CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 2013

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CORAZON GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

As at		September 30, 2013		December 31, 2012
ASSETS				
Current				
Cash and cash equivalents (Note 4)	$	25,676	$	1,657,808
Receivables, deposits and prepaid expenses		96,072		146,402
Marketable securities		-		32,000
		121,748		1,836,210
Reclamation bond		45,382		46,284
Property and equipment (Note 5)		18,023		224,193
Exploration and evaluation assets (Note 6)		1,099,811		4,737,298
	$	1,284,964	$	6,843,985
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	331,920	$	501,253
Shareholders' equity				
Share capital (Note 7)		17,481,328		17,170,268
Commitment to issue shares		-		288,560
Reserves (Note 7)		2,345,691		2,328,854
Accumulated other comprehensive loss		85,762		(9,191)
Deficit		(18,959,737)		(13,435,759)
		953,044		6,342,732
	$	1,284,964	$	6,843,985

Nature of operations and going concern (Note 1)
Commitments (Note 12)

Approved and authorized by the Board on November 29, 2013:

"*John King Burns*" Director   *"Patrick Brauckmann"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CORAZON GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

For the	Three month period ended September 30, 2013	Three month period ended September 30, 2012	Nine month period ended September 30, 2013	Nine month period ended September 30, 2012
EXPENSES				
Consulting	$ 42,708	$ 15,000	$ 179,289	$ 45,000
Corporate development	145	42,061	11,654	313,136
Depreciation (Note 6)	22,822	16,949	56,503	63,157
Office	54,345	57,908	245,364	176,928
Professional fees	-	83,782	34,409	146,640
Property examination costs	36	135,803	4,648	481,716
Regulatory and filing	9,299	4,043	35,962	21,209
Salaries and benefits	38,753	147,996	256,085	356,239
Share-based payments (Note 8)	-	72,104	16,837	335,343
Travel and accommodation	7,022	12,079	60,259	28,565
	(175,130)	(587,725)	(901,010)	(1,967,933)
EXPENSES				
Foreign exchange	(5,538)	(645)	(9,300)	(2,880)
Interest income	1,126	16,992	4,284	51,240
Realized loss on marketable securities	(36,521)	-	(36,521)	-
Write-off of property and equipment	(154,211)	-	(154,211)	-
Realized loss on sale of property and equipment	(25,120)	-	(25,120)	-
Impairment of exploration and evaluation assets	(100,552)	(90,893)	(4,402,100)	(875,154)
Loss for the period	(495,946)	(662,271,)	(5,523,978)	(2,794,727)
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	21,6143	(20,520)	94,953	(3,206)
Unrealized loss on marketable securities	-	-	-	-
Comprehensive loss for the period	$ (474,332)	$ (682,791)	$ (5,429,025)	$ (2,797,933)
Basic and diluted loss per common share	$ (0.00)	$ (0.01)	$ (0.05)	$ (0.04)
Weighted average number of common shares outstanding	113,590,481	60,496,552	110,163,249	60,496,552

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CORAZON GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

For the period ended September 30	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (5,523,978)	$ (2,794,727)
Non-cash items:		
Depreciation	56,503	63,157
Share-based payments	16,837	335,343
Impairment of exploration and evaluation assets	4,402,100	875,154
Write-off of property and equipment	154,211	-
Loss on sale of property and equipment	25,120	-
Loss on sale of marketable securities	36,521	-
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	12,830	(51,934)
Accounts payable and accrued liabilities	(208,209)	(17,678)
	(1,028,065)	(1,590,685)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	-	7,233
Loan repayment – ICN Resources	-	175,000
Sale of property and equipment	17,575	-
Sale of marketable securities	19,480	-
Exploration and evaluation expenditures	(567,151)	(1,450,682)
	(530,096)	(1,268,449)
Change in cash and cash equivalents during the period	(1,558,161)	(2,859,134)
Effect of exchange rates on cash holdings in foreign operations	(73,971)	(34,018)
Cash and cash equivalents, beginning of period	1,657,808	5,390,658
Cash and cash equivalents, end of period	$ 25,676	$ 2,497,506

