CSE FORM 2A

LISTING STATEMENT

NanoSphere Health Sciences Inc.

(the "Issuer")

following the completion of the acquisition of

NanoSphere Health Sciences, LLC

("NanoSphere")

and name change from Corazon Gold Corp.

November 28, 2017

FORWARD LOOKING STATEMENT CAUTION

This Listing Statement contains forward-looking statements and information (collectively, "forward looking statements") that relate to the Issuer's and NanoSphere's current beliefs, expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "could", "should", "will", "believe", "expect", "anticipate", "estimate", "intend", "plan", "seek", "potential", "likely", or the negative of these terms, or other similar expressions intended to identify forward looking statements. Any statements or information that are not strictly historical fact are forward looking statements.

The Issuer and NanoSphere have based these forward looking statements on their current projections and expectations about future events and financial trends that they believe may affect their financial condition, results of operations, financial needs and business strategy. Forward looking statements are based on certain assumptions and analysis made by the Issuer and NanoSphere based on their perception of historical trends, current conditions and expected future developments and other factors they believe are appropriate, and are subject to known and unknown risks and uncertainties. Although the Issuer and NanoSphere believe that the assumptions and analysis underlying forward looking statements are reasonable, they may prove to be incorrect. The occurence of risks or unforeseen events may also cause forward looking statements to be incorrect.

Given these assumptions, risks and uncertainties, prospective purchasers of the Issuer's securities should not place undue reliance on forward looking statements. Although forward looking statements herein are based upon what management believes are reasonable assumptions, these assumptions, risks, uncertainties and other factors could cause the Issuer's actual results, performance, achievements and experience to differ materially from its results, performance, achievements and experience expressed or implied by forward looking statements.

Further, any forward looking statements speak only as of the date on which such statements are made, and, except as required by applicable law, the Issuer and NanoSphere undertake no obligation to update any forward looking statements to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence or existence of any unanticipated events or other factors. New developments and other factors emerge from time to time, and it is not possible for management to predict all such developments and factors or assess in advance the impact of such factors on the Issuer's or NanoSphere's business or the extent to which any factor, or combination of factors, may cause actual results and performance to differ materially from those contained or implied in any forward looking statement. See "17. Risk Factors".

U.S./CANADIAN OPERATIONS CAUTION

The Issuer is expected to indirectly derive a portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. federal law. The Issuer, through the acquisition and operation of NanoSphere as a wholly owned operating subsidiary, which includes NanoSphere's third party licensing/royalty arrangements and potential joint ventures, will be indirectly involved in the cannabis industry in the United States where local state law permits such activities, as well the medical cannabis industry in Canada. Canada has regulated medical use and commercial activity involving cannabis and recently released Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use, with a target implementation date of no later than July 1, 2018. Currently, the Issuer uses a licensing model for its technology and product offerings and is not directly engaged in the manufacture, importation, possession, use, distribution or sale of cannabis in the recreational cannabis marketplace in either the United States or Canada, nor is the Issuer directly engaged in the manufacture, importation, possession, use, distribution or sale of cannabis in the medical cannabis marketplace in the United States or Canada.

Almost half of the U.S. states have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol ("THC"), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act (the "CSA") in the United States and as such, may be in violation of federal law in the United States.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future investments of the Issuer in the United States. As such, there are a number of risks associated with the Issuer's existing and future investments in the United States.

For the reasons set forth above, the Issuer's existing interests in the United States cannabis market, and future investments, if any, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. It has been reported by certain publications in Canada that The Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("CDS"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets. CDS or its parent company has not issued any public statement in regard to these reports. However, if CDS were to proceed in the manner suggested by these publications, and apply such a policy to the Issuer, it would have a material adverse effect on the ability of holders of Common Shares to make trades. In particular, the Common Shares would become highly illiquid as investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange. See "17. Risk Factors".

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2. CORPORATE STRUCTURE

The full corporate name of the Issuer is Corazon Gold Corp., which is to be changed to NanoSphere Health Sciences Inc. prior to the Issuer's listing on the Canadian Securities Exchange. The Issuer's head office is located at #600 – 8400 E. Crescent Parkway, Greenwood Village, Colorado, USA 80111, with a Vancouver office located at #488 – 1090 West Georgia Street, Vancouver, British Columbia, Canada. The Issuer's registered office is located at #1780 – 400 Burrard Street, Vancouver, British Columbia, Canada.

On April 20, 2005, the Issuer was incorporated under the *Business Corporations Act* (Alberta) under the name "OMC Capital Corporation". On May 30, 2007, the Issuer was continued under the *Business Corporations Act* (British Columbia) and on June 4, 2007, the Issuer changed its name to "ReMac Zinc Corp." On January 18, 2011, the Issuer changed its name to "Corazon Gold Corp." On November 17, 2017, the Issuer completed the acquisition (the "Acquisition") of NanoSphere Health Sciences, LLC ("NanoSphere") and on or about December 1, 2017, the Issuer will change its name to "NanoSphere Health Sciences Inc."

Upon completion of the Acquisition, the Issuer has the following subsidiaries, all of which are inactive except NanoSphere:

Name	**Percentage of votes attached to all voting securities of the subsidiary represented by voting securities owned or controlled by the Issuer**	**Jurisdiction of incorporation or continuance**
NanoSphere Health Sciences, LLC	100%(1)	Colorado, USA
Corazon Exploraciones, S.A. (2)	100%(1)	Nicaragua

(1) *The Issuer does not hold any restricted shares of the subsidiary.*

(2) *In the process of being dissolved.*

Upon completion of the Acquisition, the Issuer's intercorporate relationships (excluding the inactive subsidiaries set out above) is as follows:

NanoSphere Health Sciences Inc.
[British Columbia, Canada]

100%

NanoSphere Health Sciences, LLC
[Colorado, USA]

3. GENERAL DEVELOPMENT OF THE BUSINESS

The Issuer

During the fiscal year ended December 31, 2013, the Issuer wrote down and abandoned its mineral exploration properties, and began to search for new projects. Throughout the fiscal years ended December 31, 2014 and 2015, the Issuer continued to investigate potential acquisitions and, in the process, restructured its share capital by consolidating its common shares (the "Common Shares") on a 15 old for 1 new common share basis on March 25, 2014, and by a further 5 old for 1 new Common Share basis on May 5, 2014, and completing three equity financings to raise working capital – issuing 8,574,123 units (comprised of a Common Shares and one share purchase warrant) at $0.06 per unit for gross proceeds of $514,448 on September 5, 2014, issuing a further 1,316,000 units (comprised of a Common Share and one-half of a share purchase warrant) at a price of $0.19 per unit for gross proceeds of $250,040 on July 17, 2015; and issuing a final 3,906,875 units (comprised of a Common Share and one-half of a share purchase warrant) at a price of $0.20 per unit for gross proceeds of $781,375 on or about August 26, 2016.

During the fiscal year ended December 31, 2016, the Issuer entered into a letter of intent with NanoSphere to acquire all of NanoSphere's share capital (previously defined as the "Acquisition"), which letter of intent was further amended and restated effective January 17, 2017. On May 12, 2017, the letter of intent was replaced by a formal Merger Agreement dated May 12, 2017, between the Issuer, NanoSphere Health Sciences Corp. (a wholly owned subsidiary of the Issuer incorporated for the purpose of completing the Acquisition through its merger with NanoSphere – "SubCo") and NanoSphere. The Acquisition was at arm's length and was completed on November 17, 2017.

Pursuant to the Acquisition, the Issuer acquired all of the share capital of NanoSphere in exchange for 40,000,000 Common Shares and the right to receive an additional 19,000,000 Common Shares (collectively, the "Consideration Shares") upon NanoSphere's license of its intellectual property and the licensee's commercialization and first sale of product utilizing said intellectual property (the "Performance Share Trigger"). As at the closing of the Acquisition (the "Acquisition Closing"), the Performance Share Trigger had been satisfied and all 59,000,000 Consideration Shares have been issued to the NanoSphere shareholders. An additional 1,000,000 Common Shares (the "Acquisition FF Shares") were issued as a finder's fee for the Acquisition. The Acquisition FF Shares will also be subject to the Pooling Agreement (as defined below).

The Acquisition was effected through a three-cornered merger pursuant to which SubCo merged with NanoSphere, with NanoSphere being the surviving entity. Under the terms of the merger, the Issuer received all of the issued shares of NanoSphere while the then-current NanoSphere shareholders received the Consideration Shares. As a result of the merger, NanoSphere became a wholly-owned operating subsidiary of the Issuer (see "4. Narrative Description of the Business" below), and the shareholders of NanoSphere became shareholders of the Issuer.

As a condition of the Acquisition, the Issuer completed a non-brokered financing (the "Concurrent Financing") raising gross proceeds of $5,905,685 through the issue of 11,811,370 subscription receipts (the "Subscription Receipts") at a price of $0.50 per Subscription Receipt, with the subscription funds being placed into escrow. Upon the Canadian Stock Exchange's (the "CSE") approval of the Acquisition and Concurrent Financing (which shall be deemed upon the CSE's final approval for the listing of the Common Shares) and other release conditions (collectively, the "Escrow Release Conditions"), the subscription funds will be released to the Issuer and each Subscription Receipt will automatically convert, for no additional consideration, into a unit (the "Units") comprised of one Common Share and one-half of a share purchase warrant, with a whole warrant (a "Warrant") entitling the holder to purchase a Common Share at a price of $0.75 for a period of two years following the date (the "Escrow Release Date") of the satisfaction of the Escrow Release Conditions (subject to accelerated expiry if, at any time after the later of (i) four months and one day after the closing of the Concurrent Financing; and (ii) 30 days after the Escrow Release Date, the Common Shares trade at a price of $1.00 or more for 15 consecutive trading days). In the event that the Acquisition is not completed by 4:00 p.m. on the date that is 8 months after the closing of the Concurrent Financing, the subscription funds will be returned to the subscribers and the Subscription Receipts cancelled. In payment of finder's fees for the Concurrent Financing, an aggregate of 284,550 subscription receipt finder warrants (the "SR Finder Warrants") were issued, each of which automatically convert on the Escrow Release Date into a finder warrant having the same terms as the Warrants, and an aggregate of $146,025 in cash will be paid on the Escrow Release Date.

Pursuant to the Acquisition, the NanoSphere shareholders entered into a pooling agreement (the "Pooling Agreement") pursuant to which the Consideration Shares are subject to resale restrictions until released from pooling in the amount of 10% on January 1, 2018, a further 10% on the second anniversary of the Acquisition Closing and the remaining 80% on the third anniversary of the Acquisition Closing; the Issuer arranged for the cancellation of not less than 775,000 of its then-current stock options (the "Option Cancellation"); and the Issuer's board of directors was reconstituted with two nominees of the Issuer and four nominees of NanoSphere (the "New

Board"). As part of the Acquisition, the Issuer also arranged for third party advances of $637,546 to NanoSphere to fund operations pending closing. At closing, $330,800 of these advances plus $400,000 of NanoSphere's existing liabilities were discharged with money advanced to NanoSphere by the Issuer out of its existing working capital, which funds were then subscribed to the Financing.

With respect to the Acquisition, the Issuer retained Evans & Evans to provide a comprehensive valuation report on the fair market value of NanoSphere, which was based largely on its cannabis division and did not take into account the prospects of NanoSphere's technology in three other potential future product lines – NSAID's (non-steroidal anti-inflammatory drugs), nutraceuticals and animal health products. Based on the weighting of three valuation methodologies, the valuation report, dated March 30, 2017, ascribes a fair market value to NanoSphere (basically, the cannabis division alone at the pre-commercialization stage) as a going concern of up to C$23.5 million, and that the valuation is reasonable given that NanoSphere has developed a proprietary technology/product in a market that is currently highly commoditized.

NanoSphere

During the three most recently completed fiscal years ended December 31, 2014, 2015 and 2016, NanoSphere continued to develop its technology and prepare its products for commercialization (see "4. Narrative Description of the Business" below).

During 2014 and the first half 2015, NanoSphere focused its research & development on nutraceutical applications. During this period, NanoSphere filed multiple patent applications including: Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors across Cell Membranes and Biological Barriers; Methods of Treating Inflammatory Disorders and Global Inflammation With Compositions Comprising Phospholipid Nanoparticle Encapsulation of NSAIDs; and Lipid Nanoparticle Compositions and Methods as Carriers of Cannabinoids.

During the second half of 2015 and all of 2016, NanoSphere focused its efforts on its cannabis division, as management felt the cannabis division had the biggest opportunity for market penetration and quick profitability. During this period, NanoSphere successfully completed the manufacturing system for its products, developed and tested a formulation for NanoSphere Gel nanoparticle encapsulated cannabinoids, and conducted a successful pharmacokinetic blood study of its biotechnology, establishing the efficacy of NanoSphere's delivery system for cannabinoids. By the end of 2016, NanoSphere identified and entered into an arrangement with a suitable licensee to commercialize and distribute its cannabis products in the state of Colorado.

NanoSphere's initial cannabis product, based on a transdermal delivery system, was launched in Colorado in June 2017. NanoSphere is currently seeking suitable licensees for the commercialization of its technology and products in further U.S. states and Canada.

Trends and Commitments

Except as disclosed elsewhere herein, there is no trend, commitment, event or uncertainty that is both presently known to management of the Issuer and reasonably expected to have a material effect on the Issuer's or NanoSphere's business, financial condition or results of operations.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

The Issuer, through NanoSphere as a wholly-owned subsidiary, carries on the business of NanoSphere.

General

Business Objectives and Milestones

In the next 24 months, the business objectives that the Issuer expects to accomplish, and the significant events or milestones that must occur for such business objectives to be accomplished, are as follows:

Business Objective	Milestones	Anticipated Time Period	Anticipated Cost[(1)]
Complete launch of Evolve Cannabis product in Colorado[(2)]	complete initial marketing campaign	3 months	$125,000
	complete development and launch of intra-nasal product plus introductory marketing campaign	4 months	$230,000
	product distribution in 125 retail outlets	6 months	$247,500
Launch Evolve Cannabis product in two additional U.S. states and Canada	sign license agreement with licensed producers	6 months	$50,000
	complete installation of licensees' manufacturing equipment	8 months	$150,000
	complete licensees' manufacturing and quality control training	9 months	$75,000
	completion of licensees' initial marketing campaign	12 months	$625,000
Launch Evolve Cannabis product in three additional U.S. states	sign license agreement with licensed producers	18 months	$48,000
	complete installation of licensees' manufacturing equipment	20 months	$150,000
	complete licensees' manufacturing and quality control training	22 months	$75,000
	completion of licensees' initial marketing campaign	24 months	$1,125,000

(1) *NanoSphere's operational currency will be in U.S. Dollars. The anticipated costs in the above table have been converted into Canadian Dollars based on an estimated exchange rate of US$1 = C$1.25, and is subject to fluctuations in the actual exchange rate from time to time.*

(2) *Initial product launch of a transdermal product has already occurred in Colorado.*

Funds Available

The total funds available to the Issuer are estimated to be approximately$5,645,056, calculated as follows:

Estimated working capital (deficiency) of the Issuer as at August 31, 2017	$922,433
Estimated working capital (deficiency) of NanoSphere as at August 31, 2017	$(1,183,062) [(1)]

Concurrent Financing	$5,905,685
Total Funds Available	$5,645,056

(1) Based on estimated exchange rate of US$1 = C$1.25.

