assets and deferred 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 reflect 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.

3. Significant accounting policies (cont'd)

Restoration and environmental obligations (cont'd)

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.

Accounting standards issued but not yet adopted

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.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	March 31, 2013	December 31, 2012
Cash at bank	\$ 209,267	\$ 272,808
Guaranteed investment certificates	585,000	1,385,000
	\$ 794,267	\$ 1,657,808

5. Receivables, deposits and prepaid expenses

	March 31, 2013	December 31, 2012
Value-added tax and HST receivables	\$ 15,615	\$ 45,078
Other receivables	36,496	54,217
Prepaid expenses	78,298	47,107
	\$ 130,522	\$ 146,402

Corazon Gold Corp.
 Note to the Consolidated Financial Statements
 (Expressed in Canadian dollars)
 For the period ended March 31, 2013 and March 31, 2012

6. Marketable Securities

Marketable securities were received as part of the acquisition of ICN. At the time of the acquisition the 400,000 common shares of Pacific Rim Mining Corp. had a fair value of \$44,000. These marketable securities have been classified as available-for-sale.

March 31, 2013		
	Cost	Fair Value
Common shares of Pacific Rim Mining Corp.	\$ 44,000	\$ 22,000
	\$ 44,000	\$ 22,000

7. Equipment

2013	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
Cost:					
At December 31, 2012	\$98,282	\$158,616	\$43,152	\$77,454	\$377,504
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Effect of foreign exchange	-	-	-	-	-
At March 31, 2013	\$98,282	\$158,616	\$43,152	\$77,454	\$377,504
Depreciation:					
At December 31, 2012	\$46,567	\$34,844	\$26,718	\$45,182	\$153,311
Depreciation	3,908	5,639	2,377	8,068	\$19,992
Effect of foreign exchange	(754)	(427)	(369)	-	(1,550)
Total depreciation at March 31, 2013	\$49,721	\$40,056	\$28,726	\$53,250	\$171,753
Net book value:					
At December 31, 2012	\$51,715	\$123,772	\$16,434	\$32,272	\$224,193
At March 31, 2013	\$48,561	\$118,560	\$14,426	\$24,204	\$205,751

Corazon Gold Corp.

Note to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the period ended March 31, 2013 and March 31, 2012

8. Exploration and evaluation assets

Resource property expenditures are detailed on the following table:

2013	Trout Creek Property	Hog Ranch and Estill Property	King's River Property	Silver Cliff	Goldfield Property	La Ranchera Project	Rio Coco Project	SDL Project	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2012	48,063	1,389,597	81,440	34,348	2,207,287	1,722	902,557	71,743	4,737,298
Acquisition costs	-	-	-	-	-	-	-	-	-
Cash payments	-	-	-	30,307	-	-	-	-	30,307
Common shares issuances	-	-	-	10,000	-	-	-	-	10,000
	48,063	1,389,597	81,440	74,655	2,207,287	1,722	902,557	71,743	4,777,605
Deferred exploration expenditures									
Assays	-	-	-	-	7,577	-	9,292	-	16,869
Consulting Geological	-	-	-	-	-	-	8,209	-	8,209
Corporate Social Responsibility	-	-	-	291	852	-	7,185	-	8,328
Drilling	-	-	-	-	2,363	-	-	-	2,363
Land/legal	-	-	-	33,238	45,423	976	9,165	5,282	94,083
Meals & Entertainment	-	-	-	-	2,341	-	-	-	2,341
Other Costs	-	-	-	-	48,517	-	11,735	-	60,252
Other Labour Costs	-	-	-	-	54,480	-	46,089	-	103,392
Project Administration	-	-	-	2,822	24,304	-	21,716	-	46,021
Project Supervision	-	-	-	-	-	-	7,798	-	7,798
Surveying and Mapping	-	-	-	-	19,430	-	-	-	20,102
Travel & Accommodation	-	-	-	672	-	-	7,838	-	7,838
Wages & Salary	-	-	-	-	9,526	-	35,446	-	44,972
	-	-	-	37,023	214,813	976	164,473	5,282	422,567
Net costs for the period	-	1,389,597	81,440	111,678	2,422,100	2,698	1,067,030	77,025	5,200,172
Impairment loss	-	-	-	-	-	-	-	-	-
Balance, March 31, 2013	48,063	1,389,597	81,440	111,678	2,422,100	2,698	1,067,030	77,025	5,200,172

8. Exploration and evaluation assets (cont'd)

La Ranchera Project, Nicaragua

In February 2012, Nicaragua's Ministry of Energy and Mines ("MEM") granted the Company a 25-year exploration and exploitation concession for La Ranchera. The concessions are subject to a 3% government royalty.

