CORAZON GOLD CORP.
(formerly ReMac Zinc Corp.)

Consolidated Interim Financial Statements
Three months ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited 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 financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Corazon Gold Corp. (formerly ReMac Zinc. Corp)
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars – Unaudited)

	Note	March 31, 2011	December 31, 2010
ASSETS			
Current assets			
Cash and cash equivalents	***4***	$ 4,163,602	$ 64,115
Receivables, deposits and prepaid expenses	***5***	145,408	20,571
Total current assets		4,309,010	84,686
Non-current assets			
Equipment	***6***	67,253	57,875
Reclamation bond		5,000	-
Resource properties	***7***	1,463,669	1,197,923
Total non-current assets		1,535,922	1,255,798
TOTAL ASSETS		**$ 5,844,932**	**$ 1,340,484**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	***8***	$ 81,447	$ 378,594
Promissory notes	***9***	-	436,150
Current and total liabilities		81,447	814,744
SHAREHOLDERS' EQUITY			
Share capital	***10***	6,709,544	1,046,948
Accumulated deficit		(1,358,503)	(469,311)
Share-based payment reserve	***10***	516,896	-
Cumulative foreign exchange translation adjustment	***10***	(104,452)	(51,897)
Total shareholders' equity		5,763,485	525,740
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 5,844,932**	**$ 1,340,484**

Contingency - Note 1

Reverse asset acquisition – Note 11

Segment information – Note 14

Subsequent events – Note 15

Approved by the board of directors on June 29, 2011

"Patrick W. Brauckmann"
Director

" John K. Burns"
Director

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

Corazon Gold Corp. (formerly ReMac Zinc. Corp)
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars – Unaudited)

	Note	For the three months ended March 31, 2011	From inception on February 26, 2010 to March 31, 2010
EXPENSES			
Audit and accounting fees		$ 3,451	$ -
Consulting fees		48,914	-
Corporate development		47,982	3,969
Depreciation		15,701	-
Finders fees	***10***	250,000	-
Legal fees and expenses		40,412	1,059
Office		6,439	280
Property examination costs		-	23,557
Regulatory fees		58,912	-
Salaries and benefits		14,173	-
Share-based payments		516.896	-
Travel and accommodation		13,682	24,693
		1,016,562	53,558
OTHER EXPENSES (INCOME)			
Foreign exchange losses		33,459	6
Gain on reverse asset acquisition	***11***	(160,829)	-
		(127,370)	6
LOSS FOR THE PERIOD		**889,192**	**53,564**
Other comprehensive loss (income)			
Foreign currency translation		52,555	(1,292)
COMPREHENSIVE LOSS FOR THE PERIOD		**$ 941,747**	**$ 52,272**
Basic and diluted loss per share		$ 0.020	$ 0.003
Basic and diluted weighted average number of shares		44,844,874	20,000,000

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

Corazon Gold Corp. (formerly ReMac Zinc. Corp)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars – Unaudited)

	For the three months ended March 31, 2011	From inception on February 26, 2010 to March 31, 2010
OPERATING ACTIVITIES		
Loss for the period	$ (889,192)	$ (53,564).
Items not affecting cash:		
Depreciation	15,701	-
Finders fees	250,000	-
Gain on capital transaction	(160,829)	-
Share-based payments	516,896	-
	(267,424)	(53,564)
Changes in Non-cash Working Capital		
(Increase) / Decrease in receivables, deposits and prepaid expenses	(115,452)	-
Increase in accounts payable	(368,211)	44,966
Cash Flows used in Operating Activities	(751,087)	(8,598)
INVESTING ACTIVITIES		
Acquisition of equipment	(28,150)	-
Expenditure on resource properties	(311,647)	-
Cash acquired in reversed asset acquisition	310,533	-
Cash Flows used in Investing Activities	(29,264)	-
FINANCING ACTIVITIES		
Common shares issued for cash	5,550,000	-
Share issuance costs	(220,304)	-
Increase (decrease) in promissory notes payable	(419,348)	78,032
Effect of foreign currency translation	(25,800)	-
Cash Flows generated from Financing activities	4,884,458	78,032
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,104,107	69,434
CASH AND CASH EQUIVALENTS, BEGINNING	64,115	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH	(4,620)	(1,674)
CASH AND CASH EQUIVALENTS, ENDING	**$ 4,163,602**	**$ 67,760**
SUPPLEMENTAL CASH FLOW INFORMATION (Note)		
Cash paid for:		
Interest	$ -	-
Income taxes	$ -	-