Supplemental disclosure with respect to cash flows (Note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CORAZON GOLD CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital						
	Number	Amount	Commitment to issue shares	Reserves	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2011	60,496,553	$ 13,842,226	$ -	$ 1,843,984	$ 17,314	$ (9,724,163)	$ 5,979,361
Share-based payments	-	-	-	434,179	-	-	434,179
Other comprehensive income	-	-	-	-	(20,520)	-	(20,520)
Loss for the period	-	-	-	-	-	(2,794,727)	(2,794,727)
Balance, September 30, 2012	60,496,553	13,842,226	-	2,278,163	(3,206)	(12,518,890)	3,598,293
Acquisition of ICN Resources Ltd. (Note 2)	47,543,463	3,328,042	288,560	-	-	-	3,616,602
Acquisition cost – warrants (Note 2)	-	-	-	28,150	-	-	28,150
Share-based payments	-	-	-	22,541	-	-	22,541
Other comprehensive loss	-	-	-	-	(5,985)	-	(5,985)
Loss for the period	-	-	-	-	-	(916,869)	(916,869)
Balance, December 31, 2012	108,040,016	17,170,268	288,560	2,328,854	(9,191)	(13,435,759)	$ 6,342,732
Acquisition of ICN Resources Ltd. (Note 2)	5,888,571	288,560	(288,560)	-	-	-	-
Shares issued – exploration and evaluation assets (Note 6)	750,000	22,500	-	-	-	-	22,500
Share-based payments	-	-	-	16,837	-	-	16,837
Other comprehensive loss	-	-	-	-	94,953	-	94,953
Loss for the period	-	-	-	-	-	(5,523,978)	(5,523,978)
Balance, September 30, 2013	114,678,587	$ 17,481,328	$ -	$ 2,345,691	$ 85,762	$ (18,959,737)	$ 953,044

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

As at September 30, 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. ACQUISITION

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 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., are principally engaged in the acquisition and exploration of resource properties located in the state of Nevada, United States of America. The acquisition has been accounted for as an asset acquisition.

As a result of the completion of the Transaction, the ICN Shares were delisted from the TSX-V 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 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. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Consolidation and Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

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 *
ReMac Zinc Development Corp. ("RMZD")	Canada	100%
0887398 B.C. Ltd.	Canada	100%
0887406 B.C. Ltd.	Canada	100%
Corazon Exploraciones, S.A.	Nicaragua	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.

Use of Estimates

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation 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.

3. BASIS OF PREPARATION *(cont'd…)*

Use of Estimates *(cont'd…)*

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 share price volatility. Because the Company's warrants 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, are based on the value of 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.

New standards

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2012, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements ("IAS 1")
- IAS 27 Separate Financial Statements ("IAS 27")
- IAS 28 Investments in Associates and Joint Ventures ("IAS 28")
- IFRS 7 Financial Instruments: Disclosures ("IFRS 7")
- IFRS 10 Unaudited interim condensed consolidated financial statements ("IFRS 10")
- IFRS 11 Joint Arrangements ("IFRS 11")
- IFRS 12 Disclosure of Interests In Other Entities ("IFRS 12")
- IFRS 13 Fair Value Measurement ("IFRS 13")

The accounting standards and amendments to standards adopted by the Company that had an impact on financial results or require further explanation are explained as follows:

IAS 1 was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The adoption of the new standard did not have significant impacts to the consolidated statement of loss and comprehensive loss.

IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate financial statements. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IFRS 7 was amended by the IASB in December 2011 to amend the disclosure requirements in IFRS 7 to require information about all recognized financial instruments that are offset in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. Disclosures required under IFRS 7 have been included in Note 10.

3. BASIS OF PREPARATION *(cont'd…)*

New standards *(cont'd…)*

IFRS 10 provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of Standing Interpretations Committee Standard ("SICs") 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. In accordance with the transitional provisions of IFRS 10, the Company re-assessed the control conclusion for its investees at January 1, 2013. The Company made no changes as a result of this process in the current or comparative period.

IFRS 11 replaces the guidance in IAS 31 Interests in Joint Ventures. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previously jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11, joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method. Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment's opening balance is tested for impairment in accordance with IAS 28 Investments in Associates and IAS 36 Impairments of Assets. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The adoption of the new standard did not have significant impacts to the consolidated statements of financial position and the consolidated statement of loss and comprehensive loss.

