CORAZON GOLD CORP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2014

(Unaudited)

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		June 30, 2014		December 31, 2013
ASSETS				
Current				
Cash	$	10,719	$	14,394
Receivables, deposits and prepaid expenses		7,498		40,766
		18,217		55,160
Reclamation bond		46,804		46,932
	$	65,021	$	102,092
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current				
Accounts payable and accrued liabilities	$	612,783	$	502,830
Shareholders' deficiency				
Share capital (Note 4)		17,481,328		17,481,328
Reserves (Note 4)		2,349,151		2,349,151
Accumulated other comprehensive loss		72,528		72,309
Deficit		(20,450,769)		(20,303,526)
		(547,762)		(400,738)
	$	65,021	$	102,092

Nature of operations and going concern (Note 1)

Approved and authorized by the Board on August 22, 2014:

"Bradley Scharfe" Director *"Fred Tejada"* 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 June 30, 2014	Three month period ended June 30, 2013	Six month period ended June 30, 2014	Six month period ended June 30, 2013
EXPENSES				
Consulting	$ 30,150	$ 90,814	$ 70,150	$ 136,581
Corporate development	-	10,390	-	11,509
Depreciation	-	13,689	-	33,681
Office	14,083	95,238	15,883	191,019
Professional fees	9,623	23,109	16,852	34,409
Property examination costs	-	2,556	-	4,612
Regulatory and filing	14,878	13,032	26,415	26,663
Salaries and benefits	-	99,872	2,241	217,332
Share-based payments (Note 4)	-	-	-	16,837
Travel and accommodation	-	39,369	-	53,237
	(68,734)	(388,069)	(131,541)	(725,880)
EXPENSES				
Foreign exchange	1,093	(5,127)	(2,668)	(3,762)
Interest income	-	3,158	-	3,158
Loss on sale of receivables (Note 5)	-	-	(17,305)	-
Gain on settlement of accounts payable and accrued liabilities	4,271	-	4,271	-
Impairment of exploration and evaluation assets (Note 3)	-	(4,301,548)	-	(4,301,548)
Loss for the period	(63,370)	(4,691,586)	(147,243)	(5,028,032)
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences on translating foreign operations	1,771	96,341	219	73,339
Unrealized loss on marketable securities	-	-	-	(10,000)
Comprehensive loss for the period	$ (61,599)	$ (4,595,245)	$ (147,024)	$ (4,964,693)
Basic and diluted loss per common share	$ (0.04)	$ (3.24)	$ (0.10)	$ (3.61)
Weighted average number of common shares outstanding	1,529,037	1,448,262	1,529,037	1,392,283

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 six month period ended June 30	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (147,243)	$ (5,028,032)
Non-cash items:		
Depreciation	-	33,681
Share-based payments	-	16,837
Loss on sale of receivables (Note 5)	17,305	-
Gain on settlement of accounts payable and accrued liabilities	(4,271)	-
Impairment of exploration and evaluation assets	-	4,301,548
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	5,768	(5,950)
Accounts payable and accrued liabilities	124,419	(265,728)
	(4,022)	(947,644)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	(539,858)
	-	(539,858)
Change in cash during the period	(4,022)	(1,487,502)
Effect of exchange rates on cash holdings in foreign operations	347	(12,135)
Cash, beginning of period	14,394	1,657,808
Cash and cash, end of period	$ 10,719	$ 158,171

Supplemental disclosure with respect to cash flows (Note 8)

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, 2012	1,440,523	$ 17,170,268	$ 288,560	$ 2,328,854	$ (9,191)	$ (13,435,759)	$ 6,342,732
Share-based payments	-	-	-	16,837	-	-	16,837
Shares issued – exploration and evaluation assets	10,000	22,500	-	-	-	-	22,500
Other comprehensive loss	-	-	-	-	63,339	-	63,339
Loss for the period	-	-	-	-	-	(5,028,032)	(5,028,032)
Balance, June 30, 2013	1,450,523	17,192,768	288,560	2,345,691	54,148	(18,463,791)	1,417,376
Acquisition of ICN Resources Ltd.	78,514	288,560	(288,560)	-	-	-	-
Share-based payments	-	-	-	3,460	-	-	3,460
Other comprehensive loss	-	-	-	-	18,161	-	18,161
Loss for the period	-	-	-	-	-	(1,839,735)	(1,839,735)
Balance, December 31, 2013	1,529,037	17,481,328	-	2,349,151	72,309	(20,303,526)	(400,738)
Other comprehensive loss	-	-	-	-	219	-	219
Loss for the period	-	-	-	-	-	(147,243)	(147,243)
Balance, June 30, 2014	1,529,037	$ 17,481,328	$ -	$ 2,349,151	$ 72,528	$ (20,450,769)	$ (547,762)

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

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 Company's head office, registered and records office is 700 – 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8.