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

Corazon Gold Corp. (formerly ReMac Zinc. Corp)
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars – Unaudited)

	Note	Share Capital					
		Number of shares	**Amount**	**Share-based payment reserve**	**Cumulative foreign exchange translation adjustment**	**Accumulated deficit**	**Total shareholders' equity (deficit)**
Shares issued on incorporation of Corazon Exploraciones, S.A.		1,000	$ 530,000	$ -	$ -	$ -	$ 530,000
Share subscriptions receivable		-	(530,000)	-	-	-	(530,000)
Net loss for the period from inception on February 26, 2010 to March 31, 2010		-	-	-	-	(53,564)	(53,564)
Other comprehensive income for the period from inception on February 26, 2010 to March 31, 2010		-	-	-	1,292	-	1,292
Balance at March 31, 2010		**1,000**	**$ -**	**$ -**	**$ 1,292**	**$ (53,564)**	**$ (52,272)**
Share subscriptions received		-	530,000	-	-	-	530,000
Elimination of Corazon Exploraciones, S.A. shares pursuant to shares exchanged in share purchase agreement		(1,000)	-	-	-	-	-
Issue of shares of 0887398 B.C. Ltd. pursuant to share purchase agreement		20,000,000	-	-	-	-	-
Private placement August 20, 2010		3,106,318	465,948	-	-	-	465,948
Private placement September 16, 2010		340,000	51,000	-	-	-	51,000
Net loss for the nine month period		-	-	-	-	(415,747)	(415,747)
Other comprehensive loss for the nine month period		-	-	-	(53,189)	-	(53,189)
Balance at December 31, 2010		**23,446,318**	**$ 1,046,948**	**$ -**	**$ (51,897)**	**$ (469,311)**	**$ 525,740**

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

Corazon Gold Corp. (formerly ReMac Zinc. Corp)
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - CONT'D
(Expressed in Canadian Dollars – Unaudited)

		Share Capital									
	Note	Number of shares		Amount		Share-based payment reserve		Cumulative foreign exchange translation adjustment		Accumulated deficit		Total shareholders' equity (deficit)
Balance at December 31, 2010		**23,446,318**	**$**	**1,046,948**	**$**	**-**	**$**	**(51,897)**	**$**	**(469,311)**	**$**	**525,740**
Elimination of 0887398 B.C. Ltd. shares pursuant to shares exchanged in share purchase agreement	***10***	(23,446,318)		-		-		-		-		-
Issue of shares of the Company pursuant to share purchase agreement	***10***	23,446,318		-		-		-		-		-
Fair value of monetary assets attributed to issued shares of legal parent at acquisition date	***10, 11***	3,513,734		82,900		-		-		-		82,900
Private placement on January 14, 2011	***10***	20,312,500		5,550,000		-		-		-		5,550,000
Shares issued as finders' fees on January 18, 2011	***10***	1,250,000		250,000		-		-		-		250,000
Share issuance costs incurred	***10***	-		(220,304)		-		-		-		(220,304)
Fair value of share options granted		-		-		516,896		-		-		516,896
Net loss for the three month period		-		-		-		-		(889,192)		(889,192)
Other comprehensive loss for the three month period		-		-		-		(52,555)		-		(52,555)
Balance at March 31, 2011		**48,522,552**	**$**	**6,709,544**	**$**	**516,896**	**$**	**(104,452)**	**$**	**(1,358,503)**	**$**	**5,763,485**

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

1. Nature and continuance of operations

Corazon Gold Corp. (the "Company") and its subsidiaries (the "Group") is a development stage Group engaged in the acquisition, exploration and development of resource properties.

These consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

For the three months ended March 31, 2011 the Group incurred a loss of $889,192 and as at March 31, 2011 had an accumulated deficit of $1,358,503. The Group is in the process of exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The ability of the Group to continue operations as a going concern and the recoverability of the amount shown for mineral resources are dependent upon the existence of economically recoverable reserves, the continued support of shareholders, the ability to continue to raise the necessary financing to complete the development of such properties and repay debts, and the profitable production or disposition of such properties. Management is of the opinion that sufficient working capital will be obtainable from internal and/ or external financing to meet the Group's liabilities and commitments as they become due, although there is risk that additional financing will not be available on a timely basis or on terms acceptable to the Group. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Group be unable to continue operations.