Use of Proceeds

The anticipated principal purposes for which the funds available will be used by the Issuer are as follows:

Costs of the Acquisition and Concurrent Financing, including legal, accounting/audit, valuation, filing fees and transfer agent/escrow costs	$350,000
Commissions/finder fees for Concurrent Financing	$146,025
Cannabis product development and rollout	$576,000 (1)
Marketing, promotion and sales support	$918,000 (1)
Studies and intellectual property protection	$84,000 (1)
General and administrative expenses (12 months)	$2,120,000 (1)
Unallocated working capital	$1,451,031
Total	$5,645,056

(1) NanoSphere's operational currency will be in U.S. Dollars. The anticipated principal purposes for funds available in the above table have been converted into Canadian Dollars based on an estimated exchange rate of US$1 = C$1.25, and is subject to fluctuations in the actual exchange rate from time to time.

Principal Products and Services

<u>Overview</u>

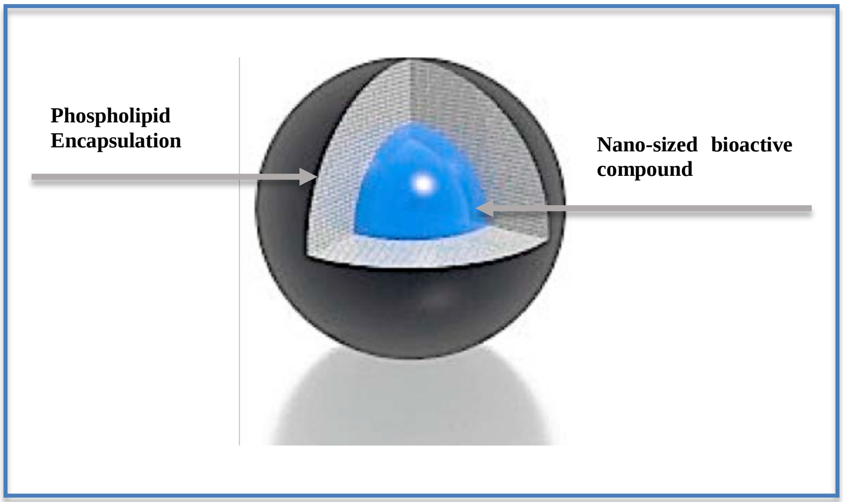
"Delivery methods" or "delivery techniques" refer to the method or manner in which nutraceuticals, dietary supplements, pharmaceuticals and over-the-counter medications are taken into the body. Traditional delivery methods include pills, capsules and liquids that are swallowed, inhalants, topical preparations and injections. One of the latest trends is to exploit advanced chemistry to enhance delivery systems, with the aim of transporting the highest levels of therapeutic agents into target tissues and cell for increased efficacy and fewer adverse effects.

NanoSphere has developed a revolutionary, multiple patent-pending method for the non-invasive delivery of bioactive compounds, such as cannabinoids, nutraceuticals, pharmaceuticals and over-the-counter medications, into the body with greater efficiency than many traditional delivery systems. The *NanoSphere Delivery System*™ encapsulates these compounds in protective nano-sized lipid nanoparticle spheres (a formulation we refer to as NanoGel) for transport directly into the bloodstream and to target receptors, tissues and cells. The NanoGel is typically administered orally into the buccul area of the mouth, as a nasal spray, or as a transdermal, with resulting improvements in bioavailability, faster onset of effect and greater overall efficacy.

NanoGel's increase in efficacy over other delivery methods derives from our nanosphere's small size, which is derived from our proprietary manufacturing method. The nanospheres can easily penetrate the nano-sized openings in mucosal membranes, and when combined with highly permeable tissue, like those in the mouth/nasal cavity, the skin or the lining of the esophagus and stomach, the result is a high level of absorption and extraordinarily fast access to the bloodstream and cells.

A product of nanotechnology, our nanospheres are very small particles having an average dimension of 50-100 nanometres (a billionth of a meter) and typically consist of a central, spherical core of a natural fluid lipid, encased by a protective layer consisting of a natural phospholipid. Figure 1 illustrates the final construction of a typical nanosphere, where the black outer shell depicts the phospholipid encapsulating a bioactive compound shown in blue.

Figure 1: Construction of a typical nanosphere



Principal Markets and Methods of Distribution

NanoSphere intends to research, develop and commercialize a diverse line of product formulations based on the *NanoSphere Delivery System*™ to meet the needs of healthcare providers, consumers and suppliers.

NanoSphere's initial product deployment is for the cannabinoid market, targeting both the medical marijuana market and, where legalized, the recreational usage market. Arcview Market Research, in it's The State of Legal Marijuana Markets 5th Edition, estimates that the U.S. consumer cannabis market for legalized recreational and medical use was US$6.7 billion in 2016, and will grow to US$22.6 billion by 2021. NanoSphere has already partnered with a licensee in Colorado, and in June 2017 launched its first cannabinoid product line, branded Evolve NanoSerum, in the Colorado market. NanoSphere will further license its intellectual property and proprietary manufacturing method to selected cannabis cultivators, extractors and distributors on a state-by-state basis and abroad, and is currently in discussions with operators in several states to replicate the business model in Colorado. See also "Risk Factors".

Other planned future deployments include nutraceuticals, nonsteroidal anti-inflammatory drugs ("NSAIDs" - generally for pain relief and fever reduction), and animal health applications.

CANNABINOIDS

NANOSPHERE
HEALTH SCIENCES

For the cannabinoid market, NanoSphere will offer three different product applications under the brand name "Evolve NanoSerum": a transdermal delivery, an intra-nasal delivery and an intra-oral delivery. Each application will further have dosages in varying strengths.

- Transdermal Delivery: a concentrated topically applied cannabinoid formula for localized and systemic pain, tension, inflammation and anxiety, rapidly absorbed into systemic circulation, spinal cord and brain. To NanoSphere's knowledge, this is the ONLY transdermal cannabis product able to rapidly transport THC into the bloodstream. NanoSphere's transdermal product was launched in June 2017, and is commercially available in approximately 71 retail outlets at the date hereof.

- Intra-Nasal Delivery: a fluid nasal gel, the fastest and most direct method of cannabinoid delivery to the central nervous system. The nasal mucosa provides high permeability and a rich blood supply, resulting in fast absorption, rapid onset of action and high bioavailability of NanoSphere encapsulated cannabis extracts, bypasses the restrictive blood-brain barrier and enables direct transport into the brain and spinal cord. Clinical testing has demonstrated onset of effect within 6 minutes. NanoSphere's nasal products are expected to be finalized and commercially released in May 2018.

- Intra-Oral Delivery: a transmucosal oral gel, superior alternative to smoking, vaping and ingesting edibles. The buccal area (between the cheek and the gum) provides high permeability and a rich blood supply, resulting in fast absorption, rapid onset of action and high bioavailability of NanoSphere encapsulated cannabis extracts – clinical testing has demonstrated onset of effect within 10-20 minutes and peak blood concentrations at 60 minutes.

NanoSphere's primary intention is to license the intellectual property, proprietary manufacturing method, and usage rights to its *NanoSphere Delivery System*™, together with related manufacturing equipment, to established cannabis cultivators, extractors and distributors by geographical area in return for an annual license fee and a percentage of sales. The manufacturing equipment has a relatively small footprint and is highly scalable, enabling NanoSphere to offer clients a turn-key operation with cost-effective, flexible production capabilities to meet their particular requirements. Clients will also receive the right to use NanoSphere's trademarks, logos and packaging, as well as assistance in marketing initiatives.

NanoSphere believes that this licensing model will leverage a regional supplier's existing relationships and distribution channels in the rapid deployment and commercialization of NanoSphere's technology, while minimizing fixed operational costs and allowing NanoSphere to concentrate efforts on further product research, development and enhancement to maintain a competitive advantage.

On a case by case basis, NanoSphere will also work with clients to make *NanoSphere Delivery System*™ formulations compatible with their specific product offerings.

<u>Prior Revenues</u>

In the State of Colorado, NanoSphere previously partnered with a Manufacturer of Infused Products ("MIP") to manufacture and distribute its products. Wholesale orders were received from medical and retail dispensaries which were then fulfilled by the MIP. Revenues were US$27,889 for the fiscal year ended December 31, 2015, derived from a nutraceutical line of products, and US$140,000 for the fiscal year ended December 31, 2016, derived from licensing its intellectual property, which can be broken down as follows.

	Fiscal Year ended December 31, 2015	Fiscal Year ended December 31, 2016
Sales or transfers to joint ventures in which NanoSphere is a participant or to entities in which NanoSphere has an investment accounted for by the equity method	--	--
Sales to customers, other than those referred to above	100%	100%
Sales or transfers to controlling shareholders	--	--
Sales or transfers to investees	--	--

This arrangement with respect to the manufacture and distribution of cannabis product within the state of Colorado has now been replaced with a license agreement with Evergreen BioSciences, LLC ("Evergreen") (see "22. Material Contracts").

Stage of Development / Research & Development

NanoSphere has reached the commercialization stage for its cannabinoid formulation, and has secured a licensee in Colorado for in-state distribution (see "22. Material Contracts"). NanoSphere is also currently in the process of searching out cannabis distributors to enter into license agreements in other legal markets throughout North America. The main focus of these efforts is to find a distributor for the Canadian medical cannabis market, and for the 37 States in America where the use of medical and recreational cannabis is legalized (other than Colorado, which NanoSphere will retain the marketing and sales rights to).

NanoSphere will continue to conduct PD (pharmacodynamic - what the drug does to the body), PK (pharmacokinetic - what the body does to the drug), ADME (absorption, distribution, metabolism and excretion) and toxicity studies through animal testing for all of its formulations, to ensure the continued efficacy and safety of the *NanoSphere Delivery System*™. To this end, NanoSphere has an existing relationship with Wake Forest University at their Center for Nanotechnology and Molecular Materials, which focuses on the properties and applications of nanomaterials, nanoparticle arrays and matrix nanocomposites, giving NanoSphere access to:

- an electron microscopy and materials characterization facility (HRTEM, FE-SEM, CTEM, STM/AFM, XPS, Scanning Auger, EDAX)
- a cleanroom facility (Class 1000, sputter deposit, PECVD, thermal evaporation, and organic device fabrication)
- a growth and synthesis lab (anything from CVD to polymer synth can be developed)

NanoSphere also plans to partner with research institutions, universities and hospitals to conduct studies to further validate the efficacy of the *NanoSphere Delivery System*™ for new formulations and applications.

Production and Sales

Manufacturing

NanoSphere's cannabinoid formulation is produced by taking a high-quality cannabis oil, which through a proprietary manufacturing method is then processed and encapsulated in nanospheres. A batch formulation process, production runs can be completed by two employees with familiarity in science and manufacturing. The resulting product is then loaded into a dispensing system, typically an oral, nasal or transdermal pump, and then packaged for sale.

Manufacturing equipment is provided through multiple readily available sources. Pricing ranges from approximately US$75,000 for a small-scale machine (capable of preparing approximately 16,000 doses per day, running 16 hours per day) to approximately US$150,000 for a large-scale machine (capable of preparing approximately 56,000 doses per day, running 16 hours per day).

NanoSphere does not manufacture its products, but relies upon its licensees to produce, market and sell product in the territories they have been assigned.

Premises

NanoSphere has an executive office located at 8400 E Crescent Parkway, Suite 600, Greenwood Village, Colorado 80111, and an industrial space located at 35715 US Highway 40, Evergreen, Colorado, 80439 which is currently being used by Evergreen as a manufacturing facility and warehouse. Evergreen is responsible for all lease payments regarding this property.

Specialized Knowledge & Skills

NanoSphere's manufacturing operations for its cannabinoid formulation do not require any specialized knowledge and skills. Its research and development activities, for enhancing existing formulations and adapting the *NanoSphere Delivery System*™ to new formulations, generally require individuals with degrees in molecular biology or other similar scientific knowledge. To date, NanoSphere has not had any issues, and does not expect any issues, with respect to the availability of qualified personnel.

Raw Materials

The NanoGel is manufactured using a proprietary process. The main ingredient for the NanoGel is readily available, but is currently sourced from a single American supplier, at a wholesale price ranging from US$75 to US$100 per kilogram.

For its cannabis formulation, NanoSphere currently has a list of 10 cannabis oil suppliers that are approved by it for supplying cannabis oil of the required quality, consistency and characteristics to be combined with NanoGel to create NanoSerum. Pricing is typically at wholesale rates, ranging from approximately US$1,100 to US$1,400 for a sufficient quantity to produce approximately 10,000 dosages. Other ingredients are readily sourced through chemical supply companies, such as Spectrum Chemicals.

Intangible Property

NanoSphere has sought multiple U.S. and international patent protection for its *NanoSphere Delivery System*™. NanoSphere has also received trademarks for its tear drop Evolve brand logo, and further relies on trade secrets and know-how. NanoSphere believes that intellectual property protection is a vital component of its business to maintain a competitive advantage, both in terms of protecting from any infringement of its technology and for creating a strong brand awareness tied to a reputation of quality, efficacy and desirability for its products. A list of patent applications and the status thereof is provided below.

FILE #	TITLE	MATTER TYPE	COUNTRY	STATUS	APPLICATION #	Abstract
0618.01.02AU	Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors Across Cell Membranes and Biological Barriers	Utility - NSPCT	Australia	Pending	2014337519	
0618.01.03CA	Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors Across Cell Membranes and Biological Barriers	Utility - NSPCT	Canada	Pending	2,926,797	
0618.01.04EP	Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors Across Cell Membranes and Biological Barriers	Utility - NSPCT	European Patent Office	Pending	14854788.8	
0618.01.05US	Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors Across Cell Membranes and Biological Barriers	Utility - NSPCT	United States of America	Pending	15/029,566	Novel process and products thereby emplace nutraceutical factors within nanodelivery vehicles for various indications in mammals, including humans.

0618.01PCT	Nanoparticle Compositions and Methods as Carriers of Nutraceutical Factors Across Cell Membranes and Biological Barriers	Utility - NSPCT	PCT	Published	PCT/US2014/060551	
0618.02.02PCT	Methods of Treating Inflammatory Disorders and Global Inflammation with Compositions Comprising Phospholipid Nanoparticle Encapsulations NSAIDs	Utility - NSPCT	PCT	Pending	PCT/US15/65611	Novel process and products thereby emplace NSAIDS within nanodelivery vehicles for various indications in mammals, including humans.
0618.03.02PCT	Lipid Nanoparticle Compositions and Methods as Carriers of Cannabinoids	Utility - NSPCT	PCT	Pending	PCT/US15/34153	
0618.03.03US	Lipid Nanoparticle Compositions and Methods as Carriers of Cannabinoids in Standardized Precision-Metered Dosage Forms	Utility - NSPCT	United States of America	Pending	15/103,850	This disclosure teaches phospholipid nanoparticle compositions of cannabinoids formed from phospholipids and simpler lipids in an unfired sequential process that encapsulate a high concentration of cannabinoids, and create standardized precision-metered dosage forms of cannabinoids; yielding an increase cannabinoid transport across hydrophobic mucosa; increase the bioavailability of the cannabinoid 2-fold to 8-fold less than an amount of cannabinoids needed to illicit the same therapeutic effect compared to raw and non-encapsulated cannabinoids; where the nanoparticle dynamic structure reduces the adverse effects of cannabinoids; and enable safe more efficacious cannabinoid therapy.

Sales Cycles/Seasonality

NanoSphere does not expect its business to be cyclical or seasonal.

Re-negotiation/Termination of Contracts

NanoSphere does not anticipate any material adverse effect on its business in its current financial year or in the 12 months following the date of this Listing Agreement as a result of any required re-negotiation or termination of any of its existing contracts or sub-contracts.

Environmental Protection Requirements

NanoSphere is not currently subject to any environmental protection requirements, and thus does not foresee any material financial and operational effects on its capital expenditures, earnings or competitive position from environmental protection requirements.