SDL Project, Nicaragua

In February 2012, Nicaragua's MEM granted the Company two exploration and exploitation concessions, Pijibay and Pilatos, in the Santo Domingo-La Libertad mining district. The concessions are subject to a 3% government royalty.

Rio Coco Project, Nicaragua

In April 2012, the Company was granted three contiguous, 25-year exploration and exploitation concessions by Nicaragua's MEM and the Autonomous Region of the Northern Atlantic (RAAN). The three contiguous Arcosa, Azul and Calcedonia concessions are located along the Rio Coco River. The concessions are subject to a 3% government royalty.

ReMac Zinc property, BC, Canada

The ReMac Zinc project consists of several mineral claims located in British Columbia, Canada owned 100% by the Company.

The Company maintains ownership in the ReMac Zinc property which has a nil carrying value, and no exploration work is 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 did not incur any resource expenditures on the property during the year ended December 31, 2012 nor in the Quarter ended March 31, 2013.

Hog Ranch Property, Nevada, USA

The Company owns a 100% interest in certain unpatented lode claims and private fee lands (the Estill property), located in Washoe County, Nevada. The Hog Ranch property was included in the ICN acquisition (Note 2).

The Hog Ranch unpatented claims are subject to an annual advance royalty payment of US\$20,000, payable on November 15 of each year, and a production royalty of 1% of gross proceeds on the sale of minerals from the properties. The Company is also required to pay 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, and (ii) completion of a positive bankable feasibility study which demonstrates a mine capable of producing at least 100,000 ounces of gold per annum.

The Estill fee lands is subject to a lease payment of US\$17,760 on October 1 of each year when the total exploration expenditure on the Estill properties is less than US\$200,000; or US\$11,840 on October 1 of each year when the total exploration expenditure on the Estill properties is US\$200,000 or more. The Estill private fee lands are subject to a sliding scale NSR whereby future precious metal production will be 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.

8. Exploration and evaluation assets (cont'd)

Hog Ranch Property, Nevada, USA (cont'd)

The Company granted Pacific Rim Mining Corp. ("Pacific Rim") the option to acquire a 65% interest in the Hog Ranch Property (including the unpatented claims and the Estill fee lands in exchange for Pacific Rim issuing 400,000 common shares to the Company. In order to complete the acquisition of the 65% interest, Pacific Rim was required to issue an additional 600,000 common shares to the Company in stages to July, 2015, and incur aggregate exploration expenditures of US\$8,000,000 by July, 2015. On May 3, 2013, Pacific Rim notified Corazon of their intent to terminate the Option and Joint Venture Agreement for the Hog Ranch Property.

Trout Creek (JJ) Property, Nevada, USA

The Company has an option to acquire a 100% interest in certain mining claims located in Humboldt County, Nevada. The property was included in the ICN acquisition (Note 2). Pursuant to a series of agreements and amendments, the Company is required to pay an additional US\$965,000 to earn its interest. The Company is also required to incur cumulative work expenditures of US\$1,000,000 over six years, of which a cumulative of US\$175,000 was to be incurred by May 2013. 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. While the Company will continue working in the property, the schedule on payments and work expenditures has been suspended until further notice. The property is subject to a 2% NSR 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.

Goldfield Bonanza Property, Nevada, USA

The Company has an option agreement with Lode Star Gold, Inc. ("Lode Star") to acquire an 80% interest in the Goldfield Bonanza Property located in Nevada. The property was included in the ICN acquisition (Note 2). To complete the acquisition of the property the Company is required to pay US\$2,800,000.

