



CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

PERIOD ENDED MARCH 31, 2017

(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	March 31, 2017	December 31, 2016
ASSETS		
Current		
Cash	\$ 1,164,471	\$ 1,349,070
Receivables and prepaid expenses	20,026	3,303
	<u>1,184,497</u>	<u>1,352,373</u>
Reclamation bond	<u>23,387</u>	<u>23,585</u>
	<u>\$ 1,207,884</u>	<u>\$ 1,375,958</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 241,510	\$ 317,850
Shareholders' equity (deficiency)		
Share capital (Note 4)	19,641,391	19,641,391
Commitment to issue shares (Note 4)	9,500	9,500
Reserves (Note 4)	2,917,428	2,917,428
Accumulated other comprehensive income	60,541	59,897
Deficit	<u>(21,662,486)</u>	<u>(21,570,108)</u>
	<u>996,374</u>	<u>1,058,108</u>
	<u>\$ 1,207,884</u>	<u>\$ 1,375,958</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on May 30, 2017

"Bradley Scharfe" Director
Bradley Scharfe

"Jason Scharfe" Director
Jason Scharfe

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 March 31	2017	2016
EXPENSES		
Consulting	\$ 30,750	\$ 20,500
Office	6,029	4,315
Professional fees	55,336	91
Regulatory and filing	6,199	7,008
Share-based payments	-	-
	<u>(98,314)</u>	<u>(31,914)</u>
EXPENSES		
Foreign exchange	5,936	7,848
Write-off of accounts payable	-	2,800
	<u>(92,378)</u>	<u>(21,266)</u>
Loss for the period		
	(92,378)	(21,266)
OTHER COMPREHENSIVE LOSS		
Exchange differences on translating foreign operations	2,430	3,788
	<u>2,430</u>	<u>3,788</u>
Comprehensive loss for the period	\$ (89,948)	\$ (17,478)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	23,900,176	10,103,169

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 March 31	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (92,378)	\$ (21,266)
Non-cash item:		
Unrealized foreign exchange	842	
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	(16,723)	(1,081)
Accounts payable and accrued liabilities	<u>(76,340)</u>	<u>(9,636)</u>
	<u>(184,599)</u>	<u>(31,983)</u>
Change in cash during the period	(184,599)	(31,983)
Effect of exchange rates on cash holdings in foreign operations	-	4,948
Cash, beginning of period	<u>1,349,070</u>	<u>225,159</u>
Cash, end of period	\$ 1,164,471	\$ 198,124

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CORAZON GOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	<u>Share capital</u>		Reserves	Commitment to issue shares	Accumulated other comprehensive income (loss)	Deficit	Total
	Number	Amount					
Balance, December 31, 2015	11,419,169	\$ 18,200,593	\$ 2,362,302	\$ -	\$ 58,111	(20,743,916)	(122,910)
Other comprehensive loss	-	-	-	-	3,788	-	3,788
Loss for the year	-	-	-	-	-	(21,266)	(21,266)
Balance, March 31, 2016	11,419,169	18,200,593	2,362,302	-	61,899	(20,765,182)	(140,388)
Private Placements	3,906,875	781,375	-	-	-	-	781,375
Share issuance costs – cash	-	(22,809)	-	-	-	-	(22,809)
Share issuance costs – warrants	-	(3,699)	3,699	-	-	-	-
Exercise of warrants	8,574,132	685,931	-	-	-	-	685,931
Subscriptions received in advance	-	-	-	9,500	-	-	9,500
Share-based payments	-	-	551,427	-	-	-	551,427
Other comprehensive loss	-	-	-	-	(2,002)	-	(2,002)
Loss for the year	-	-	-	-	-	(804,926)	(804,926)
Balance, December 31, 2016	23,900,176	19,641,391	2,917,428	9,500	59,897	\$ (21,570,108)	\$ 1,058,108
Other comprehensive loss	-	-	-	-	644	-	644
Loss for the period	-	-	-	-	-	(92,378)	(92,378)
Balance, March 31, 2017	23,900,176	\$ 19,641,391	\$ 2,917,428	\$ -	\$ 60,541	(21,662,486)	(966,374)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Corazon Gold Corp. (the "Company"), 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 488 - 1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7.

These consolidated 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").

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS 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 revenues and expenses during the period. Actual results could differ from these estimates.

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

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION *(cont'd...)*

Use of estimates and judgments *(cont'd...)*

Critical accounting judgments (cont'd...)