Employees

NanoSphere employed an average of 4.5 persons throughout its most recently completed financial year ended December 31, 2016. As NanoSphere commercializes its products, it anticipates hiring not less than an additional 4 persons in the fields of sciences, sales and accounting.

Risks of Foreign Operations

NanoSphere is not aware of any risks associated with foreign operations, other than the possibility that changes in legislation affecting the use of marijuana and changing social norms in such foreign countries may have an adverse effect on the sale of products by its licensees, thus having a material adverse effect on NanoSphere's revenues and financial results. See also "17. Risk Factors".

Significant Contracts

Except as set out below, there are no contracts upon which NanoSphere's business is, at present, substantially dependent.

NanoSphere has a license agreement with Evergreen BioSciences, LLC, with respect to the manufacture and distribution of cannabis product within the State of Colorado – see "22. Material Contracts".

Competitive Conditions

NanoSphere knows of several other companies working on improving the delivery of cannabinoids into the blood stream, which are identified below. NanoSphere believes that it is positioned ahead of the curve due to several factors: (i) Our competitive advantage is derived from the development of a proprietary manufacturing method that is not only commercially scalable, but is highly effective at creating stable nano-emulsions; and (ii) NanoSphere is one of the only companies to conduct human blood studies on the effectiveness of our technology, which adds to its credibility and competitive position.

IOTA NanoSolutions Limited. IOTA NanoSolutions Limited is a nanomaterials engineering company specializing in the delivery and formulation of poorly soluble ingredients. In so doing, IOTA NanoSolutions' technologies can help overcome many of the factors that prevent the use and full value-realisation of many poorly soluble actives. IOTA NanoSolutions has actively developed a number of novel generic approaches to enable the formation of dry physical blends of insoluble and soluble materials. The blends are produced without a traditional particle formation step such as milling and are equally applicable with amorphous, crystalline or waxy materials. When the blends are added to a liquid the soluble material dissolves consequently releasing the insoluble material as a nano-dispersion.

Lena Nanoceutics Ltd. Lena Nanoceutics Ltd. is a technology company which provides enhanced nanoparticle based formulations, addressing issues such as poor bioavailability, for pharmaceutical and healthcare products. This is achieved through the application of its efficient proprietary particle size reduction system together with significant expertise in formulation and drug delivery. Lena Nanoceutics' strategy focuses on collaboration with clients to develop innovative solutions that are scalable to production levels.

Sky Pharma PLC. Sky Pharma PLC combines scientific expertise with validated proprietary technologies to develop innovative oral and inhalation pharmaceutical products. The Group's licenses cover 16 approved inhalation, oral, topical and injectable products. The Group also earns revenues from new product developments.

GW Pharmaceuticals. GW Pharmaceuticals was founded in 1998 and is listed on both the NASDAQ Global Market (GWPH) and AIM, a market of the London Stock Exchange. GW Pharmaceuticals is licensed by the UK Home Office to work with a range of controlled drugs for medical research purposes. Their lead program focuses on the development of a product portfolio of cannabinoid prescription medicines to meet patient need in a wide range of therapeutic indications.

Lending Operations

The Issuer's business does not involve, in the normal course, lending operations.

Bankruptcies, Receiverships, Etc.

There has been no bankruptcy, receivership or similar proceedings against the Issuer, NanoSphere or any of their subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Issuer, NanoSphere or any of their subsidiaries, within the three most recently completed financial years or the current financial year.

Restructuring Transactions

There has been no material restructuring transaction completed by the Issuer or NanoSphere within the three most recently completed financial years, or to be completed or proposed for the current financial year other than the Acquisition.

Social/Environmental Policies

Neither the Issuer nor NanoSphere has implemented social or environmental policies that are fundamental to the Issuer's operations.

Companies with Asset-Backed Securities Outstanding

Neither the Issuer nor NanoSphere have any asset-backed securities outstanding.

Companies with Mineral Projects

Neither the Issuer nor NanoSphere have any mineral properties that are material to the Issuer or NanoSphere.

Companies with Oil and Gas Operations

Neither the Issuer nor NanoSphere have any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information

The Issuer

The following table sets out selected consolidated financial information for the Issuer, which has been derived from, and should be read in conjunction with, its audited annual consolidated financial statements and unaudited interim consolidated financial statements for the periods indicated, copies of which are attached as Schedule "A" to this Listing Statement.

	Year Ended Dec.31, 2014	**Year Ended Dec.31, 2015**	**Year Ended Dec.31, 2016**	**6mo. Ended June 30, 2017**
Net sales or total revenues	nil	nil	nil	nil
income (loss) from continuing operations	(259,082)	(195,506)	(824,406)	(134,723)
- per share	(0.06)	(0.02)	(0.06)	(0.01)
- fully diluted per share	(0.06)	(0.02)	(0.06)	(0.01)

net income (loss) - per share - fully diluted per share	(259,082) (0.06) (0.06)	(195,506) (0.02) (0.02)	(824,406) (0.06) (0.06)	(130,937) (0.01) (0.01)
total assets	110,734	251,980	1,375,958	1,007,889
total long term financial liabilities	nil	nil	nil	nil
cash dividends per share	nil	nil	nil	nil

NanoSphere

The following table sets out selected financial information for NanoSphere (expressed in U.S. dollars), which has been derived from, and should be read in conjunction with, its audited annual financial statements and unaudited interim financial statements for the periods indicated, copies of which are attached as Schedule "B" to this Listing Statement.

	Year Ended Dec.31, 2014	**Year Ended Dec.31, 2015**	**Year Ended Dec.31, 2016**	**6 mo. Ended June 30, 2017**
Net sales or total revenues	6,240	15,324	nil	nil
income (loss) from continuing operations - per share - fully diluted per share	(528,099)	(1,008,867)	(514,151)	(369,225)
net income (loss) - per share - fully diluted per share	(528,099)	(1,008,867)	(514,151)	(369,225)
total assets	19,787	44,951	516,495	95,384
total long term financial liabilities	nil	nil	nil	nil
cash dividends per share	nil	nil	nil	nil

<u>Quarterly Information</u>

The Issuer

The following table sets out selected quarterly consolidated financial information for the Issuer, which has been derived from, and should be read in conjunction with, its unaudited interim consolidated financial statements for the periods indicated, copies of which are available at www.sedar.com under the Issuer's SEDAR profile.

	Q1 Ended Mar.31, 2016	**Q2 Ended June30, 2016**	**Q3 Ended Sept.30, 2016**	**Q4 Ended Dec.31, 2016**
Net sales or total revenues	nil	nil	nil	nil
income (loss) from continuing operations - per share - fully diluted per share	(21,266) (0.01) (0.01)	(64,172) (0.01) (0.01)	(691,532) (0.04) (0.04)	(49,222) 0.00 0.00

net income (loss) - per share - fully diluted per share	(21,266) (0.01) (0.01)	(64,172) (0.01) (0.01)	(691,532) (0.04) (0.04)	(49,222) 0.00 0.00

	Q1 Ended Mar.31, 2015	**Q2 Ended June30, 2015**	**Q3 Ended Sept.30, 2015**	**Q4 Ended Dec.31, 2015**
Net sales or total revenues	nil	nil	nil	nil
income (loss) from continuing operations - per share - fully diluted per share	(47,445) (0.01) (0.01)	(48,541) (0.01) (0.01)	(37,072) 0.00 0.00	(52,361) 0.00 0.00
net income (loss) - per share - fully diluted per share	(47,445) (0.01) (0.01)	(48,541) (0.01) (0.01)	(37,072) 0.00 0.00	(52,361) 0.00 0.00

NanoSphere

NanoSphere was not a reporting issuer during the eight most recently completed quarters ending at the end of its most recently completed financial year, and did not prepare any quarterly financial statements for those periods.

Pro Forma Statements

Pro forma statements of the Issuer for the financial year ended December 31, 2016 and for the quarter ended June 30, 2017, giving effect to the Acquisition as if it had occurred on the last day of the respective periods, are attached as Schedule "C" to this Listing Statement. The pro forma statements have been derived from, and should be read in conjunction with, the audited annual consolidated financial statements and unaudited interim consolidated financial statements of the Issuer as at and for the year ended December 31, 2016 and the quarter ended June 30, 2017 and the audited annual financial statements and unaudited interim financial statements of NanoSphere as at and for the year ended December 31, 2016 and for the quarter ended June 30, 2017.

Dividends

There are no restrictions that could prevent the Issuer from paying dividends. Dividends are payable at the discretion of the Board of Directors as and when declared by the Board of Directors out of monies properly applicable to the payment of dividends. It is currently anticipated that the Issuer will retain any excess funds to finance the development and expansion of its business, and as a result it is not contemplated that any dividends or distributions will be declared in the immediate or foreseeable future.

Foreign GAAP

Not applicable.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Issuer's MD&A for the financial years ended December 31, 2015 and 2016, and for the 3-month quarter ended June 30, 2017, are attached as Schedule "D" to this Listing Statement, and should be read in conjunction with the consolidated financial statements of the Issuer, including the notes thereto, for the respective corresponding periods.

The Issuer's financial statements for the periods indicated above were prepared in accordance with IFRS and are expressed in Canadian dollars.

NanoSphere's MD&A for the financial years ended December 31, 2015 and 2016, and for the 3-month quarter ended June 30, 2017, are attached as Schedule "E" to this Listing Statement, and should be read in conjunction with the financial statements of NanoSphere, including the notes thereto, for the respective corresponding periods. NanoSphere's financial statements for the periods indicated above were prepared in accordance with IFRS and are expressed in U.S. dollars.

7. MARKET FOR SECURITIES

As at the date hereof, the Issuer's common shares are listed on the TSX Venture Exchange (the "TSXV"). As part of the Acquisition, the CSE conditionally approved the listing of the Issuer's common shares, subject to the Issuer fulfilling all of the listing requirements of the CSE, and the Issuer requested a voluntary de-listing of its common shares from the TSXV. NanoSphere's securities are not listed, posted for trading or quoted on any exchange or other quotation or trade reporting system.

8. CONSOLIDATED CAPITALIZATION

Except as noted below, there has been no material change in the share and loan capital of the Issuer or NanoSphere since the date of the comparative financial statements for the Issuer's and NanoShere's most recently completed financial year, as contained in this Listing Statement.

At the date hereof, the Issuer's consolidated share and loan capital is as follows:

	Amount Authorized	**Outstanding as at the date hereof**	**Outstanding as at the date hereof and assuming conversion of Subscription Receipts and SR Finder Warrants**
Common Shares	unlimited	84,259,176 (1)(2)	96,070,546 (3)
Stock Options	rolling 10%	1,615,017 (4)(5)	1,615,017 (4)(5)
Warrants	n/a	1,976,538(1)	8,166,773 (6)
Subscription Receipts	n/a	11,811,370	nil
SR Finder Warrants	n/a	284,550	nil

(1) *Since the end of the Issuer's most recently completed financial year, on January 3, 2017, July 17, 2017, and July 25, 2017, an aggregate of 359,000 common shares were issued pursuant to the exercise of warrants at a price of $0.40 per common share and an unexercised balance of 299,000 warrants expired.*

(2) *Includes 59,000,000 Consideration Shares issued to NanoSphere shareholders and 1,000,000 shares issued as a finder fee for the Acquisition.*

(3) *Includes 11,811,370 shares to be issued on the automatic conversion of the Subscription Receipts.*

(4) *Includes Option Cancellation.*

(5) *Does not include any options that may be granted by the New Board subsequent to the completion of the Acquisition.*

(6) *Includes 5,905,685 Warrants to be issued on the automatic conversion of the Subscription Receipts and 284,550 finder warrants issued upon the conversion of the SR Finder Warrants.*

9. OPTIONS TO PURCHASE SECURITIES

The following information is provided in respect of options to purchase securities of the Issuer held by certain groups of persons following the completion of the Acquisition. For greater certainty, the data is given after the Option Cancellation and does not include any options that may be granted by the New Board subsequent to the completion of the Acquisition or warrants that may be acquired pursuant to the Concurrent Financing.

Group (and no. of persons making up group)	**No., designation, exercise price and expiry date**	**Market value on date of grant**	**Market value on Oct. 31, 2017 (3)**
all current and former executive officers of the Issuer [3 persons]	1,050,000 options exercisable at $0.27 until Sept. 21, 2021	nil (1)	$294,000
	62,500 warrants exercisable at $0.40 until Sept. 30, 2018	nil (2)	$9,375
all current and former directors of the Issuer who are/were not also executive officers [3 persons]	460,017 options exercisable at $0.27 until Sept. 21, 2021	nil (1)	$128,805
	165,000 warrants exercisable at $0.40 until Sept. 30, 2018	nil (2)	$24,750
all current and former executive officers of the subsidiaries of the Issuer [0 persons]	n/a	n/a	n/a
all current and former directors of the subsidiaries of the Issuer who are/were not also executive officers [0 persons]	n/a	n/a	n/a
all other current and former employees of the Issuer [0 persons]	n/a	n/a	n/a
all other current and former employees of the subsidiaries of the Issuer [0 persons]	n/a	n/a	n/a
all consultants of the Issuer [3 persons]	105,000 options exercisable at $0.27 until Sept. 21, 2021	nil (1)	$29,400
any other person or company (excluding warrants and special warrants) [0 persons]	n/a	n/a	n/a

(1) Based on the closing price of the Common Shares on the TSXV on September 20, 2016, the day prior to grant, being $0265.

(2) Based on the closing price of the Common Shares on the TSXV on September 15, 2016, the last trading day prior to the closing of the respective private placement, being $0.30.

(3) Based on the closing price of the Common Shares on the TSXV on December 23, 2016, the last trading day prior to which trading in the Common Shares was halted pending completion of the Acquisition, being $0.55.

10. DESCRIPTION OF SECURITIES

General

The following is a summary of the material attributes of the Common Shares, which will be the Issuer's only class of equity securities.

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and shall have, on any poll declared thereat, one vote for each Common Share. The holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of property of the Issuer among its shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled to receive the remaining property of the Issuer. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

Debt Securities

No debt securities of the Issuer are being listed.

Other Securities

No securities other than equity securities or debt securities are being listed.

Modification of Terms

The rights attaching to the Common Shares may not be modified otherwise than in accordance with the provisions attached to the securities and the provisions of the *Business Corporations Act* (British Columbia).

Other Attributes

Except as set out herein, the rights attaching to the Common Shares are not limited or qualified by the rights of any other class or securities, and no other class of securities ranks ahead of or equally with the Common Shares.

Prior Sales

The following table sets out the number of and prices at which Common Shares have been sold within the 12 months before the date of this Listing Statement.

Date	Number	Issue Price per Common Share
2016-08-17 [warrant exercise]	250,000	0.08
2016-09-02 [warrant exercise]	7,132,132	0.08
2016-09-14 [warrant exercise]	1,025,000	0.08
2016-09-16 [private placement]	3,081,875	0.20
2016-09-19 [private placement]	825,000	0.20

2017-01-03 [warrant exercise]	23,750	0.40
2017-07-17 [warrant exercise]	297,250	0.40
2017-07-25 [warrant exercise]	38,000	0.40
2017-11-16 [Concurrent Financing]	10,004,370 (1)(2)	0.50
2017-11-17 [Concurrent Financing]	1,370,000 (1)(3)	0.50
2017-11-17 [Acquisition]	60,000,000	0.50 (4)
2017-11-24 [Concurrent Financing]	437,000 (1)	0.50

(1) Subscription receipts issued pursuant to the Concurrent Financing at a price of $0.50 per subscription receipt, each automatically converting for no additional consideration upon satisfaction of the Escrow Release Conditions into one common share and one-half of a Warrant (see "2. General Development of the Business").

(2) In addition, 228,550 SR Finder Warrants were issued, each automatically converting for no additional consideration upon satisfaction of the Escrow Release Conditions into one finder warrant having the same terms as the Warrants.