2. Significant accounting policies and basis of preparation

During the three month period ended March 31, 2011 the Company acquired all of the outstanding shares of 0887406 B.C. Ltd. in a reverse acquisition (see "consolidation" below). In August 2010 0887406 B.C. Ltd. acquired all of the outstanding shares in Corazon Exploraciones, S.A. in a similar transaction. Consequently, the Group has been reporting under an International Financial Reporting Standards ("IFRS") framework since the inception of Corazon Exploraciones, S.A. on February 26, 2010 (see "consolidation" below). As a result IFRS 1, First-time Adoption of IFRS, was not applied in these consolidated interim financial statements.

These consolidated interim financial statements for the three months ended March 31, 2011 have been prepared in accordance with IAS 34, *Interim financial reporting*.

The consolidated financial statements of the Group 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:

		Percentage owned*	
	Country of incorporation	**March 31, 2011**	**March 31, 2010**
ReMax Zinc Development Corp. ("RMZD")	Canada	100%	100%
087398 B.C Ltd. ("0887398")	Canada	100%	-
0887406 B.C. Ltd. ("0887406")	Canada	100%	-
Corazon Exploraciones, S.A. ("Corazon")	Nicaragua	100%	-

*Percentage of voting power is in proportion to ownership.

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

2. Significant accounting policies and basis of preparation (cont'd)

Corazon was incorporated on February 26, 2010. On August 9, 2010, 0887398 was incorporated by the shareholders of Corazon and issued 20,000,000 common shares in the Company in exchange for 99.9% of the outstanding common shares of Corazon held by the same shareholders. IFRS 3, Business Combinations, scopes out common control transactions and there is currently no specific guidance on accounting for common control transactions under IFRSs. The transaction therefore has been accounted for as a continuity of interest of Corazon in these financial statements, following Canadian GAAP guidelines, from the date of incorporation of Corazon on February 26, 2010.

On January 14, 2011 the Company completed the acquisition of all of the issued and outstanding shares of 0887398 on the basis of one share for each share of 0887398, pursuant to a share exchange agreement dated October 6, 2010 among 0887398, its shareholders, 0887406 and Corazon. 0887398 owned 99.9 % of the issued and outstanding shares of Corazon and 0887406 owned the remaining 0.1% of the issued and outstanding shares of Corazon. On January 14, 2011 the Company acquired all of the issued and outstanding shares of 0887398 in exchange for the issuance of an aggregate 23,446,318 common shares of the Company on the basis of one share for each share of 0887398. In addition, 0887406 agreed to transfer its ownership in Corazon to the Company pursuant to the terms of a share purchase agreement between the Company and 0887406. As a result, 0887398 and 0887406 became wholly-owned subsidiaries of the Company and the Company holds indirectly 100% of the issued and outstanding shares of Corazon. As a result of the share exchange the shareholders of 0887398 B.C. gained control of the Company. Consequently the transaction has been recognized as a reverse asset acquisition in these financial statements. (Note 10)

Pursuant to the agreement, the Company granted an aggregate 2% net smelter returns royalty to two controlling shareholders of 0887398.0887398 and its subsidiary, Corazon have been principally engaged in the acquisition, exploration and development of a resource property located in Santo Domingo, Nicaragua.

Corazon was incorporated on February 26, 2010. On August 9, 2010, 0887398 was incorporated by the shareholders of Corazon and issued 20,000,000 common shares in the Company in exchange for 99.9% of the outstanding common shares of Corazon held by the same shareholders. The transaction has been accounted for as a continuity of interest of Corazon from its date of incorporation.

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.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of equipment, the recoverability of the carrying value of resource properties, fair value measurements for financial instruments and share-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

2. Significant accounting policies and basis of preparation (cont'd)

Foreign currency translation

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

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. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Group companies:

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

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- equity is translated at historical rates; 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 Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

Resource properties

Resource property expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of resource property assets acquired in a business combination. Resource property expenditures are capitalized. Costs incurred before the Group has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Resource properties 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.

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.

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.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments

The Group operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. 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 corresponding amount is recorded to the share-based payments reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

The Group classifies its financial assets and liabilities in the following categories:

- Financial assets at fair value through profit or loss ("FVTPL") – Cash
- Loans and receivables - Trade and other receivables, and reclamation bonds
- Other financial liabilities - Trade and other payables, and promissory notes payable

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Financial assets at fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

De-recognition of financial assets

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been negatively impacted.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

2. Significant accounting policies and basis of preparation (cont'd)

Financial Instruments (cont'd)

De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

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

Impairment of non-financial assets

The carrying amount of the Group's assets (which include equipment and resource properties) is reviewed at each reporting date to determine whether there is any 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Reclamation Bond

Reclamation bonds represent term deposits which have been pledged to the Province of British Columbia as security for reclamation obligations pursuant to the mining regulations of British Columbia.