- 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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 condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	2016 and 2015 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. ("COEXSA")	Nicaragua	100%
ICN Resources Ltd ("ICN")	Canada	100%
Esmeralda Gold Inc.	USA	100%
Eureka Gold Inc.	USA	100%
Washoe Gold Inc.	USA	100%

The operating results of subsidiaries acquired during the year are included in the statement of loss and comprehensive loss from the effective date of acquisition. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

New standard not yet adopted

IFRS 9 Financial Instruments (Revised) was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 Financial instruments: recognition and measurement. The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

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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 three month period ended March 31, 2016.

During the year ended December 31, 2016, the Company completed a private placement by issuing 3,906,875 Units for \$0.20 per unit for gross proceeds of \$781,375. Included in gross proceeds is \$25,000 the Company settled in accounts payable due to related parties. Each unit consisted of one common share and one half share purchase warrant with each share purchase warrant exercisable at \$0.40 per share for a period of two years from the date of issuance. In connection with the private placement, the Company paid cash share issuance costs of \$22,809 and issued 23,100 finder's warrants. The finder's warrants were valued at \$3,699 using the Black Scholes option pricing model assuming a risk-free rate of 0.66%, an expected volatility of 142%, an expected life of 2 years and an expected dividend and forfeiture rate of Nil.

During the year ended December 31, 2016, the Company also issued 8,574,132 common shares on exercise of warrants. Proceeds of \$685,931 was received on exercise of warrants. At year-end, the Company had received \$9,500 for exercise of warrants for which the common shares were not issued until subsequent to year-end.

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 options and share purchase warrants transactions are summarized as follows:

	Stock Options		Warrants	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2015	-	\$ 0.10	9,310,652	\$ 0.10
And March 31, 2016				
Exercised	-	-	(8,574,132)	0.08
Expired	-	-	(78,520)	0.19
Granted / Issued	2,390,017	0.27	1,976,538	0.40
Balance, December 31, 2016	2,390,017	\$ 0.27	2,634,538	\$ 0.40
Exercised	-	-	(23,750)	0.40
Balance, March 31, 2017	-	\$ 0.10	2,610,788	\$ 0.40

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4. SHARE CAPITAL AND RESERVES (cont'd...)

As at March 31, 2017, share purchase warrants were outstanding as follows:

	Number	Exercise price	Expiry date
Stock options	<u>2,390,017</u>	\$ 0.27	September 21, 2021
	<u>2,390,017</u>		

As at December 31, 2016, share purchase warrants were outstanding as follows:

	Number	Exercise price	Expiry date
Share Purchase Warrants	1,976,538	\$ 0.40	September 30, 2018
	<u>634,250</u>	0.40	July 17, 2017
	<u>2,610,788</u>		

5. RELATED PARTY TRANSACTIONS

The consolidated 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 consulting fees of \$4,000 for the former CEO and current director of the Company (2016 - \$18,000).
- Paid or accrued consulting fees of \$2,500 to the CFO of the Company (2016 - \$2,500).
- Paid or accrued consulting fees of \$19,000 for the current CEO of the Company (2016 - \$Nil).

The amount of \$36,833 (2016 - \$100,165) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

6. FINANCIAL AND CAPITAL 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.

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

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 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 \$1,197 from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

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.

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 is minimal.

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). Based on management's knowledge and experience of the financial markets, the Company believes that 10% fluctuation in the USD against the Canadian dollar would affect net loss for the period by approximately \$5,000.

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

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.

7. SEGMENTED INFORMATION

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

8. SUBSEQUENT EVENT

The Company has signed a letter of intent dated December 22, 2016, with NanoSphere Health Sciences LLC ("NanoSphere") setting out the proposed terms of the Company's acquisition of 100% of the issued and outstanding shares of NanoSphere (the "LOI"). NanoSphere is in the business of developing nano-sized delivery systems for nutraceuticals, supplements, pharmaceuticals, cannabis, and other health products.

Under the LOI, the Company, or a subsidiary controlled by the Company, would acquire 100% of the issued and outstanding shares of NanoSphere. As consideration, the Company would provide the shareholders of NanoSphere an aggregate of 40,000,000 common shares in the Company and the rights to receive an aggregate of 19,000,000 common shares of the Company upon the commercialization and first sale of NanoSphere's "Evolve Cannabis" product. In addition, all option holders and warrant holders of NanoSphere would receive equivalent securities in the Company. The execution of this LOI is subject to the signing of a definitive agreement, certain defined closing conditions and acceptance by the TSX-V.

As of March 31, 2017, the LOI has not yet completed.