IFRS 12 Disclosure of Interests In Other Entities ("IFRS 12") requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Disclosures arising from the adoption of IFRS 12 did not have significant impacts to the notes of the consolidated financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. Disclosures required under IFRS 13 have been included in Note 10.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended September 30, 2013:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets.[i]
- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities. [ii]

(i) Effective for annual periods beginning on or after January 1, 2015
(ii) Effective for annual periods beginning on or after January 1, 2014

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	September 30, 2013	December 31, 2012
Cash at bank	$ 11,876	$ 272,808
Guaranteed investment certificates	13,800	1,385,000
	$ 25,676	$ 1,657,808

5. PROPERTY AND EQUIPMENT

	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total
Cost					
Balance, December 31, 2011	$ 113,362	$ 106,769	$ 35,827	$ 77,454	$ 333,412
Additions	22,772	51,969	7,608	-	82,349
Disposals	(35,639)	-	-	-	(35,639)
Effect of foreign exchange	(2,213)	(122)	(283)	-	(2,618)
Balance, December 31, 2012	98,282	158,616	43,152	77,454	377,504
Additions	-	6,042	-	-	6,042
Disposals	(98,282)	(144,828)	(39,901)	(77,454)	(360,465)
Effect of foreign exchange	-	(64)	(19)	-	(83)
Balance, September 30, 2013	$ -	$ 19,766	$ 3,232	$ -	$ 22,998
Accumulated depreciation					
Balance, December 31, 2011	$ 31,769	$ 11,817	$ 11,540	$ 12,909	$ 68,035
Depreciation	15,704	23,236	15,397	32,273	86,610
Effect of foreign exchange	(906)	(209)	(219)	-	(1,334)
Balance, December 31, 2012	46,567	34,844	26,718	45,182	153,311
Additions	2,520	25,659	4,120	24,204	56,503
Disposals	(49,087)	(56,938)	(29,631)	(69,386)	(205,042)
Effect of foreign exchange	-	96	107	-	203
Balance, September 30, 2013	$ -	$ 3,661	$ 1,314	$ -	$ 4,975
As at December 31, 2012	$ 51,715	$ 123,772	$ 16,434	$ 64,545	$ 265,377
As at September 30, 2013	$ -	$ 16,105	$ 1,918	$ -	$ 18,023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation asset expenditures are detailed on the following table:

	Trout Creek (JJ)	Hog Ranch and Estill	King's River	Silver Cliff	Goldfield	La Ranchera	Rio Coco	SDL	Total
Balance, December 31, 2012	$ 48,063	$ 1,389,597	$ 81,440	$ 34,348	$ 2,207,287	$ 1,722	$ 903,098	$ 71,743	$ 4,737,298
Acquisition costs									
Cash payments	-	-	-	10,000	12,500	-	-	-	22,500
Common shares issued	-	-	-	30,307	50,000	-	-	-	80,307
	-	-	-	40,307	62,500	-	-	-	102,807
Deferred exploration expenditures									
Assays	-	-	-	-	34,905	-	10,309	-	45,214
Consulting Geological	-	-	-	-	371,445	-	32,629	-	404,074
Corporate Social Responsibility	-	-	-	966	-	-	-	-	966
Land / Legal	-	1,318	-	53,043	47,169	976	-	5,282	107,788
Labour Costs	-	-	-	-	-	-	21,208	-	21,208
Project Administration	-	-	-	3,473	16,014	-	3,633	-	23,120
Surveying and Mapping	-	-	-	-	23,194	-	-	-	23,194
Travel and accommodation	-	-	-	5,860	29,234	-	1,148	-	36,242
	-	1,318	-	63,342	521,961	976	68,927	5,282	661,806
Impairment	-	(1,390,915)	(81,440)	(137,997)	(2,791,748)	-	-	-	(4,402,100)
Balance, September 30, 2013	$ 48,063	$ -	$ -	$ -	$ -	$ 2,698	$ 972,025	$ 77,025	$ 1,099,811

6. 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 period ended September 30, 2013.

Hog Ranch and Estill 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.

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.