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 Group 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.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes *(cont'd)*

Deferred income tax:

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

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

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

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

Flow-through shares:

Any premium received by the Group on the issuance of flow-through shares is initially recorded as a liability ("flow-through tax liability") and included in trade payables and accrued liabilities. Upon renouncement by the Group of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Group will reduce the deferred tax liability and record a deferred tax recovery.

Restoration and environmental obligations

The Group 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 exploration and evaluation assets 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 Group'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 Group'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 Group's estimates of reclamation costs, are charged to profit and loss for the period.

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

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

At present, the Company is not required to provide for restoration and environmental obligations. Accordingly, no provision has been made.

2. Significant accounting policies and basis of preparation (cont'd)

Equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

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

Depreciation and amortization are calculated on a declining balance method 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 equipment are as follows:

Class of Equipment	Depreciation rate
Vehicles	20%
Field equipment	8%
Computer equipment	30%

Earnings (loss) per share

The Group presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the loss attributable to common shareholders of the Group by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Segment reporting

A segment is a component of the Group that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group operates in one business segment, mineral exploration and two geographical segments, Canada and Nicaragua, as at March 31, 2011 and 2010.

3. Accounting standards issued by not yet effective

Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011

IFRS 9 Financial instruments ("IFRS 9")

IFRS 9 was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value.

IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

This new standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Recent pronouncements

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, Consolidated Financial Statements ("IFRS 10"), IFRS 11, Joint Arrangements ("IFRS 11"), IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12"), IAS 27, Separate Financial Statements ("IAS 27"), IFRS 13, Fair Value Measurement ("IFRS 13") and amended IAS 28, Investments in Associates and Joint Ventures ("IAS 28"). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	March 31, 2011	December 31, 2010
Cash at bank	$ 548,602	$ 64,115
Guaranteed investment certificates	3,615,000	-
	$ 4,163,602	**$ 64,115**

5. Accounts receivable

	March 31, 2011	December 31, 2010
Harmonized sales tax receivable	$ 59,573	$ 4,887
Deposits	63,111	13,478
Prepaid expenses	22,724	2,206
	$ 145,408	**$ 20,571**

6. Equipment

	Vehicles	Field equipment	Computer equipment	Total
Cost:				
At December 31, 2010	$ 57,811	$ 2,499	$ 4,056	$ 64,366
Additions	22,107	-	4,777	26,884
Effect of foreign exchange translation	(2,059)	(90)	(145)	(2,294)
At March 31, 2011	**77,859**	**2,409**	**8,688**	**88,956**
Depreciation:				
At December 31, 2010	(5,781)	(100)	(610)	(6,491)
Depreciation for the period	(13,589)	(196)	(1,916)	(15,701)
Effect of foreign exchange translation	432	7	50	489
At March 31, 2011	**(18,938)**	**(289)**	**(2,476)**	**(21,703)**
Net book value:				
At December 31, 2010	52,030	2,399	3,446	57,875
At March 31, 2011	**$ 58,921**	**$ (2,120)**	**$ (6,212)**	**$ 67,253**

	Vehicles	Field equipment	Computer equipment	Total
Additions	$ 57,811	$ 2,499	$ 4,056	$ 64,366
Depreciation for the period	(5,585)	(97)	(588)	(6,270)
Effect of foreign exchange translation	(196)	(3)	(22)	(221)
Net book value at December 31, 2010	**$ 52,030**	**$ 2,399**	**$ 3,446**	**$ 57,875**

7. Resource properties

Santo Domingo property:

On April 15, 2010, Corazon entered into a Concession Agreement which provides the option to acquire a 100% interest in the Santo Domingo concession (the Concession) from the Cooperativa de Pequenos Mineros de Santo Domingo RL (the Co-op) for USD$5,500,000. Under the Concession Agreement, Corazon paid an initial USD$500,000 on April 15, 2010, and is required to make two payments of USD$2,500,000, the first no later than April 15, 2011 and the second by April 15, 2012, respectively, to complete the acquisition of a 100% interest in the Concession. The Concession lies in the canton of Santo Domingo, in the eastern section of the La Libertad-Santo Domingo mining district, state of Chontales, central Nicaragua. The Concession totals 650 hectares and is situated 177 kilometres northwest of the major Pacific port and capital city of Managua, Nicaragua. The main focus of the project will be the exploration for gold.