(3) In addition, 56,000 SR Finder Warrants were issued, each automatically converting for no additional consideration upon satisfaction of the Escrow Release Conditions into one finder warrant having the same terms as the Warrants.

(4) Deemed price.

Stock Exchange Price

The following table sets out information regarding the trading of the Common Shares on the TSXV for the periods indicated.

	Lowest Trade	Highest Trade	Total Volume
Jan. – Mar. 2015	0.12	0.38	585,008
Apr. – June 2015	0.205	0.33	445,075
July – Sept. 2015	0.18	0.28	100,458
Oct. – Dec. 2015	0.18	0.30	56,517
Jan. – Mar. 2016	0.175	0.25	122,622
Apr. – June 2016	0.19	0.27	492,858
July – Sept. 2016	0.23	0.45	423,349
Oct. – Dec. 2016	0.25	0.55	1,500,160
Jan. 2017	n/a	n/a	n/a
Feb. 2017	n/a	n/a	n/a
Mar. 2017	n/a	n/a	n/a
Apr. 2017	n/a	n/a	n/a
May 2017	n/a	n/a	n/a
June 2017	n/a	n/a	n/a
July 2017	n/a	n/a	n/a
Aug. 2017	n/a	n/a	n/a
Sept. 2017	n/a	n/a	n/a

Oct. 2017	n/a	n/a	n/a
Nov. 2017	n/a	n/a	n/a

(1) *Trading of the Common Shares on the TSXV was halted on December 23, 2016 pending completion of the Acquisition.*

11. ESCROWED SECURITIES

Immediately following the Acquisition, the following securities of the Issuer were held in escrow.

Designation of class of securities held in escrow	Number of securities held in escrow	Percentage of class
Common Shares	38,953,401 (1)	40.5 (2)
Stock Options	1,000,000	61.9 (3)
Warrants	25,000	0.31 (4)

(1) *Computershare Investor Services Inc., the Issuer's registrar and transfer agent, acts as depository to the escrowed securities. The escrowed securities will be released from escrow on the basis of 10% of the escrowed securities on the date the Common Shares are listed on the CSE (the "CSE Listing Date") and an additional 15% of the escrowed securities on each of the dates which is 6, 12, 18, 24, 30 and 36 months after the CSE Listing Date. 37,932,115 of these are Consideration Shares and are further subject to, as released from escrow, the Pooling Agreement.*

(2) *Assumes 96,070,546 Common Shares outstanding, including 11,811,370 shares to be issued on the automatic conversion of the Subscription Receipts.*

(3) *Assumes 1,615,017 stock options outstanding. Calculation does not include any options granted by the New Board following the completion of the Acquisition.*

(4) *Assumes 8,166,773 warrants outstanding, including 5,905,685 Warrants and 284,550 finder warrants to be issued on the automatic conversion of the Subscription Receipts and SR Finder Warrants.*

Pursuant to the Acquisition, the NanoSphere shareholders also entered into the Pooling Agreement with respect to all 59,000,000 Consideration Shares and the 1,000,000 shares issued as a finder's fee on the Acquisition. The Pooling Agreement will provide that the 60,000,000 shares subject to pooling may not be transferred until release from the pool, in the amount of 10% on January 1, 2018, a further 10% on the second anniversary of the Acquisition Closing and the remaining 80% on the third anniversary of the Acquisition Closing.

12. PRINCIPAL SHAREHOLDERS

As at the date hereof and assuming the automatic conversion of the Subscription Receipts, the following persons constitute principal shareholders, holding 10% or more of the Common Shares, of the Issuer.

Name	No. of Common Shares owned and type of holding	Percentage of class (basic / fully diluted) (1)
Preferred Holdings, LLC (2)	31,353,760 of record and beneficial	32.6% / 29.6%

(1) *Basic calculation based on 96,070,546 Common Shares outstanding, including 11,811,370 shares to be issued on the automatic conversion of the Subscription Receipts, and fully diluted calculation based on 105,852,336 Common Shares outstanding, including shares underlying currently outstanding options and warrants, and 5,905,685 Warrants and 284,550 finder warrants to be issued on the automatic conversion of the Subscription Receipts and SR Finder Warrants.*

(2) *Mr. Robert Sutton, who was appointed as a director, Chairman and CEO of the Issuer upon completion of the Acquisition, is the managing member of Preferred Holdings, LLC.*

13. DIRECTORS AND OFFICERS

As at the date hereof, the Issuer's directors and officers are as follows.

Name, municipality of residence and principal position(s)	Principal occupation(s) during preceding five years	Period(s) serving as a director
Robert Sutton Colorado, USA Director, Chairman, CEO	Chairman and CEO of NanoSphere since 2013; Chairman and President of Preferred Holdings Group, a venture capital development company, since 2008.	n/a
David Sutton Colorado, USA Director, President	President and COO of NanoSphere since 2013, consultant to CeeLite Technologies, a company focussed on developing new forms of lighting, from 2011 to 2013.	n/a
Richard Clark Kaufman Colorado, USA Director	Consulting scientist, researcher and product developer; Chief Science Officer of NanoSphere since 2013; head of product development and a research consultant at Life Enhancement Products in Minden, Nevada; Director of the FirstFitness Scientific and Medical Advisory Board; Co-Director of the Center for Biogerontology Life Extension Foundation from 1992 to 2008.	n/a
Stephanie Hopper Colorado, USA Director	Co-founder of Root Technologies, a consulting firm of industry professionals helping to build a sustainable cannabis industry; Chief Operating Officer of Ballpark Holistic Dispensary and cultivation facility from 2014 to 2016.	n/a
Michael Iverson Langley, BC Director	President of Triple K Ventures Ltd., a private investment and consulting company; director and executive officer of numerous public companies since January 1998.	n/a
Toby Lim North Vancouver, BC Director	Lawyer practicing corporate and securities law since 1998.	n/a
Victor Goncalves Abbotsford, BC Executive VP	CEO of Corazon since 2016; director, executive officer and adviser to various public companies since September 2010.	June 1, 2016 to Nov. 17, 2017
Bennett Liu Vancouver, BC CFO	CFO of Corazon since 2017; also an officer of Brigade Resources Corp. and Secova Metals Corp.	n/a

NanoSphere's management, both before and after the Acquisition, is set out below.

Name, municipality of residence and principal position(s)	Principal occupation(s) during preceding five years
Robert Sutton Colorado, USA Chairman and CEO	see above
David Sutton Colorado, USA President and COO	see above
Dr. Richard Clark Kaufman Colorado, USA Chief Science Officer	see above

The Issuer's and NanoSphere's directors and executive officers as a group beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 38,953,401 Common Shares or 40.5% of the issued Common Shares (based on 96,070,546 Common Shares outstanding upon the automatic conversion of the Subscription Receipts).

Following the completion of the Acquisition, the New Board expects to constitute a new Audit Committee comprised of Messrs. David Sutton, Michael Iverson and Toby Lim, and a new Compensation Committee comprised of Stephanie Hopper, Michael Iverson and Toby Lim.

Except as disclosed herein, none of the directors or officers of the Issuer, or to the best of the Issuer's knowledge any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer:

a) is, or within the 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

    i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

    ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the other issuer being the subject of a cease trade or similar order or an order that denied the other issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;

    iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

    iv) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

b) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

c) has, within 10 years before the date of the Listing Statement become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Mr. Robert E. Sutton was Chairman and CEO of Centrix Financial, LLC ("Centrix") when, in September 2006, Centrix filed a voluntary petition seeking relief under the reorganization chapter of the United States Bankruptcy Code. Subsequently, a liquidating plan of reorganization for Centrix was confirmed by the United States Bankruptcy Court in Denver. Following confirmation, the Trustee appointed in the reorganization plan initiated an adversary proceeding against a large number of persons and entities, including Mr. Sutton, alleging a wide range of claims against this array of defendants. Ultimately, in April 2014, the litigation was settled prior to trial. The settlement agreement authorizes the Trustee to audit, via discovery processes available in bankruptcy, the material accuracy of certain financial disclosures made by Mr. Sutton.

Mr. Toby Lim was a director of Wasco Capital Inc. ("Wasco"), an unlisted reporting issuer with no active operations searching for a new business, when, on October 7th, 2013, the Ontario Securities Commission issued a temporary cease trade order against the company for failure to file audited financial statements and accompanying MD&A for the fiscal year ended May 31, 2013. At the time, the company was faced with an acute working capital shortage and, as a consequence, was unable to complete its audit for said fiscal year. On October 18th, 2013, the cease trade order was subsequently extended. As at the date hereof, Mr. Lim remains a director of Wasco, and Wasco remains without active operations, has been unable to raise capital and complete the outstanding audit, and the cease trade order remains in force.

Except as disclosed herein, there are no existing or potential material conflicts of interest between the Issuer or a subsidiary thereof and a director or officer of the Issuer or subsidiary thereof.

Management

Robert Sutton, age 73, Chairman & CEO of the Issuer and Chairman & CEO of NanoSphere. Mr. Sutton obtained a degree in Economics from St. Michael's College in 1966, and later served on its Board of Trustees. He is expected to work full time for the Issuer/NanoSphere as an employee. Prior to forming NanoSphere, he was the Chairman and President of Preferred Holdings Group, LLC., a venture capital development company since 2008. Mr. Sutton has over 25 years of successful investment and entrepreneurial experience, in the areas of real estate, oil and gas, and venture capital formation. He has spearheaded the growth of companies that have a collected value of over $4 billion. His success is based on his ability to identify niche market opportunities, design and build organizations and projects that serve growing market needs and assemble peak performing management teams. He has a written non-competition and non-disclosure agreement with NanoSphere.

David Sutton, age 33, director & President of the Issuer and President & COO of NanoSphere. Mr. Sutton holds an MBA in Finance from the Daniels College of Business at the University of Denver, and a B.A. in Economics from the University of Denver. He is expected to work full time for the Issuer/NanoSphere as an employee. Prior to joining NanoSphere, his focus has been on business design and strategy, assisting several start-up companies in business planning and capital development. Mr. Sutton consulted for CeeLite Technologies, an innovator and developer of new lighting sources, between 2011 and 2013, and during his time there assisted in licensing negotiations with Apple for the use of CeeLite's technology in Apple products. He has a written non-competition and non-disclosure agreement with NanoSphere.

Richard Kaufman, age 67, director of the Issuer and Chief Science Officer of NanoSphere. Mr. Kaufman holds Ph.D. in BioNutritional Chemistry from the University of Brussels. He is expected to work full time for the Issuer/NanoSphre as an employee. He is a consulting scientist, researcher and product developer, and is currently head of product development and a research consultant at Life Enhancement Products in Minden, Nevada; Director of the FirstFitness Scientific and Medical Advisory Board, and was a Co-Director of the Center for Biogerontology

Life Extension Medical Clinic from 1992 to 2008. He has particular expertise in weight management, anti-aging, nutraceuticals fitness, wellness and delivery system nano-biotechnology. His patents on BioMagnetic Resonating Technology and in other healthcare related areas have distinguished him as a leader in the medical discovery world, including inventing the proprietary NanoSphere Health formulas. He has a written non-competition and non-disclosure agreement with NanoSphere.

Victor Gonclaves, age 36, Executive Vice-President of the Issuer. Mr. Gonclaves holds a B.A. in Economics from the University of Winnipeg and is expected to work full timefor the Issuer as an employee. Prior to joining the Issuer, he was the President, CEO and a director of Threegold Resources (listed on the TSX-V) from September 2010 to May 2016; VP Corporate Development and a director of Rock Tech Lithium Inc. (listed on the TSX-V) from July 2011 to April 2013; and President and a director of Gespeg Copper (listed on the TSX-V) from January 2012 to April 2014. Mr. Gonclaves has also been a market analyst and consultant for several investment funds, including the Harvard Management Fund, and is the founder and director of The Equities & Economics Report. He does not have a written non-competition and non-disclosure agreement with the Issuer or NanoSphere

Bennett Liu, age 23, CFO of the Issuer. Mr. Liu holds a Diploma in Accounting from British Columbia Institute of Technology and is expected to devote approximately 25% of his time to the affairs of the Issuer as an independent contractor. Mr. Liu has acquired experience in the areas of financial reporting, regulatory compliance, treasury, and audit in Canada, and is an officer of Brigade Resources Corp since February 2017; and the CFO of Secova Metals Corp (listed on the TSX-V) from February 2017 to present. He does not have a written non-competition and non-disclosure agreement with the Issuer or NanoSphere.

14. CAPITALIZATION

The following information in this section is provided in respect of the Common Shares of the Issuer as at the date hereof (see “8. Consolidated Capitalization”) and assuming the issuance of an additional 11,811,370 Common Shares, 5,905,685 Warrants and 284,550 finder warrants on the automatic conversion of the Subscription Receipts and the SR Finder Warrants.

	No. of Securities (non-diluted)	No. of Securities (fully diluted)	% of issued (non-diluted)	% of issued (fully diluted)
Public Float				
Total outstanding [A]	96,070,546	105,852,336	100%	100%
Held by Related Persons or employees of the Issuer or of Related Persons of the Issuer, or by persons who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) [B]	49,854,985	50,879,985	51.9%	48.1%
Total Public Float [A-B]	46,215,561	54,972,351	48.1%	51.9%

Freely Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders [C]	73,832,656[1]	81,047,891[2]	76.9%	76.6%
Total Tradeable Float [A-C]	22,237,890	24,804,445	23.1%	23.4%

(1) 37,932,115 shares subject to escrow and Pooling Agreement; 1,021,286 shares subject to escrow only; 22,067,885 shares subject to the Pooling Agreement only; and 11,811,370 shares issuable on conversion of the Subscription Receipts subject to a hold period expiring 4 months and 1 day after the respective closings of the Concurrent Financing (see "Prior Sales").

(2) Includes 1,000,000 options and 25,000 warrants subject to escrow; and 5,905,685 Warrants and 284,550 finder warrants issuable on conversion of the Subscription Receipts and SR Finder Warrants subject to a hold period expiring 4 months and 1 day after the respective closing(s) of the Concurrent Financing (see "Prior Sales").

Public Securityholders (Registered)

Class of Security: Common Shares		
Size of holding	**Number of holders**	**Total number of securities**
1 – 99 securities	52	1,304
100 – 499 securities	29	6,702
500 – 999 securities	7	5,289
1,000 – 1,999 securities	6	8,099
2,000 – 2,999 securities	3	7,635
3,000 – 3,999 securities	3	10,133
4,000 – 4,999 securities	2	8,267
5,000 or more securities	113[1]	57,741,002[1]
TOTAL	215	57,788,431

(1) Includes CDS&Co., which holds 18,118,358 shares.

Public Securityholders (Beneficial)

Class of Security: Common Shares		
Size of holding	**Number of holders**	**Total number of securities**
1 – 99 securities	746	16,231
100 – 499 securities	350	78,983
500 – 999 securities	83	57,519
1,000 – 1,999 securities	54	72,517
2,000 – 2,999 securities	24	58,238
3,000 – 3,999 securities	12	39,590
4,000 – 4,999 securities	9	39,231
5,000 or more securities	235	56,673,430

unable to confirm	--	81,406
TOTAL	1,513	57,117,145

Non-Public Securityholders (Registered)

Class of Security: Common Shares		
Size of holding	**Number of holders**	**Total number of securities**
1 – 99 securities	--	--
100 – 499 securities	--	--
500 – 999 securities	--	--
1,000 – 1,999 securities	--	--
2,000 – 2,999 securities	--	--
3,000 – 3,999 securities	--	--
4,000 – 4,999 securities	--	--
5,000 or more securities	5	38,282,115
TOTAL	5	38,282,115

Securities Convertible/Exchangeable into Common Shares

Description of security (include conversion/exercise terms, including conversion/exercise price)	No. of convertible/exchangeable securities outstanding	Number of Common Shares issuable upon conversion/exercise
Stock Options exercisable at $0.27 until September 21, 2021	1,615,017 (1)	1,615,017 (1)
Warrants exercisable at $0.40 until Sept. 30, 2018	1,953,438	1,953,438
Finder Warrants exercisable at $0.40 until Sept. 30, 2018	23,100	23,100
Warrants issuable on conversion of the Subscription Receipts, exercisable at $0.75 for two years after the Escrow Release Date	5,905,685	5,905,685
Finder Warrants issuable on conversion of the SR Finder Warrants, exercisable at $0.75 for two years after the Escrow Release Date	284,550	284,550

(1) After Option Cancellation.