During the period ended September 30, 2013, the Company decided not to continue with the Hog Ranch and Estill property and wrote-off the balance to the statement of loss and comprehensive loss.

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

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. Pursuant to the amended agreement, the Company is required to issue 500,000 common shares of the Company to the optioner 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

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.

During the period ended September 30, 2013, the Company decided not to continue with the Goldfield Bonanza property and wrote-off the balance to the statement of loss and comprehensive loss.

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%.

During the period ended September 30, 2013, the Company decided not to continue with the Kings River property and wrote-off the balance to the statement of loss and comprehensive loss.

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.

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Silver Cliff Property, Colorado, USA *(cont'd…)*

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 subsequent to Dec 31, 2012);
- (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.

During the period ended September 30, 2013, the Company decided not to continue with the Silver Cliff property and wrote-off the balance to the statement of loss and comprehensive loss.

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

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. The Company issued 47,573,463 common shares and is committed to issue the remaining 4,122,277 prior to October 2015 (Note 2).

c) Stock options and warrants

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.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES *(cont'd…)*

c) Stock options and warrants *(cont'd…)*

Stock option and share purchase warrants transactions are summarized as follows:

	Options			Warrants		
	Number of Shares		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
Balance, December 31, 2011	4,800,000	$	0.50	711,240	$	0.67
Issued	-		-	2,896,061		0.14
Forfeited	(75,000)		0.77	-		-
Cancelled / expired	(25,000)		3.58	1,357,301		0.42
Balance, December 31, 2012	4,700,000		0.50	2,250,000	$	0.14
Cancelled / expired	(3,700,000)		0.44	(500,000)		0.44
Balance, September 30, 2013	1,000,000	$	0.30	1,750,000	$	0.22
Balance, September 30, 2013 Exercisable	1,000,000	$	0.30	1,750,000	$	0.22

d) As at September 30, 2013, incentive stock options were outstanding as follows:

	Number		Exercise price	Contractual life remaining
Stock Options	1,000,000	$	0.30	3.02 years

As at September 30, 2013, share purchase warrants were outstanding as follows:

	Number		Exercise price	Expiry date
Share Purchase Warrants	*500,000	$	0.25	October 7, 2013
	750,000		0.26	December 13, 2013
	500,000		0.14	April 9, 2014
	1,750,000			

* Expired subsequent to September 30, 2013

8. RELATED PARTY TRANSACTIONS

The financial statements include the financial statements of Corazon Gold Corp. and its 100% owned subsidiaries.

Key management personnel comprise of the Chief Executive Officer, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

- Paid or accrued salaries, wages, and consulting of $175,938 (2012 - $198,312).
- Stock options Issued or vested with a fair value of $15,005 (2012 - $121,245).

The amount of $45,047 (2012 - $Nil) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. Cash and cash equivalents, receivables and restricted cash, under the fair value hierarchy are based on level one quoted prices in active markets for identical assets or liabilities.
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.

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.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is minimal.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

Market risk *(cont'd…)*

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable and accounts payable and accrued liabilities that are denominated in US Dollars (USD).

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The carrying amount of cash and cash equivalents, restricted cash, receivables, and accounts payable and accrued liabilities, interest payable approximates their fair value due to their short-term nature. The Company does not have significant exposure to changing interest rates.

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible".

The Company has cash, receivable and accounts payable denominated in USD and are exposed to risk from changes in the USD. A 10% fluctuation in the USD against the Canadian dollar would affect net loss for the period by approximately $20,000.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral exploration concession, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash and cash equivalent balances and components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

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

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

As at September 30, 2013	Canada	USA	Nicaragua	Total
Equipment	$ -	$ 18,023	$ -	$ 18,023
Exploration and evaluation assets	-	48,063	1,051,748	1,099,811
	$ -	$ 66,086	$ 1,051,748	$ 1,117,834

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the nine month period ended September 30, 2013, the Company:

a) Included in accounts payable and accrued liabilities $174,962 included in exploration and evaluation assets;

b) Issued 750,000 common shares with a fair value of $22,500 for exploration and evaluation asset acquisition costs (Note 7)

During the nine month period ended September 30, 2012, the Company capitalized $98,836 of share-based payments to exploration and evaluation assets.