Resource property expenditures to March 31, 2011 are detailed as follows:

	Acquisition cost	Exploration and development	Other	Total resource property expenditure
Resource property expenditure incurred from date of agreement to December 31, 2010	**$ 636,048**	**$ 488,729**	**$ 73,146**	**$ 1,197,923**
Resource property expenditure incurred during the three months ended March 31, 2011	-	231,605	82,058	313,663
Effect of foreign currency translation	(25,441)	(19,550)	(2,926)	(47,917)
At March 31, 2011	**$ 610,607**	**$ 700,784**	**$ 152,278**	**$ 1,463,669**

ReMac Zinc property:

The ReMac Zinc project consists of 40 contiguous mineral claims comprising 3,943.82 hectares (the "ReMac Zinc property") which is 100% owned by ReMac. The ReMac Zinc property is situated 25 kilometres southeast of Teck's lead-zinc smelter complex in Trail, BC, and 15 kilometres north of Teck's Pend d'Oreille zinc mine and concentrator in Metalline Falls, Washington, USA.

Currently the Company is maintaining ownership in the ReMac Zinc property but does not have an exploration program planned in the near future. The Company is assessing the viability of continued ownership in the ReMac Zinc property. The Group has not incurred any resource expenditures on the property in the three months ended March 31, 2011. All resource property expenditures incurred to December 31, 2010 costs incurred have been impaired.

8. Trade payables and accrued liabilities

	March 31, 2011	December 31, 2010
Accounts payable	$ 45,737	$ 366,499
Accrued liabilities	35,710	12,095
	$ 81,447	**$ 378,594**

9. Promissory notes

The outstanding promissory notes as at December 31, 2010 are repayable on demand without interest and are unsecured. The promissory notes were repaid in full during the three months ended March 31, 2011.

10. Share capital and reserves

Authorized share capital

Unlimited number of common shares without par value

Unlimited number of preferred shares without par value

Issued share capital

At March 31, 2011 there were 48,522,552 issued and fully paid common shares (December 31, 2010 – 23,446,318).

Reverse asset acquisition

On January 14, 2011, the Company has entered into a definitive share exchange agreement with 0887398 to acquire all of the issued and outstanding shares of the 0887398. The Company issued one common share for each issued and outstanding common share of 0887398. A total of 23,446,318 shares were issued pursuant to the agreement. After the transaction, the former shareholders of the 0887398 holds the controlling interest in the Company and the transaction was recorded as reverse asset acquisition, with 0887398 being the deemed acquirer of the net assets of the Company. The fair value of the shares issued was calculated at $82,900 (Notes 2 and 11).

In conjunction with the completion of the transaction, 1,250,000 common shares were issued as finders' fees at a deemed cost per share of 0.20 cents.

Private placements

Concurrently with the completion of the reverse asset acquisition, the Company completed a financing involving the issuance of 12,875,000 common shares at a price of $0.20 per common share and 7,437,500 common shares at a price of $0.40 per common share for aggregate gross proceeds of $5,550,000 and net proceeds of $5,329,696.

Share options

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

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

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

The changes in options during the three month period ended March 31, 2011 and the year ended December 31, 2010 are as follows:

	March 31, 2011		**December 31, 2010**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of period	**109,287**	**$ 4.55**	**125,358**	**$ 4.22**
Options granted	2,100,000	0.75	-	-
Options cancelled/ expired	(109,287)	4.55	(16,071)	2.80
Options outstanding, end of period	**2,100,000**	**$ 0.75**	**109,287**	**$ 4.55**

10. Share capital and reserves (cont'd)

***Stock options** (cont'd)*

The weighted average grant date fair value of options granted during the three month period ended March 31, 2011 was $0.76305 (December 31, 2010 – Nil) per option. The fair value was estimated using the Black-Scholes option pricing model.

Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

Cumulative foreign exchange translation adjustments

The foreign currency translation reserve records exchange differences arising on translation of subsidiaries of the Group that have a functional currency other than the Canadian dollar.

Loss per share

Basic and diluted loss per share has been calculated using the weighted average number of shares outstanding during the three months ended March 31, 2011 and from inception on February 26, 2010 to March 31, 2010.