Other Securities Reserved For Issuance

The Issuer has no other Common Shares reserved for issuance that are not included under "Securities Convertible/Exchangeable into Common Shares" above.

15. EXECUTIVE COMPENSATION

The Issuer’s Statement of Executive Compensation for its most recently completed fiscal year ended December 31, 2016, is attached hereto as Schedule “F”.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or officers of the Issuer are expected to be indebted to the Issuer.

17. RISK FACTORS

There are a number of risk factors associated with the Issuer, NanoSphere and the Acquisition. Upon completion of the Acquisition, NanoSphere’s current business became the business of the Issuer. Accordingly, risk factors relating to NanoSphere’s current business will be risk factors relating to the Issuer’s business and references to NanoSphere in these risk factors should, where the context requires, be read to include the risks to the Issuer. An investment in the securities of the Issuer involves significant risks. Investors should carefully consider the risks described below and the other information contained in this Listing Statement before making an investment in the Issuer. Additional risks and uncertainties not presently known to the Issuer and NanoSphere or that the Issuer and NanoSphere currently consider immaterial may also impair the business and operations of the Issuer and NanoSphere and cause the trading price of the Common Shares to decline. If any of the following or other risks occur, the Issuer’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Common Shares could decline and you could lose all or part of your investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

CSE approval

There is no guarantee that the Issuer will be able to satisfy the requirements of the Canadian Securities Exchange (previously defined as the “CSE”) such that it will issue a final approval bulletin for the listing of the Common Shares on the CSE.

Need for additional capital

It is intended that the Issuer will continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop new products or enhance existing products, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Issuer may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of shares of the Issuer. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Issuer is unable to obtain adequate financing or financing on terms satisfactory to it, when it requires it, its ability to continue to support business growth and to respond to business challenges could be significantly limited.

Issuance of debt

From time to time, the Issuer may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Issuer's debt levels above industry standards. The level of the Issuer's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

Limited operating history

NanoSphere's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by pharmaceutical technology companies in the early stage of product development. Such risks include the unpredictable nature of NanoSphere's business, its ability to anticipate and adapt to a dynamic market with changing technology and the ability to identify, attract and retain qualified personnel. There can be no assurance that NanoSphere will be successful in addressing these risks.

History of net losses

NanoSphere has incurred losses in recent periods, including a net loss of US$514,151 in the year ending December 31, 2016, and $263,628 in the six month period ended June 30, 2017, primarily as a result of investments that NanoSphere has made in its technology, sales and marketing development. The Issuer may not be able to achieve or maintain profitability and may continue to incur losses in the future. In addition, it is expected that the Issuer will continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Issuer will not be profitable.

Regulatory matters

Achievement of the Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Issuer cannot predict the impact of the compliance regime the applicable regulatory authority is implementing for the medical marijuana industry. Similarly, the Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of regulatory compliance regime, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

The Issuer will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Corporation's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Changes in laws

Changes to any of the laws, rules, regulations or policies to which the Issuer is subject could have a significant impact on the Issuer's business. There can be no assurance that the Issuer will be able to comply with any future laws, rules, regulations and policies. Failure by the Issuer to comply with applicable laws, rules, regulations and policies may subject it to civil or regulatory proceedings, including fines or injunctions, which may have a material adverse effect on the Issuer's business, financial condition, liquidity and results of operations. In addition, compliance with any future laws, rules, regulations and policies could negatively impact the Issuer's profitability and have a material adverse effect on its business, financial condition, liquidity and results of operations.

The laws, regulations and guidelines generally applicable to the medical cannabis industry may change in ways currently unforeseen by the Company, including changes with respect to the reimbursement program established for Veterans or the cancellation thereof and the expected implementation of the Cannabis Act.

Canadian operations

NanoSphere's operations are not directly subject to the ACMPR, but its licensees are subject to the ACMPR and various other laws, regulations and guidelines relating to the manufacture, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis for medical purposes but also including laws and regulations relating to controlled substances, health and safety, privacy, the conduct of operations and the protection of the environment. If any changes to such laws, regulations or guidelines occur, which are matters beyond the control of NanoSphere, NanoSphere and its licensees may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on NanoSphere's business, financial condition and results of operations.

It is unknown if a significant portion of NanoSphere's license revenues will be generated through the distribution of its cannabis-based pharmaceutical products to Veteran patients, who are eligible for reimbursement from VAC (subject to limits on price and daily amount). On November 22, 2016, the Canadian federal Minister for VAC announced that the federal government would be limiting the reimbursement amount for cannabis for medical purposes and reducing the quantity of medical cannabis that it will cover for Veteran patients. The reimbursement price cap of $8.50 per gram, whether taken in dried or fresh cannabis or the equivalent value in cannabis oil form took effect immediately (November 22, 2016). The revised VAC reimbursement policy also established a limit of three grams per day of dried or fresh cannabis, or the equivalent in cannabis oil, which change took effect on May 22, 2017. The revised VAC reimbursement policy also includes a process that potentially allows for the daily limit to be exceeded by individual Veteran patients by way of an exemption request to be submitted to VAC by a medical specialist. If a significant number of the Company's eligible Veteran patients do not obtain such an exemption, NanoSphere's licensee's sales and revenues could be adversely affected, which in turn would affect NanoSphere's license royalty revenue. In addition, further decreases of either the dollar amount per gram of medical cannabis or the number of grams per day, or both, for which VAC will reimburse Veterans, or the discontinuance of such reimbursement policy, could have a material adverse effect on NanoSphere's business, financial condition and results of operations.

The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 20, 2016, the Liberal Party of Canada made a commitment to introduce legislation to meet its electoral commitments by the spring of 2017. On June 30, 2016, the Government of Canada launched the Task Force and a public consultation for the creation of a new legislative system with respect to the legalization of cannabis. After taking consultations, the Task Force prepared and tabled the Legalization Report on December 13, 2016. The Legalization Report outlines a framework for a new system to legalize, regulate and restrict access to cannabis, and contains recommendations to federal, provincial, territorial and municipal governments on how to promote and protect public health and safety. On April 13, 2017, the Cannabis Act was introduced. The Government of Canada has provided guidance that, subject to Parliamentary approval and Royal Assent, the Government of Canada intends to provide regulated and restricted access to cannabis no later than July 2018, however there is no assurance that the legalization of cannabis by the Government of Canada will occur as anticipated or at all.

The legislative structure pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation, which may vary across provinces and territories and result in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on the Company's licensees ability to participate in such market. While the impact of any new legislative framework for the regulation of the Canadian recreational cannabis market is uncertain, any of the foregoing could result in a material adverse effect on NanoSphere's business, financial condition and operating results.

United States operations

While cannabis is legal in many US state jurisdictions, it continues to be a controlled substance under the United States federal Controlled Substances Act. Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Access to Cannabis for Medical Purposes Regulations, investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 29 states, plus the District of Columbia, that have legalized cannabis in some form and have embedded these regulations into their state constitutions. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act (the ''CSA'') in the United States and as such, may be in violation of federal law in the United States.

The United States Congress has passed appropriations bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business — even those that have fully complied with state law — could be prosecuted for violations of federal law. And if Congress restores funding, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the ''Cole Memorandum'') addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several US states have enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority. In March of this year, newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole

Memorandum had merit, although he disagreed that it had been implemented effectively and has not committed to utilizing the Cole Memorandum framework going forward.

Anti-money laundering laws and regulations

NanoSphere is subject to a variety of laws and regulations in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network (''FCEN'') of the Treasury Department issued a memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo.

In the event that any of NanoSphere's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of NanoSphere to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Increased scrutiny

For the reasons set forth above, the Issuer's investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, the Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Issuer's ability to invest in the United States or any other jurisdiction.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Issuer's business, financial condition and results of operations.

It has been reported by certain publications in Canada that The Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("CDS"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets. CDS or its parent company has not issued any public statement in regard to these reports. However, if CDS were to proceed in the manner suggested by these publications, and apply such a policy to the Issuer, it would have a material adverse effect on the ability of holders of Common Shares to make trades. In particular, the Common

Shares would become highly illiquid as investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange.

New industry and market

The medical cannabis industry and market are relatively new in Canada, and this industry and market may not continue to exist or grow as anticipated or NanoSphere may ultimately be unable to succeed in this new industry and market. NanoSphere is not itself a Licensed Producer ("LPs"), but licenses the Company's products and their manufacturing method to Licensed Producers. These Licensed Producers are operating in a relatively new medical cannabis industry and market. The LPs are subject to general business risks, as well as risks associated with a business involving an agricultural product and a regulated consumer product. The Company also needs to continue to build brand awareness in this industry and market through significant investments in its strategy, its licensees' production capacity, quality assurance, and compliance with regulations. These activities may not promote the Company's brand and products as effectively as intended, or at all. Competitive conditions, consumer tastes, patient requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances that differ from existing industries and markets. There are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the medical cannabis industry and market could have a material adverse effect on NanoSphere's business, financial condition and results of operations.

Unfavourable clinical research

Future clinical research studies on the effects of medical cannabis may lead to conclusions that dispute or conflict with NanoSphere's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). The statements made in this document concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, the statements made in this document are subject to the experimental parameters, qualifications and limitations in the studies that have been completed. Although NanoSphere believes that the articles, reports and studies, support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis as set out in this document, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for NanoSphere's products with the potential to lead to a material adverse effect on NanoSphere's business, financial condition and results of operations.

Competition

The Issuer will compete in a rapidly evolving and highly competitive market. Some of the Issuer's potential competitors have longer operating histories, greater name recognition, access to larger customer bases and substantially greater resources, including sales and marketing, financial and other resources. As a result, these competitors may be able to:

- absorb costs associated with providing their products at a lower price;
- devote more resources to new customer acquisitions;
- respond to evolving market and technology needs more quickly than the Issuer; and
- finance more research and development activities to develop better products.

In addition, many of these companies may have pre-existing relationships with the Issuer's current and potential customers. If the Issuer is not able to compete successfully against its current and future competitors, it will be difficult to acquire and retain customers, and the Issuer may experience limited revenue growth, reduced revenues and operating margins and loss of market share.

Reliance on the successful commercialization of Evolve Cannabis

The future success of the Issuer's business is largely dependent upon the successful commercialization of Evolve Cannabis. The Issuer will be dedicating a substantial amount of its resources to advance Evolve Cannabis as aggressively as possible. If the Issuer encounters difficulties in its commercialization, it may not have the resources necessary to continue its business in its current form. If the Issuer is unable to establish and maintain adequate sales, marketing and distribution capabilities or enter into or maintain agreements with third parties to do so, it may be unable to successfully commercialize its products. The Issuer believes it is creating an efficient commercial organization. However, the Issuer may not be able to correctly judge the size and experience of the sales and marketing force and the scale of distribution necessary to be successful. Establishing and maintaining sales, marketing, and distribution capabilities are expensive and time-consuming. Such expenses may be disproportionate compared to the revenues we may be able to generate on sales of Evolve Cannabis.

Rapidly changing technology

The market for the Issuer's products and services is characterized by rapid technological advances, changes in customer requirements, changes in protocols and evolving industry standards. If the Issuer is unable to develop enhancements to, and new features for, its existing products and services or acceptable new products and services that keep pace with rapid technological developments, its products and services may become obsolete, less marketable and less competitive and the Issuer's business will be harmed.

Management of growth

The Issuer will need to continue to expand its business. It is anticipated that this expansion will require substantial management effort and significant additional investment. In addition, the Issuer will be required to continue to improve its operational, financial and management controls and its reporting procedures. As such, the Issuer may be unable to manage its expenses effectively in the future, which may negatively impact gross margins or cause operating expenses to increase in any particular quarter. If the Issuer is unable to manage its growth successfully, its business will be harmed.

Adding new customers or selling additional products to its existing customers

To increase the Issuer's revenues, it must regularly add new customers, sell additional products and / or services to existing customers and encourage existing customers to increase their minimum commitment levels. If the Issuer's existing and prospective customers do not perceive the Issuer's products to be of sufficiently high value and quality, the Issuer may not be able to attract new customers or increase sales to existing customers and its operating results will be adversely affected.

Expanding sales and marketing capabilities

Increasing the Issuer's customer base and achieving broader market acceptance of its products will depend to a significant extent on its ability to expand its sales and marketing operations. It is expected that the Issuer will be substantially dependent on word-of-mouth to obtain new customers. The Issuer's business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues.

Introduction of new products

NanoSphere has a number of new products in the prototype stage which it anticipates will be introduced by the Issuer. Detailed costing of these products has not been completed. There can be no assurance that these new products can be brought to market, that they can be produced at a competitive price, or that they are commercially viable.

Manufacturing

NanoSphere does not currently operate manufacturing facilities for production of its products and product candidates. NanoSphere has no experience in product formulation or manufacturing, and it lacks the resources and the capabilities to manufacture any of its product candidates on a commercial scale. As a result, NanoSphere has partnered and expect to partner with third parties to manufacture its products or rely on contract manufacturers to supply, store and distribute product supplies. Any performance failure on the part of NanoSphere's commercial partners or future manufacturers could delay clinical development or regulatory approval of its product candidates or commercialization of its products, producing additional losses and reducing or delaying product revenues. NanoSphere does not presently have a contractual relationship with a manufacturer of its products other than with Evergreen in the State of Colorado.

NanoSphere's products and product candidates do and will require precise, high-quality manufacturing. The failure to achieve and maintain high manufacturing standards, including the incidence of manufacturing errors, could result in patient injury or death, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns or other problems that could seriously harm its business. Contract manufacturers and partners often encounter difficulties involving production yields, quality control and quality assurance, as well as shortages of qualified personnel. These manufacturers and partners are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies to ensure strict compliance with quality systems regulations, current good manufacturing practice and other applicable government regulations and corresponding foreign standards. If any of NanoSphere's manufacturers or partners fails to maintain compliance, the production of our products could be interrupted, resulting in delays, additional costs and potentially lost revenues.

Dependence on licensees

Historically, NanoSphere has spent the last 4 years developing its patent pending technology and finalizing its commercial applications and proprietary manufacturing system, and thus has had a limited number of customers. Going forward, NanoSphere intends to commercialize its products by licensing its rights to selected established producers in various states and countries. As a result of such reliance, NanoSphere will be dependent on the performance of its licensees to follow the terms of its contracts, in terms of manufacturing, quality assurance and control, marketing, distribution, inventory and re-stocking. Any failure by one or more licensees to meet these standards may have an adverse effect on NanoSphere's business, financial results and future prospects, not only from loss of revenues but also from negative public perception and loss of reputation and goodwill, adverse impacts on other licensees' business and prospects, and potential litigation. In addition, NanoSphere does not hold any licenses to manufacture, market and distribute its cannabis products, and as a result its supply chain model relies and depends upon the licensees to hold all required licenses and other authorizations to manufacture, market and distribute such products. Any breach or non-compliance by such licensees of the terms of such licenses and authorizations may have an adverse effect on NanoSphere's business, financial results and future prospects. NanoSphere's business, financial results and future prospects may also be adversely effected by issues encountered by licensees, such as regulatory compliance issues, lack of capital, labour shortages or disputes, equipment failure and damage or destruction to facilities.