In April 2013, the Company renegotiated the dates of cash payments under the option agreement with Lode Star Gold. Pursuant to the amended agreement, the Company is required to issue 500,000 common shares of the Company to the optionor as consideration and to pay US\$2,800,000 according to the schedule below:

- (i) US\$50,000 by April 15, 2013 and 500,000 common shares (paid May 2, 2013)
- (ii) US\$50,000 by October 7, 2013;
- (iii) US\$300,000 by April 7, 2014;
- (iv) US\$800,000 by April 7, 2015;
- (v) US\$1,600,000 by April 7, 2016

8. Exploration and evaluation assets (cont'd)

Goldfield Bonanza Property, Nevada, USA (cont'd)

The Company is also required to incur cumulative exploration expenditures of US\$5,000,000 in stages by April 2015 and issue 750,000 units of the Company at the earlier of (i) April 13, 2014 and (ii) 30 days after incurring US\$3,500,000 in cumulative exploration expenditures.

Each unit will consist of one common share and one full share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period of two years at an exercise price equal to 110% of the average closing market price of the Company's common shares over a five consecutive day period immediately prior to the date of issuance.

Kings River Property, Nevada, USA

The Company has an option agreement with Seabridge Gold Inc. ("SEA") to acquire a 100% interest in the King River Project located in Humboldt County, Nevada. The property was included in the ICN acquisition (Note 2). To complete the acquisition of the property the Company was required to pay US\$100,000 by November, 2012.

The Company has renegotiated the terms of the option agreement and the US\$100,000 payment was postponed until November 2013. The Company granted an additional 0.5% NSR to SEA to bring the total project NSR to 2%.

Silver Cliff Property, Colorado, USA

The Company has an option agreement to acquire a 100% interest in the Silver Cliff Property located in Custer County, Colorado. The property was included in the ICN acquisition (Note 2). To complete the acquisition of the property the Company is required to pay US\$2,000,000 and issue 1,750,000 common shares.

On January 14, 2013, the Company renegotiated the terms of the option agreement. Pursuant to the amended agreement, the Company is required to pay the following:

- (i) US\$30,000 cash and 250,000 common shares by January 25, 2013 (paid and issued according to the agreement)
- (ii) US\$50,000 cash and 250,000 common shares by January 11, 2014;
- (iii) US\$100,000 cash and 250,000 common shares by January 11, 2015;
- (iv) US\$120,000 cash and 500,000 common shares by January 11, 2016;
- (v) US\$200,000 cash and 500,000 common shares by January 11, 2017;
- (vi) US\$250,000 cash by January 11, 2018;
- (vii) US\$1,250,000 cash by January 11, 2019.

The Company is also required to pay a bonus in connection with achieving certain project milestones and the Vendor is 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.

9. Accounts payable and accrued liabilities

	March 31, 2013	December 31, 2012
Accounts payable	\$ 52,354	\$ 195,454
Accrued liabilities	233,045	226,441
Payroll liabilities	63,659	79,358
	\$ 349,058	\$ 501,253

10. Share capital and reserves

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 March 31, 2013 there were 108,290,015 issued and fully paid common shares (March 31, 2012 – 60,496,552).

Commitment to issue shares on acquisition of ICN

On October 16, 2012, the Company completed the acquisition of all of the issued and outstanding shares of ICN in exchange for the issuance of an aggregate 51,665,740 common shares of the Company on the basis of one common share for each common share of ICN. As at March 31, 2012, the Company issued 47,573,463 common shares and is committed to issue the remaining 4,122,277 prior to October 2015 (Note 2).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year period ended March 31, 2013 was based on the loss attributable to common shareholders of \$336,446 (2012 - \$1,022,886) and the weighted average number of common shares outstanding of 79,558,913 (2012 – 60,496,552).

Diluted loss per share did not include the effect of 4,700,000 stock options and 1,750,000 warrants outstanding 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.