At March 31, 2011, fully diluted weighted average common shares outstanding used in the calculation of fully diluted net loss per share exclude the outstanding share options as their exercise would be anti-dilutive in the net loss per share calculation.

As at March 31, 2010 there was no share options or other potential common shares outstanding.

11. Reverse asset acquisition

The transaction described in notes 2 and 10 have been accounted for as a reversed asset acquisition as the Company do not meet the definition of business provided in IFRS 3, Business Combinations. The transaction has therefore been recorded as a capital transaction of the Company equivalent to the issuance of shares by 0887398 to acquire the net monetary assets of the Company. The deemed issuance of shares in 0887398 resulted in a lower value than the net assets received in the transaction. The resulting gain has been presented in the net loss for the three months ended March 31, 2011 in accordance with IFRS.

Net monetary assets of the Company at fair value	$	243,729
Fair value of deemed shares issued		82,900
Gain on reverse asset acquisition	**$**	**160,829**

12. Related party transactions

Related party balances

As at December 31, 2010, a $28,000 promissory note is due to the spouse of the President and Director of the Company. This note was repaid in January 2011 (Note 9).

Included in accounts payable as at December 31, 2010 is an amount of $150,627 owing to the president and CEO of the Company. The amount was repaid in January 2011.

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

12. Related party transactions (cont'd)

Related party transactions

	Three months ended March 31, 2011	From inception on February 26, 2010 to March 31, 2010
Consulting fees paid to the CEO and president of the Company	$ 31,250	$ -

13. Financial risk management

The Group 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 Group'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 as receivables consist primarily of refundable government harmonized sales taxes.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has a planning and budgeting process in place to help determine the funds required to support the Group's normal operating requirements on an ongoing basis. The Group 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 Group's main sources of funding have been the issuance of equity securities for cash, primarily through private placements. The Group's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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 Group's Nicaraguan subsidiary is exposed to currency risk as it incurs expenditures that are predominately denominated in US dollars and Nicaraguan Cordoba. The Group 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 Group is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal.

13. Financial risk management (cont'd)

Capital Management

The Group's objectives when managing capital are to:

- ensure there are adequate capital resources to safeguard the Group'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 Group currently have an interest is in the exploration stage and as such, the Company is dependent on external financing to fund its activities. To undertake planned exploration and other operating activity, during the three month period ending March 31, 2011, the Company raised $5,329,696 through private placements (Note 10).

The Company has no external capital requirements or restrictions.

Classification of financial instruments

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

	March 31, 2011	December 31, 2010
Cash and cash equivalents (measured at FVTPL)	$ 4,163,602	$ 64,115
Loans and receivables:		
Reclamation deposits	5,000	-
	$ 4,168,602	**$ 64,115**

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

	March 31, 2011	December 31, 2010
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	$ 81,447	$ 378,594
Promissory motes	-	436,150
	$ 81,447	**$ 814,744**

Fair value

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

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.

14. Segmented information

Operating segments

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

Geographic segments

The Group's total assets are located in the following countries:

	As at March 31, 2011		
	Canada	**Nicaragua**	**Total**
Cash and cash equivalents	$ 4,020,131	$ 143,471	$ 4,163,602
Receivables, deposits and prepaid expenses	80,169	65,239	145,408
Equipment	2,131	65,122	67,253
Reclamation deposits	5,000	-	5,000
Resource properties	-	1,463,669	1,463,669
	$ 4,107,431	**$ 1,737,501**	**$ 5,844,932**

	As at December 31, 2010		
	Canada	**Nicaragua**	**Total**
Cash and cash equivalents	$ -	$ 64,115	$ 64,115
Receivables, deposits and prepaid expenses	4,887	15,684	20,571
Equipment	-	57,875	57,875
Resource properties	-	1,197,923	1,197,923
	$ 4,887	**$ 1,335,597**	**$ 1,340,484**

The Group's losses are located in the following countries:

	As at March 31, 2011		
	Canada	**Nicaragua**	**Total**
Loss for the three month period	$ 804,929	$ 84,263	$ 889,192

	As at March 31, 2010		
	Canada	**Nicaragua**	**Total**
Loss from inception on February 26, 2010 to March 31, 2010	$ -	$ 53,564	$ 53,564

15. Subsequent events

On April 12, 2011 the Company closed a private placement for 11,974,000 shares at $0.67 per share, with total proceeds of $8,022,580. The Company paid a 6% cash finders' fee and issued 771,240 broker warrants. The warrants have an exercise price of $0.67 and expire on April 12, 2012.

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