There can be no assurances that a suitable licensee, or in the event of a license termination, a suitable alternative licensee, will be available in each jurisdiction in which NanoSphere wishes to commercialize its products. Even if such a potential licensee is found, there can be no assurances that NanoSphere will be able to negotiate a license agreement on terms acceptable to it, if at all. Additionally, any licensee that curtails operations or otherwise becomes insolvent or ceases operations, which may result from aspects of the licensee's business other than the distribution and sale of NanoSphere's products, could have an adverse effect on NanoSphere's business, financial condition, results of operations and prospects.

Dependence on suppliers and skilled labour

The ability of the Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Issuer's capital expenditure program may be significantly greater than anticipated by the management, and may be greater than funds available to the Issuer, in which circumstance the Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Issuer.

Manufacturing of the Issuer's products and other devices for its services depends on obtaining adequate supplies of components on a timely basis. The Issuer will be sourcing several key components used in the manufacture of its products and devices from a limited number of suppliers, and in some instances, a single source supplier.

In addition, these components are often acquired through purchase orders and the Issuer may have no long-term commitments regarding supply or pricing from the suppliers. Lead-times for various components may lengthen, which may make certain components scarce. As component demand increases and lead-times become longer, the suppliers may increase component costs. The Issuer will also depend on anticipated product and service orders to determine its materials requirements. Lead-times for limited-source materials and components can vary significantly and depend on factors such as the specific supplier, contract terms and demand for a component at a given time. From time to time, shortages in allocations of components have resulted in delays in filling orders. Shortages and delays in obtaining components in the future could impede the Issuer's ability to meet customer orders. Any of these sole source or limited source suppliers could stop producing the components, cease operations entirely, or be acquired by, or enter into exclusive arrangements with, the Issuer's competitors. As a result, these sole source and limited source suppliers may stop selling their components to outsourced manufacturers at commercially reasonable prices, or at all. Any such interruption, delay or inability to obtain these components from alternate sources at acceptable prices and within a reasonable amount of time would adversely affect the Issuer's ability to meet scheduled product and service deliveries to its customers and reduce margins realized.

Alternative sources of components are not always available or available at acceptable prices. In addition, the Issuer will rely on, but have limited control over, the quality, reliability and availability of the components supplied. If the Issuer cannot manufacture its products or devices for its services due to a lack of components, or is unable to redesign its products or devices with other components in a timely manner, its business, results of operations and financial condition could be adversely affected.

Operating risk and insurance coverage

The Issuer has insurance to protect its assets, operations and employees. While the Issuer believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Product liability

As a manufacturer and distributor of products designed to be ingested by humans, the Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of these products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of Evolve NanoSerum products alone or in combination with other medications or substances could occur. The Issuer may be subject to various product liability claims, including, among others, that the products produced by the Issuer caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claims or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Issuer. There can be no assurances that the Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by the Issuer are recalled due to an alleged product defect or for any other reason, the Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Issuer has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by Issuer were subject to recall, the image of that product and the Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by Issuer and could have a material adverse effect on the results of operations and financial condition of the Issuer. Additionally, product recalls may lead to increased scrutiny of the operations of Issuer by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Litigation

All industries are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Issuer's operations and financial position.

Unfavourable publicity or consumer perception

The Issuer believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of the Issuer's products in this industry can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Issuer's products and the business, results of operations, financial condition and cash flows of the Issuer.

The Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Issuer, the demand for products, and the business, results of operations, financial condition and cash flows of the Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or the Issuer's products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Reputational risk to third parties

The parties with which the Issuer does business may perceive that they are exposed to reputational risk as a result of the Issuer's medical marijuana business activities. The Issuer may in the future have difficulty establishing or maintaining business relationships. Failure to establish or maintain business relationships could have a material adverse effect on the Corporation.

Reliance on intellectual property

The Issuer will require continuous technological improvements in order to remain competitive. There can be no assurance that the Issuer will be successful in its efforts in this regard. While NanoSphere anticipates that its research and development experience will allow it to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized. The commercial advantage of the Issuer may depend to an extent on its intellectual property and its ability to prevent others from copying its products. In the future, the Issuer may seek patents or other similar protections in respect of a particular technology or process; however, there can be no assurance that any future patent applications will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Issuer. Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop products that are similar or superior to the products of the Issuer or design around the patents owned by the Issuer, thereby adversely affecting the Issuer's competitive advantage in one or more of its businesses. Despite the efforts of the Issuer, its intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps it may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Issuer's operations will prevent misappropriation or infringement of such technologies.

Infringement of intellectual property

From time to time the Issuer may receive notices from third parties alleging that it has infringed their intellectual property rights. Responding to any such claim, regardless of its merit, may be time-consuming, result in costly litigation, divert management's attention and resources and cause the Issuer to incur significant expenses. Any meritorious claim of intellectual property infringement against the Issuer may potentially result in a temporary or permanent injunction, prohibiting it from marketing or selling certain products or requiring it to pay royalties to a third party. In the event of a meritorious claim, failure of the Issuer to develop or license substitute technology, its business and results of operations may be materially adversely affected.

Potential conflicts of interest

Certain directors or officers of the Issuer are also directors, officers, shareholders and/or promoters of other reporting and non-reporting issuers. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interest which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the *Business Corporations Act* (British Columbia).

Reliance on others and key personnel

The success of the Issuer will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Issuer may not have any "key man" insurance policies, and, therefore, there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Issuer. The Issuer also faces intense competition for qualified personnel and there can be no assurance that the Issuer will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Limited market for securities

Upon completion of the proposed Acquisition, it is ancitipated that the Issuer’s common shares will be listed on the CSE; however, there can be no assurance that an active and liquid market for the Issuer’s shares will develop or be maintained.

Securities analysts or investors

The Issuer’s quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Issuer’s quarterly results of operations fall below the expectations of securities analysts or investors, the price of the Issuer’s shares could decline substantially. Fluctuations in quarterly results of operations may be due to a number of factors, including, but not limited to, those listed below:

- the Issuer’s ability to increase sales to existing customers and attract new customers;
- the addition or loss of large customers;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the Issuer’s business, operations and infrastructure;
- the timing and success of new product introductions by the Issuer or its competitors;
- changes in the Issuer’s pricing policies or those of competitors;
- limitations of the capacity of the Issuer’s network and systems;
- service outages or security breaches;
- the extent to which any of the Issuer’s significant customers terminate their service agreements;
- the timing of costs related to the development or acquisition of products or businesses;
- increasing competition;
- new advancement in technology;
- delays in manufacturing or in component purchases;
- possible key component end of life (EOL);
- general economic, industry and market conditions; and
- geopolitical events such as war, threat of war or terrorist actions.

The quarterly revenues and results of operations of the Issuer may vary significantly in the future and that period-to-period comparisons of the Issuer’s operating results may not be meaningful.

Significant number of common shares held by a limited number of shareholders

The Issuer's management, directors and employees own a substantial number of the outstanding Common Shares (on a fully diluted basis). As such, the Issuer's management, directors and employees, as a group, each are in a position to exercise significant influence over matters requiring shareholder approval, including the election of directors and the determination of significant corporate actions. As well, these shareholders could delay or prevent a change in control of the Issuer that could otherwise be beneficial to the Issuer's shareholders.

Dilution to existing shareholders

Successful completion of the Acquisition will result in dilution of the Issuer's shares and the Issuer may be required to complete additional equity financings raised in the future. The Issuer may be required to issue securities on less than favourable terms in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of equity securities or securities convertible into Issuer's shares would result in dilution, possibly substantial, to shareholders of the Issuer.

Dividends

To date, the Issuer has not paid any dividends on its outstanding securities and the Issuer does not expect to do so in the foreseeable future. Any decision to pay dividends on the Issuer's shares will be made by the Board of Directors.

18. PROMOTERS

Messrs. Robert Sutton, David Sutton and Richard Kaufman can be considered "promoters" of NanoSphere, and thus the Issuer, as they took the initiative in founding, organizing or substantially reorganizing the business of NanoSphere. Upon completion of the Acquisition, Preferred Holdings LLC (a company of which Mr. Robert Sutton is the managing member) will receive 31,400,000 Consideration Shares, Mr. David Sutton will receive 2,321,933 Consideration Shares, and Neogen Inc. (a company of which Mr. Kaufman is a controlling shareholder) will receive 4,234,652 Consideration Shares – these shares will be subject to escrow and the Pooling Agreement – see "11. Escrowed Securities". Additional information regarding the foregoing's related party transactions with NanoSphere are included under "6. Management Discussion and Analysis - NanoSphere" and/or in NanoSphere's financial statements included as Schedule "B" hereto; and any cease trade orders, bankruptcies or sanctions, if any, are included under "13. Directors and Officers".

19. LEGAL PROCEEDINGS

There are no legal proceedings material to the Issuer or NanoSphere, or to which the Issuer, NanoSphere or their subsidiaries are a party or of which their respective property is the subject matter, nor are any such proceedings known to the Issuer or NanoSphere to be contemplated.

There are no:

(a) penalties or sanctions imposed against the Issuer or NanoSphere by a court relating to provincial and territorial securities legislation or by a securities regulatory authority with the three years immediately preceding the date of this Listing Statement;

(b) other penalties or sanctions imposed by a court or regulatory body against the Issuer or NanoSphere necessary to contain full, true and plain disclosure of all material facts relating to the Common Shares; or

(c) settlement agreements that the Issuer or NanoSphere entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority with the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out below or elsewhere in this Listing Statement (including the schedules hereto, including the financial statements and notes thereto attached as Schedules "A" and "B"), none of:

(a) the directors or executive officers of the Issuer, NanoSphere or the Issuer;

(b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of voting securities of the Issuer, NanoSphere or the Issuer; or

(c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b),

has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or NanoSphere as the case may be, or any respective subsidiary thereof.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Davidson & Company LLP, Chartered Professional Accounts, located at #1200 – 609 Granville Street, Vancouver, BC, are the auditors of the Issuer.

Computershare Investor Services Inc. has been appointed to maintain the securities register and register of transfers for the Common Shares. The Vancouver office of Computershare is where the securities register and register of transfers is maintained and where transfers of securities are recorded.

22. MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following is a list of material contracts entered into within the two years before the date of this Listing Statement by the Issuer, NanoSphere and their respective subsidiaries.

- Merger Agreement dated May 12, 2017, between the Issuer, NanoSphere, and SubCo with respect to the Merger forming the basis t of the Acquisition. See also "3. General Development of the Business – The Issuer".

- Escrow Agreement dated November 17, 2017, between the Issuer and certain securityholders of the Issuer with respect to, upon completion of the Acquisition, the escrow of the Common Shares held by such securityholders. See also "11. Escrowed Securities".

- Pooling Agreement dated November 17, 2017, between the Issuer and certain securityholders of the Issuer with respect to the voluntary pooling of the Common Shares held by such securityholders. See also "11. Escrowed Securities".

- Licensing Agreement dated March 30, 2017, between NanoSphere and Evergreen Biosciences, LLC with respect to NanoSphere's license to Evergreen of the exclusive right to use NanoSphere's intellectual property for cannabis products within the territory of Colorado, for purposes of Evergreen's locating and sublicensing same to a business in Colorado (the "Colorado Licensee") with a valid permit issued by the Colorado Department of Revenue Marijuana Enforcement Division. Pursuant to the agreement, Evergreen shall require the Colorado Licensee to pay 49% of its net revenues to Evergreen, and Evergreen shall in turn, commencing no later than December 31, 2017, pay 90% of its net revenues to NanoSphere. Evergreen is further responsible for ensuring that the Colorado Licensee complies with quality control and assurance standards set by NanoSphere. The term of the agreement expires on the expiration of the last to expire patent within the Patent Rights and the Improved Patent Rights (as defined in the agreement).

23. INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement (an "Expert") has any direct or indirect interests in the property of the Issuer, NanoSphere or a Related Person of the Issuer or NanoSphere.

No Expert beneficially owns, directly or indirectly, securities of the Issuer or a Related Person of the Issuer in excess of one percent.

No Expert, or a director, officer or employee of an Expert, is or is expected to be elected, appointed or employed as director, officer or employee of the Issuer or of any associate or affiliate of the Issuer.

24. OTHER MATERIAL FACTS

Except as set out below, there are no material facts about the Issuer and its securities, or NanoSphere, that are not disclosed herein and are necessary in order for this Listing Statement to contain full true and plain disclosure of all material facts relating to the Issuer and its securities and NanoSphere.

25. FINANCIAL STATEMENTS

Financial statements for the Issuer are included as Schedule "A" to this Listing Statement. Financial statements for NanoSphere are included as Schedule "B" to this Listing Statement. Pro forma financial statements of the Issuer, as at and for its most recently completed financial year ended December 31, 2016 and quarter ended June 30, 2017, giving effect to the Acquisition as if it had occurred on the last day of the respective periods, are attached as Schedule "C" to this Listing Statement. The pro forma statements have been derived from, and should be read in conjunction with, the audited annual consolidated financial statements and unaudited interim consolidated financial statements of the Issuer as at and for the year ended December 31, 2016 and the quarter ended June 30, 2017 and the audited annual financial statements and unaudited interim financial statements of NanoSphere as at and for the year ended December 31, 2016 and for the quarter ended June 30, 2017.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Corazon Gold Corp. hereby applies for the listing of the above mentioned securities on the Canadian Stock Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Corazon Gold Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC, this 28 day of November, 2017.

"Robert Sutton"	*"Bennett Liu"*
Robert Sutton, Chief Executive Officer	Bennett Liu, Chief Financial Officer
"David Sutton"	*"Michael Iverson"*
David Sutton, Director	Michael Iverson, Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to NanoSphere Health Sciences LLC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Denver, Colorado, this 28 day of November, 2017.