There were no options granted during the period ended March 31, 2012. The changes in options during the period ended March 31, 2013 are as follow:

Corazon Gold Corp.
 Note to the Consolidated Financial Statements
 (Expressed in Canadian dollars)
 For the period ended March 31, 2013 and March 31, 2012

10. Share capital and reserves (cont'd)

Stock options (cont'd)

	March 31, 2013		March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	4,700,000	\$ 0.50	4,800,000	\$ 0.50
Options granted	-	-	-	-
Options cancelled / expired	-	-	-	-
Options forfeited	-	-	-	-
Options outstanding, end of period	4,700,000	\$ 0.50	4,800,000	\$ 0.50
Options exercisable, end of period	4,062,500	\$ 0.50	1,737,500	\$ 0.58

Details of options outstanding as at March 31, 2012 are as follows:

Exercise price	Number of options outstanding	Contractual life remaining	Number of options exercisable
\$ 0.75	2,000,000	2.92	2,000,000
\$ 0.80	150,000	3.05	150,000
\$ 0.30	2,550,000	3.52	1,912,500
	4,700,000		4,062,500

The weighted average contractual life remaining of options outstanding as at March 31, 2013 is 3.2 years.

Warrants

As part of the successful acquisition of ICN, the Company issued 2,896,061 warrants pursuant to the arrangement agreement dated August 10, 2012. (Note 2)

	March 31, 2013	
	Number of options	Weighted average exercise price
Warrants outstanding, beginning of year	2,250,000	\$ 0.14
Warrants issued	-	-
Warrants cancelled / expired	500,000	0.42
Warrants outstanding, end of year	1,750,000	\$ 0.22

10. Share capital and reserves (cont'd)

Warrants (cont'd)

Exercise price	Number of warrants outstanding	Expiry date
\$ 0.25	500,000	October 7, 2013
\$ 0.26	750,000	December 13, 2013
\$ 0.14	500,000	April 9, 2014
	1,750,000	

11. Related party transactions

Key management personnel compensation

	March 31, 2013	March 31, 2012
Short-term employee benefits – salaries, wages and consulting fees	\$ 69,996	\$ 62,250
Share-based compensation	15,005	187,511
	\$ 85,001	\$ 249,761

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. This risk is minimal for other receivables as they consist primarily of refundable input taxes.

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.

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. 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.

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.

12. Financial risk management (cont'd)

Classification of financial instruments

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

	March 31, 2013	December 31, 2012
Cash and cash equivalents	\$ 749,567	\$ 1,657,808
Marketable securities	22,000	32,000
Loans and receivables:		
Other receivables	36,496	50,838
Loan receivable	-	-
Reclamation bond	47,160	46,284
	\$ 585,223	\$ 1,786,930

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

	March 31, 2013	December 31, 2012
Non-derivative other financial liabilities:		
Accounts payable and accrued liabilities	\$ 349,058	\$ 501,253
	\$ 349,058	\$ 501,253

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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 March 31, 2013				
	Canada	USA	Nicaragua	Total
Equipment	\$ 98,576	\$ 47,004	\$ 60,171	\$ 205,751
Exploration and evaluation assets	-	4,053,419	1,146,753	5,200,172
	\$ 98,576	\$ 4,100,423	\$ 1,206,924	\$ 5,405,923

As at March 31, 2012			
	Canada	Nicaragua	Total
Equipment	\$ 152,087	\$ 107,062	\$ 259,149
Exploration and evaluation assets	-	\$ 72,172	\$ 72,172
	\$ 152,087	\$ 179,234	\$ 331,321

14. Commitments

Pursuant to the acquisition of ICN, the Company has yet to issue 4,122,277 Corazon shares for ICN shares. The shareholders have until October 2015 to exchange the shares.

15. Events after the reporting period

On April 7, 2013, 500,000 warrants expired unexercised.

On May 2, 2013, after receiving the approval of the TSX-V, the Company paid USD\$50,000 and issued 500,000 common shares to Lode Star Gold Inc., pursuant to the amended agreement for the Goldfield Bonanza property in Nevada, USA.

On May 3, 2013, Pacific Rim notified Corazon that they were terminating the Option and Joint Venture Agreement for the Hog Ranch property.