On March 25 and May 5, 2014, the Board of Directors authorized a 15-for-1 and a 5-for-1 share consolidation, respectively. The number of issued and outstanding shares, options, warrants and per share amounts has been retrospectively restated for all periods presented unless otherwise stated.

These consolidated condense interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

2. 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%

2. BASIS OF PREPARATION *(cont'd…)*

Use of Estimates and Judgments

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.

Critical accounting estimates

i. 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.

ii. The valuation of shares issued in non-cash transactions are generally 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.

Critical accounting judgments

i. 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.

ii. 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.

New standards, interpretations and amendments adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

(Expressed in Canadian Dollars)

3. 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	$ 48,604	$ 1,389,597	$ 81,440	$ 34,348	$ 2,207,287	$ 1,722	$ 902,557	$ 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	(48,604)	(1,390,915)	(81,440)	(137,997)	(2,791,748)	(2,698)	(971,484)	(77,025)	(5,501,911)
Balance, December 31, 2013 and June 30, 2014	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

3. 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.

During the year ended December 31, 2013, the Company decided not to continue with the La Ranchera Project and wrote-off the balance to the statement of loss and comprehensive loss.

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.

During the year ended December 31, 2013, the Company decided not to continue with the SDL Project and wrote-off the balance to the statement of loss and comprehensive loss.

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.

During the year ended December 31, 2013, the Company decided not to continue with the Rio Coco Project, and wrote-off the balance to the statement of loss and comprehensive loss.

ReMac Zinc property, BC, Canada

The Company maintains ownership of 1 claim in the ReMac Zinc property. The Company wrote-off the balance in the year ended December 31, 2011 and has no future exploration plans for the property.

Hog Ranch and Estill Property, Nevada, USA

During the year ended December 31, 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.

Trout Creek (JJ) Property, Nevada, USA

During the year ended December 31, 2013, the Company decided not to continue with the Trout Creek Property and wrote-off the balance to the statement of loss and comprehensive loss.

Goldfield Bonanza Property, Nevada, USA

During the year ended December 31, 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

During the year ended December 31, 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

During the year ended December 31, 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.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

No common shares were issued during the year ended December 31, 2013 or the six month period ended June 30, 2014.

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.

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, 2012	62,666	$ 38.05	30,000	$ 20.35
Cancelled / expired	(62,666)	38.05	(23,333)	23.15
Balance, December 31, 2013	-	-	6,667	10.50
Cancelled / expired	-	-	(6,667)	10.50
Balance, June 30, 214 Exercisable	-	$ -	-	$ -

The Company did not grant any stock options for the period ended June 30, 2014

The Company recognizes share-based payments expense for all stock options granted using the fair value base method of accounting. The fair value of the options granted during the period ended June 30, 2014 was $Nil (2013 - $Nil) and the fair value of the options vested during the period ended June 30, 2014 is $Nil (2013 - $16,837). The weighted average fair value of options granted during the period is $Nil (2013 – $Nil).

5. 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 $70,150 (2013 - $139,992).
- Stock options Issued or vested with a fair value of $Nil (2013 - $15,005).

5. RELATED PARTY TRANSACTIONS *(cont'd…)*

During the period ended June 30, 2014 the former CEO of the Company paid certain expenditures on behalf of the Company. In exchange, the Company assigned a $27,500 receivable from a third party from the Company to the former CEO. The Company recognized a loss on sale of receivables of $17,305 on the statement of loss and comprehensive loss.

The amount of $351,639 (2013 - $16,498) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

6. 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 their carrying value, which is the amount recorded on the consolidated statement of financial position. Cash, and marketable securities, 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. 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 includes a GST receivable of $3,546 from the government of Canada.

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.

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.

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

Market risk *(cont'd…)*

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 Company's financial assets exposed to interest rate risk consist of cash. The Company is satisfied with the credit ratings of its banks. As at June 30, 2014, the Company is not exposed to any interest rate risk.

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, receivables, and accounts payable and accrued liabilities, 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 $10,000.

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 concessions, 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 components of shareholders' equity (deficit).

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 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 period.

7. SEGMENTED INFORMATION

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

8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during three months ended June 30, 2014

During the three month period ended June 30, 2013 the Company:

a) Included in accounts payable and accrued liabilities $28,364 included in exploration and evaluation asset acquisition; and

b) Issued 10,000 common shares with a fair value of $22,500 for exploration and evaluation asset acquisition costs.