"Robert Sutton"

Robert Sutton, Chief Executive Officer

"David Sutton"

David Sutton, President

"Robert Sutton"

Robert Sutton, Managing Member

SCHEDULE A

Corazon Gold Corp. Financial Statements

Unaudited Interim Financial Statements for
Fiscal Quarter Ended June 30, 2017 / 2016

Audited Annual Financial Statements for
Fiscal Year Ended December 31, 2016 / 2015

Audited Annual Financial Statements for
Fiscal Year Ended December 31, 2015 / 2014

CORAZON GOLD CORP

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

PERIOD ENDED JUNE 30, 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 interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada 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, 2017	December 31, 2016
ASSETS		
Current		
Cash	$ 990,674	$ 1,349,070
Receivables and prepaid expenses	12,215	3,303
	1,002,889	1,352,373
Reclamation bond	5,000	23,585
	$ 1,007,889	$ 1,375,958
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 82,504	$ 317,850
Shareholders' equity (deficiency)		
Share capital (Note 4)	19,650,891	19,641,391
Commitment to issue shares (Note 4)	-	9,500
Reserves (Note 4)	2,917,428	2,917,428
Accumulated other comprehensive income	61,897	59,897
Deficit	(21,704,831)	(21,570,108)
	925,385	1,058,108
	$ 1,007,889	$ 1,375,958

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 28, 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	For the three month period ended June 30, 2017	For the three month period ended June 30, 2016	For the six month period ended June 30, 2017	For the six month period ended June 30, 2016
EXPENSES				
Consulting	$ 23,500	$ 34,500	$ 54,250	$ 55,000
Office	24,321	10,292	30,350	14,607
Professional fees	35,246	15,615	90,582	15,706
Regulatory and filing	9,969	3,773	16,168	10,777
Travel	75,852	-	75,852	-
	(168,888)	(64,174)	(267,202)	(96,090)
EXPENSES				
Foreign exchange	(5,936)	-	-	7,852
Gain on wind down of subsidiaries	131,966	-	131,966	-
Write-off of accounts payable	513	-	513	2,800
Loss for the period	(42,345)	(64,174)	(134,723)	(85,438)
OTHER COMPREHENSIVE LOSS				
Exchange differences on translating foreign operations	1,356	83	3,786	3,871
Comprehensive loss for the period	$ (40,989)	$ (64,089)	$ (130,937)	$ (81,567)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	23,923,532	23,900,176	23,923,532	11,480,680

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	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (134,723)	$ (85,438)
Non-cash item:		
Unrealized foreign exchange	2,000	-
Gain on wind down of subsidiaries	131,966	-
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	(8,912)	(2,100)
Accounts payable and accrued liabilities	(348,727)	(16,037)
	(358,396)	(103,575)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from warrant exercise	-	13,360
Short term loans received	-	10,000
	-	23,360
Change in cash during the period	(358,396)	(80,215)
Effect of exchange rates on cash holdings in foreign operations	-	5,031
Cash, beginning of period	1,349,070	225,159
Cash, end of period	$ 990,674	$ 149,975

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

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

	Share capital						
	Number	**Amount**	**Reserves**	**Commitment to issue shares**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Total**
Balance, December 31, 2015	11,419,169	$ 18,200,593	$ 2,362,302	$ -	$ 58,111	(20,743,916)	(122,910)
Exercise of warrants	167,000	13,360	-	-	-	-	13,360
Other comprehensive loss	-	-	-	-	3,871	-	3,871
Loss for the year	-	-	-	-	-	(85,438)	(85,438)
Balance, June 30, 2016	11,586,169	18,213,953	2,362,302	-	61,982	(20,829,354)	(122,910)
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	8,407,132	672,571	-	-	-	-	672,571
Subscriptions received in advance	-	-	-	9,500	-	-	9,500
Share-based payments	-	-	551,427	-	-	-	551,427
Other comprehensive loss	-	-	-	-	(2,085)	-	(2,085)
Loss for the year	-	-	-	-	-	(740,754)	(740,754)
Balance, December 31, 2016	23,900,176	19,641,391	2,917,428	9,500	59,897	$ (21,570,108)	$ 1,058,108
Exercise of warrants	23,750	9,500	-	(9,500)	-	-	-
Other comprehensive loss	-	-	-	-	2,000	-	2,000
Loss for the period	-	-	-	-	-	(134,723)	(134,723)
Balance, June 30, 2017	23,900,176	$ 19,650,891	$ 2,917,428	$ -	$ 61,897	(21,704,831)	(925,385)

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.

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	**2017 and 2016 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%

During the period ended June 30, 2017, the Company wound down Esmeralda Gold Inc., Eureka Gold Inc., and Washoe Gold Inc.

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.

(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 period ended June 30, 2017.

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
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, June 30, 2017	2,390,017	$ 0.27	2,610,788	$ 0.40

(Expressed in Canadian Dollars)

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

As at June 30, 2017, share purchase warrants were outstanding as follows:

	Number	Exercise price		Expiry date
Stock options	2,390,017	$	0.27	September 21, 2021
	2,390,017			

As at June 30, 2017, share purchase warrants were outstanding as follows:

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

* 311,500 warrants exercised subsequent to June 30, 2017 prior to expiry.

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 - $30,000).
- Paid or accrued consulting fees of $5,000 to the CFO of the Company (2016 - $5,000).
- Paid or accrued consulting fees of $40,000 for the current CEO of the Company (2016 - $10,000).

The amount of $4,907 (December 31, 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 $2,215 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.

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.

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.

Subsequent to June 30, 2017, the LOI has not yet completed.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Corazon Gold Corp.

We have audited the accompanying consolidated financial statements of Corazon Gold Corp., which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Corazon Gold Corp. as at December 31, 2016 and 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Corazon Gold Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

April 28, 2017

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

As at	December 31, 2016	December 31, 2015
ASSETS		
Current		
Cash	$ 1,349,070	$ 225,159
Receivables and prepaid expenses (Note 4)	3,303	2,689
	1,352,373	227,848
Reclamation bond	23,585	24,132
	$ 1,375,958	$ 251,980
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 317,850	$ 374,890
Shareholders' equity (deficiency)		
Share capital (Note 5)	19,641,391	18,200,593
Commitment to issue shares (Note 5)	9,500	-
Reserves (Note 5)	2,917,428	2,362,302
Accumulated other comprehensive income	59,897	58,111
Deficit	(21,570,108)	(20,743,916)
	1,058,108	(122,910)
	$ 1,375,958	$ 251,980

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on April 28, 2017

"Bradley Scharfe" Director *"Jason Scharfe"* Director
Bradley Scharfe Jason Scharfe

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

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

For the years ended December 31		2016		2015
EXPENSES				
Consulting	$	130,025	$	83,538
Office		55,224		21,072
Professional fees		51,519		42,161
Regulatory and filing		47,658		14,133
Share-based payments		551,427		-
		(835,853)		(160,904)
EXPENSES				
Foreign exchange		5,444		(24,515)
Gain on settlement of debt		4,217		-
Loss for the year		(826,192)		(185,419)
OTHER COMPREHENSIVE LOSS				
Exchange differences on translating foreign operations		1,786		(10,087)
Comprehensive loss for the year	$	(824,406)	$	(195,506)
Basic and diluted loss per common share	$	(0.06)	$	(0.02)
Weighted average number of common shares outstanding		15,377,763		10,690,862

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

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

For the years ended December 31		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(826,192)	$	(185,419)
Non-cash items:				
Loss on wind-down of subsidiaries		-		-
Share-based payments		551,427		-
Changes in non-cash working capital items:				
Receivables, deposits and prepaid expenses		(614)		9,406
Accounts payable and accrued liabilities		(7,040)		101,630
		(307,419)		(74,383)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares (Note 6)		765,875		250,040
Share issuance costs		(22,809)		(14,918)
Exercise of warrants		685,931		250,040
Subscriptions received		9,500		-
		1,428,997		235,122
Change in cash during the year		1,121,578		160,739
Effect of exchange rates on cash holdings in foreign operations		2,333		(13,174)
Cash, beginning of year		225,159		77,594
Cash, end of year	$	1,349,070	$	225,159

During the year ended December 31, 2016, the Company incurred $Nil (2015 - $6,000) of share issuance costs in accounts payable and issued finder’s warrants valued at $Nil (2015 - $13,151). The Company settled $25,000 in accounts payable due to related parties as part of its 2016 private placement (2015 - $Nil)

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

	Share capital						
	Number	Amount	Reserves	Commitment to issue shares	Accumulated other comprehensive income (loss)	Deficit	Total
Balance, December 31, 2014	10,103,169	$ 17,984,622	$ 2,349,151	$ -	$ 68,198	$ (20,558,497)	$ (156,526)
Private placements	1,316,000	250,040	-	-	-	-	250,040
Share issuance costs – cash	-	(20,918)	-	-	-	-	(20,918)
Share issuance costs – warrants	-	(13,151)	13,151	-	-	-	-
Other comprehensive loss	-	-	-	-	(10,087)	-	(10,087)
Loss for the year	-	-	-	-	-	(185,419)	(185,419)
Balance, December 31, 2015	11,419.169	18,200,593	2,362,302	-	58,111	(20,743,916)	(122,910)
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	-	-	-	-	1,786	-	1,786
Loss for the year	-	-	-	-	-	(826,192)	(826,192)
Balance, December 31, 2016	23,900,176	$ 19,641,391	$ 2,917,428	$ 9,500	$ 59,897	$ (21,570,108)	$ 1,058,108

The accompanying notes are an integral part of these consolidated 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 consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by 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.

(Expressed in Canadian Dollars)

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

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. 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 financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. 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	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.

Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial instruments *(cont'd…)*

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale financial assets - These assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares in dilutive calculations includes options, warrants, and similar instruments. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Provisions

a) Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the statement of loss and comprehensive loss. The Company had no rehabilitation obligations as December 31, 2014 or December 31, 2013.

b) Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Provisions *(cont'd…)*

b) Other provisions *(cont'd…)*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Government assistance and tax credits

Government assistance is recorded as either a reduction of the cost of the applicable asset or credit in the statement of loss and comprehensive loss as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.

Tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of loss and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the applicable government agency.

Foreign exchange

The functional currency of each entity in the consolidated group is the currency of the primary economic environment in which it operates. For the Company and all entities excluding COEXSA, this is the Canadian dollar. The functional currency of COEXSA is the US dollar. Transactions denominated in currencies other than the functional currency are recorded using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit and loss in the period in which they arise. For the purpose of presenting the consolidated financial statements, the assets and liabilities of COEXSA are translated into Canadian dollars at the rate of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions, and where exchange differences arise, they are recognized as a separate component of equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

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.

4. EXPLORATION AND EVALUATION ASSETS

ReMac Zinc property, BC, Canada

The Company let lapse it's 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.

5. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

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.

During the year ended December 31, 2015, the Company completed a private placement by issuing 1,316,000 Units for $0.19 per unit for gross proceeds of $250,040. Each unit consisted of one common share and one half share purchase warrant with each share purchase warrant exercisable at $0.40 until July 17, 2017. In connection with the private placement, the Company paid cash share issuance costs of $20,918 and issued 78,520 finder's warrants exercisable at $0.19 per warrant expiring in one year. The finder's warrants were valued at $13,151 using the Black Scholes option pricing model assuming a risk-free rate of 0.41%, an expected volatility of 136%, an expected life of 1 year and an expected dividend and forfeiture rate of nil.

c) Stock options and warrants

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

(Expressed in Canadian Dollars)

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

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, 2014	-	$	0.08	8,574,132	$	0.08
Granted	-		0.38	736,520		0.38
Balance, December 31, 2015	-	$	0.10	9,310,652	$	0.10
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

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

	Number		Exercise price	Expiry date
Stock options	2,390,017	$	0.27	September 21, 2021
	2,390,017			

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
	658,000		0.40	July 17, 2017
	2,634,538			

6. 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 $34,560 for the former CEO and current director of the Company (2015 - $72,000).
- Paid or accrued consulting fees of $10,000 to the CFO of the Company (2015 - $10,975).
- Paid or accrued consulting fees of $40,000 for the current CEO of the Company (2015 - $Nil).
- Paid or accrued consulting fees of $14,500 to a director of the Company (2015 - $Nil).
- Issued stock options valued at $459,211 to key management personnel (2015 - $Nil).

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (cont'd…)

The amount of $24,749 (2014 - $85,340) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2016		2015
Loss before income taxes	$	(824,406)	$	(185,419)
Expected income tax (recovery)	$	(214,000)	$	(48,000)
Change in statutory, foreign tax, foreign exchange and other		(14,000)		(700,000)
Permanent differences		147,000		5,000
Share issue costs		(6,000)		(9,000)
Change in unrecognized deductible temporary differences		59,000		752,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's temporary differences, unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Temporary differences	2016	Expire Date Range	2015	Expire Date Range
Exploration and evaluation asset	$ 13,878,000	N/A	$ 13,878,000	N/A
Property and equipment	115,000	N/A	115,000	N/A
Share issue costs	43,000	2038 – 2041	34,000	2037 – 2040
Non-capital losses available for future period	20,546,000	2026 – 2037	20,271,000	2026 – 2036

8. 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.

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 $1,742 from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

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.

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.

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' deficiency.

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 year.

10. SEGMENTED INFORMATION

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

11. 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.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Corazon Gold Corp.

We have audited the accompanying consolidated financial statements of Corazon Gold Corp., which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of loss and comprehensive loss, cash flows, and changes in shareholders' deficiency for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Telephone (604) 687-0947 Davidson-co.com

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Corazon Gold Corp. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Corazon Gold Corp. to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

April 29, 2016

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

As at		December 31, 2015		December 31, 2014
ASSETS				
Current				
Cash	$	225,159	$	77,594
Receivables and prepaid expenses (Note 4)		2,689		12,095
		227,848		89,689
Reclamation bond		24,132		21,045
	$	251,980	$	110,734
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current				
Accounts payable and accrued liabilities	$	374,890	$	267,260
Shareholders' deficiency				
Share capital (Note 6)		18,200,593		17,984,622
Reserves (Note 6)		2,362,302		2,349,151
Accumulated other comprehensive income		58,111		68,198
Deficit		(20,743,916)		(20,558,497)
		(122,910)		(156,526)
	$	251,980	$	110,734

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on April 29, 2016

"Bradley Scharfe" Director — Bradley Scharfe

"Jason Scharfe" Director — Jason Scharfe

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

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

For the years ended December 31		2015		2014
EXPENSES				
Consulting	$	83,538	$	114,650
Office		21,072		26,211
Professional fees		42,161		34,692
Regulatory and filing		14,133		29,229
Salaries and benefits		-		2,241
		(160,904)		(207,023)
EXPENSES				
Foreign exchange		(24,515)		(5,371)
Write-off of receivables and deposits		-		(17,305)
Write off of accounts payable		-		4,271
Write-off of reclamation bond		-		(29,543)
Loss for the year		(185,419)		(254,971)
OTHER COMPREHENSIVE LOSS				
Exchange differences on translating foreign operations		(10,087)		(4,111)
Comprehensive loss for the year	$	(195,506)	$	(259,082)
Basic and diluted loss per common share	$	(0.02)	$	(0.06)
Weighted average number of common shares outstanding		10,690,862		4,277,457

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

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

For the years ended December 31	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (185,419)	$ (254,971)
Non-cash items:		
Write-off of receivables and deposits	-	17,305
Write-off of reclamation bond	-	29,543
Gain on write-off of accounts payable	-	(4,271)
Changes in non-cash working capital items:		
Receivables, deposits and prepaid expenses	9,406	1,171
Accounts payable and accrued liabilities	101,630	(227,873)
	(74,383)	(439,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares (Note 6)	250,040	514,448
Share issuance costs	(14,918)	(4,385)
	235,122	510,063
Change in cash during the year	160,739	70,967
Effect of exchange rates on cash holdings in foreign operations	(13,174)	(7,767)
Cash, beginning of year	77,594	14,394
Cash, end of year	$ 225,159	$ 77,594

During the year ended December 31, 2015, the Company incurred $6,000 of share issuance costs in accounts payable and issued finder’s warrants valued at $13,151.

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

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

	Share capital					
	Number	**Amount**	**Reserves**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Total**
Balance, December 31, 2013	1,529,037	$ 17,481,328	$ 2,349,151	$ 72,309	$ (20,303,526)	$ (400,738)
Private placements	8,574,132	514,448	-	-	-	514,448
Share issuance costs	-	(11,154)	-	-	-	(11,154)
Share-based payments	-	-	-	-	-	-
Other comprehensive loss	-	-	-	(4,111)	-	(4,111)
Loss for the year	-	-	-	-	(254,971)	(254,971)
Balance, December 31, 2014	10,103,169	17,984,622	2,349,151	68,198	(20,558,497)	(156,526)
Private Placements	1,316,000	250,040	-	-	-	250,040
Share issuance costs – cash	-	(20,918)	-	-	-	(20,918)
Share issuance costs – warrants	-	(13,151)	13,151	-	-	-
Other comprehensive loss	-	-	-	(10,087)	-	(10,087)
Loss for the year	-	-	-	-	(185,419)	(185,419)
Balance, December 31, 2015	11,419,169	$ 18,200,593	$ 2,362,302	$ 58,111	$ (20,743,916)	$ (122,910)

The accompanying notes are an integral part of these consolidated 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 700 – 510 West Hastings Street, Vancouver, British Columbia, Canada, V6B 1L8.

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 consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by 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.

(Expressed in Canadian Dollars)

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

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. 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 financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. 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	**2015 and 2014 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.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial instruments *(cont'd…)*

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale financial assets - These assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares in dilutive calculations includes options, warrants, and similar instruments. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Provisions

a) Environmental rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an environmental rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs). The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated.

Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the statement of loss and comprehensive loss. The Company had no rehabilitation obligations as December 31, 2014 or December 31, 2013.

b) Other provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Provisions *(cont'd…)*

b) Other provisions *(cont'd…)*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Government assistance and tax credits

Government assistance is recorded as either a reduction of the cost of the applicable asset or credit in the statement of loss and comprehensive loss as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.

Tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of loss and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the applicable government agency.

Foreign exchange

The functional currency of each entity in the consolidated group is the currency of the primary economic environment in which it operates. For the Company and all entities excluding COEXSA, this is the Canadian dollar. The functional currency of COEXSA is the US dollar. Transactions denominated in currencies other than the functional currency are recorded using the exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit and loss in the period in which they arise. For the purpose of presenting the consolidated financial statements, the assets and liabilities of COEXSA are translated into Canadian dollars at the rate of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions, and where exchange differences arise, they are recognized as a separate component of equity.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

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.

4. RECEIVABLES AND PREPAID EXPENSES

		2015		**2014**
GST receivables	$	1,366	$	6,872
Prepaid expenses		1,323		5,223
	$	2,689	$	12,095

5. EXPLORATION AND EVALUATION ASSETS

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.

6. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common and preferred shares without par value.

b) Issued share capital

During the year ended December 31, 2015, the Company completed a private placement by issuing 1,316,000 Units for $0.19 per unit for gross proceeds of $250,040. Each unit consisted of one common share and one half share purchase warrant with each share purchase warrant exercisable at $0.40 until July 17, 2017. In connection with the private placement, the Company paid cash share issuance costs of $20,918 and issued 78,520 finder's warrants exercisable at $0.19 per warrant expiring in one year. The finder's warrants were valued at $13,151 using the Black Scholes option pricing model assuming a risk-free rate of 0.41%, an expected volatility of 136%, an expected life of 1 year and an expected dividend and forfeiture rate of nil.

During the year ended December 31, 2014, the Company completed a non-brokered private placement by issuing 8,574,123 units for $0.06 per unit for gross proceeds of $514,448. Each unit consisted of one common share and one share purchase warrant with each share purchase warrant exercisable at $0.08 until September 5, 2016. In connection with the private placement, the Company paid or accrued $11,154 for share issuance costs.

b) Stock options and warrants

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

(Expressed in Canadian Dollars)

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

There are no outstanding stock options. Share purchase warrants transactions are summarized as follows:

	Warrants		
	Number of Shares		Weighted Average Exercise Price
Balance, December 31, 2013	6,667		10.50
Granted	8,574,132		0.08
Cancelled / expired	(6,667)		10.50
Balance, December 31, 2014	8,574,132	$	0.08
Granted	736,520		0.38
Balance, December 31, 2015	9,310,652	$	0.10

As at December 31, 2015, share purchase warrants were outstanding as follows:

	Number	Exercise price		Expiry date
Share Purchase Warrants	78,520	$	0.19	July 17, 2016
	8,574,132		0.08	September 5, 2016
	658,000		0.40	July 17, 2017
	9,310,652			

7. 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 $82,975 for the CEO and CFO of the Company (2014 - $114,650).

The amount of $85,340 (2014 - $32,775) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

(Expressed in Canadian Dollars)

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2015		2014
Loss before income taxes	$	(185,419)	$	(254,971)
Expected income tax (recovery)	$	(48,000)	$	(66,000)
Change in statutory, foreign tax, foreign exchange and other		(700,000)		(718,000)
Permanent differences		5,000		467,000
Share issue costs		(9,000)		-
Change in unrecognized deductible temporary differences		752,000		317,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's temporary differences, unused tax losses that have not been included on the consolidated statement of financial position are as follows:

Temporary differences	2015	Expire Date Range	2014	Expire Date Range
Exploration and evaluation asset	$ 13,878,000	N/A	$ 11,938,000	N/A
Property and equipment	115,000	N/A	110,000	N/A
Share issue costs	34,000	2034 - 2037	193,000	2033 – 2036
Non-capital losses available for future period	20,271,000	2014 – 2033	19,835,000	2014 – 2032

9. 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.

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 $1,366 from the Government of Canada. Management believes that the credit risk concentration with respect to receivables is minimal.

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

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 $10,000.

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.

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' deficiency.

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 year.

10. SEGMENTED INFORMATION

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

11. SUBSEQUENT EVENT

On April 8, 2016, the Company issued 81,000 common shares from the exercise of share purchase warrants at $0.08 per warrant for gross proceeds of $6,480.

SCHEDULE B

NanoSphere Health Sciences LLC Financial Statements

Unaudited Interim Financial Statements for
Fiscal Quarter Ended June 30, 2017 / 2016

\- and -

Audited Annual Financial Statements for
Fiscal Year Ended December 31, 2016 / 2015 / 2014

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Nanosphere Health Sciences LLC

Financial Statements

(Expressed in U.S. Dollars)

For the period ended June 30, 2017 and the years ended December 31, 2016, 2015 and 2014

INDEPENDENT AUDITORS' REPORT

To the Directors of
Nanosphere Health Sciences LLC

We have audited the accompanying financial statements of Nanosphere Health Sciences LLC, which comprise the statement of financial position as at December 31, 2016, 2015, and 2014, and the statements of operations, changes in member's equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Nanosphere Health Sciences LLC as at December 31, 2016, 2015, and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Nanosphere Health Sciences LLC to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

November 9, 2017

Nanosphere Health Sciences LLC
(Expressed in U.S. Dollars)
Statements of Financial Position

	June 30, 2017 (Unaudited)	December 31, 2016	December 31, 2015	December 31, 2014
Assets				
Current				
Cash	$ **30,064**	$ 436,383	$ 38,626	$ 12,251
Contributions Receivable (note 6)	-	75,000	-	-
Total Current Assets	**30,064**	511,383	38,626	12,251
Line of Credit Agreement (note 9)	**55,728**	-	-	-
Equipment (note 4)	**9,592**	5,112	6,325	7,536
Total Assets	$ **95,384**	$ 516,495	$ 44,951	$ 19,787
Liabilities and Members' Equity (Deficiency)				
Current				
Accounts Payables and accrued liabilities	$ **64,368**	$ 214,330	$ -	$ 20,294
Notes Payable (note 10)	**155,376**	-	-	-
Due to Canosphere, LLC (note 11)	-	60,000	60,000	-
Due to Williston Trust Group, LLC (note 5)	**499,214**	571,514	405,148	297,864
Total Liabilities	$ **718,958**	$ 845,844	$ 465,148	$ 318,158
Members' Equity				
Members contributions (note 6)	$ **1,409,000**	$ 1,334,000	$ 729,000	$ 375,000
Contributed Surplus (note 6)	**533,040**	533,040	533,040	-
Accumulated Deficit	**(2,565,614)**	(2,196,389)	(1,682,238)	(673,371)
Total Equity (Deficiency)	**(623,574)**	(329,349)	(420,198)	(298,371)
Total Liabilities and Members' Equity (Deficiency)	$ **95,384**	$ 516,495	$ 44,950	$ 19,787

Subsequent Events (note 13)

Approved by the Managing Member on November 9, 2017

"Robert Sutton" Managing Member

The accompanying notes form an integral part of these financial statements.

Nanosphere Health Sciences LLC
(Expressed in U.S. Dollars)
Statements of Operations

	Three month Period Ended June 30, 2017 (Unaudited)	Six month Period Ended June 30, 2017 (Unaudited)	Years ended December 31, 2016	2015	2014
Revenues					
Product Sales	$ -	$ -	$ -	$ 15,324	$ 6,240
Depreciation	**303**	**606**	1,212	1,212	945
Debt forgiveness (Note 11)	**(60,000)**	**(60,000)**	-	-	-
Foreign exchange	**8,387**	**8,387**	-	-	-
Labor	**85,613**	**208,506**	267,626	285,979	216,481
Legal and professional fees	**30,785**	**45,689**	92,640	25,839	62,730
Office and general	**47,056**	**84,593**	26,357	54,571	60,644
Product development	-	-	-	-	90,383
Rent	**17,509**	**29,062**	65,176	60,116	49,993
Stock-based compensation (note 6)	-	-	-	533,040	-
Supplies and materials	**3,239**	**18,158**	41,200	45,739	30,709
Travel	**18,378**	**34,224**	19,940	17,695	22,454
Total expenses	**151,270**	**369,225**	514,151	1,024,191	534,339
Loss for the period	**$ (151,270)**	**$ (369,225)**	$ (514,151)	$ (1,008,867)	$ (528,099)

The accompanying notes form an integral part of these financial statements.

Nanosphere Health Sciences LLC
(Expressed in U.S. Dollars)
Statements of Cash Flows

	Six month Period Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016	2015	2014
Cash provided by				
Operating activities				
Loss for the period	**$ (369,225)**	$ (514,151)	$ (1,008,867)	$ (528,099)
Items not involving cash:				
Depreciation	**606**	1,212	1,212	945
Debt forgiveness (Note 11)	**(60,000)**	-	-	-
Foreign exchange	**8,387**	-	-	-
Stock-based compensation	**-**	-	533,040	-
Cash used in operating activities before working capital changes	**(420,232)**	(512,939)	(474,615)	(527,154)
Change in non-cash working capital items:				
Accounts payables and accrued liabilities	**(149,963)**	214,330	(20,294)	(5,144)
Cash used in operating activities	**(570,195)**	(298,609)	(494,909)	(532,298)
Financing activities				
Advance of loan payable to Williston Trust	**(72,300)**	166,366	107,284	281,864
Due to Canosphere, LLC (note 11)	**-**	-	60,000	-
Line of credit advance	**(55,728)**	-	-	-
Notes payable borrowings	**146,989**	-	-	-
Member contributions	**150,000**	530,000	354,000	200,000
Cash provided by financing activities	**168,961**	696,366	521,284	481,864
Investing activities				
Purchase of property, plant and equipment	**(5,085)**	-	-	(8,481)
Cash used in for investing activities	**(5,085)**	-	-	(8,481)
Total (decrease) increase in cash	**(406,319)**	397,757	26,375	(58,915)
Cash, beginning of period	**436,383**	38,626	12,251	71,166
Cash, end of period	**$ 30,064**	$ 436,383	$ 38,626	$ 12,251

The accompanying notes form an integral part of these financial statements.

Nanosphere Health Sciences LLC
(Expressed in U.S. Dollars)
Statements of Changes in Members' Equity (Deficiency)

	Members' contributions	Contributed Surplus	Accumulated Deficit	Total
Balance, December 31, 2013	$ 175,000	-	$ (145,272)	$ 29,728
Contributions	200,000	-	-	200,000
Loss for the year	-	-	(528,099)	(528,099)
Balance, December 31, 2014	375,000	-	(673,371)	(298,371)
Contributions:	354,000	-	-	354,000
Stock-based compensation	-	533,040	-	533,040
Loss for the year	-	-	(1,008,867)	(1,008,867)
Balance, December 31, 2015	729,000	533,040	(1,682,238)	(420,198)
Contributions	605,000	-	-	605,000
Loss for the year	-	-	(514,151)	(514,151)
Balance, December 31, 2016	1,334,000	533,040	(2,196,389)	(329,349)
Contributions	75,000	-	-	75,000
Loss for the period	-	-	(369,225)	(369,225)
Balance, June 30, 2017 (Unaudited)	**$ 1,409,000**	**$ 533,040**	**$ (2,565,614)**	**$ (623,574)**

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Nanosphere Health Sciences, LLC, (the "Company") is organized and registered as an LLC in the State of Colorado. The Company is a nano-biotechnology company focused on providing next generation delivery of nutritive elements and medicants. The Company is headquartered in Greenwood Village, Colorado.

These financial statements have been prepared by management on a going concern basis 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 ongoing losses and as of June 30, 2017 has a working capital deficiency of $615,932 and an accumulated deficit of $2,557,972. The ability of the Company to continue as a going concern is dependent upon maintaining the support of creditors including the Williston Trust Group LLC, obtaining additional contributions from members, and ultimately generating a market for new and existing products at a profit. While the Company has retained the support of creditors and obtained additional contributions from members in the past, there is no assurance that this will continue into the future. These material uncertainties may cast significant doubt upon the ability of the Company to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for certain financial instruments which may be measured at fair value. The Company does not have any financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and are presented in United States dollars unless otherwise noted.

Significant Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgements 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.

Assessment of the Company's ability to continue as a going concern requires estimates of future cash flows and includes the consideration of other factors, the outcome of which is uncertain. Significant factors considered in the Company's assessment of its ability to continue as a going concern are disclosed in Note 1.

(Expressed in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below were applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined to be the U.S. dollar for the Company. Transactions in currencies other than the U.S. dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in a currency other than the U.S. dollar are translated at the exchange rate at the reporting date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss in the year in which they arise.

Equipment

Property and equipment is stated at cost. Depreciation is computed primarily by the straight line method over the following estimated useful lives:

Machinery and Equipment	7 years

Depreciation expense for the period ended June 30, 2017 was $606 and for the years ended December 31, 2016, 2015 and 2014 was $1,212, $1,212 and $945, respectively. Normal maintenance and repairs are charged to operations as incurred.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd...)*

Financial instruments *(cont'd...)*

Financial assets *(cont'd...)*

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in member's equity (deficiency). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from member's equity (deficiency) and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes amounts due to the Williston Trust Group LLC and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit or loss.

Financial instruments measured at fair value are classified into one of the 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.

Impairment of assets

The carrying amount of the Company's assets 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 loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd...)*

Impairment of assets *(cont'd...)*

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Revenue Recognition

Revenue is recognized upon the delivery of products to retail locations within the State of Colorado. Initial licensing fees are charged to licensees outside the State of Colorado and recognized upon the execution of the license agreement. Royalties are recognized when received.

Income Taxes

The Company is organized and registered as an LLC in the State of Colorado, and has elected to be taxed as a Partnership under the Internal Revenue Code for federal and state income tax reporting purposes. Accordingly, no provision for income taxes has been included in the accompanying financial statements since the Members report the earnings or loss of the Company on their respective income tax returns.

New Accounting Standards not yet adopted

The following standards are issued but not yet effective. The Company is currently assessing the impact these standards will have on its financial statements:

i) IFRS 9: New standard that replaced IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2018.

ii) IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service.*

iii) IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

(Expressed in U.S. Dollars)

4. EQUIPMENT

		Equipment
Cost		
Balance, December 31, 2014, 2015, and 2016 and June 30, 2017	$	13,566
Accumulated depreciation		
Balance, December 31, 2013	$	-
Amortization		945
Balance, December 31, 2014		945
Amortization		1,212
Balance, December 31, 2015		2,157
Amortization		1,212
Balance, December 31, 2016		3,369
Amortization		606
Balance, June 30, 2017	$	3,975
Carrying amounts		
As at December 31, 2014	$	7,356
As at December 31, 2015		6,325
As at December 31, 2016		5,112
As at June 30, 2017	$	9,592

5. DUE TO WILLISTON TRUST GROUP, LLC

The Company entered into a financing agreement with Williston Trust Group, LLC on January 31, 2015. Under the agreement the Company promises to pay the sum of up to $550,000 together with 41,260 Class C equity units totaling 3.86%. On January 31, 2017, the agreement was amended and the requirement to deliver the 41,260 Class C equity units was eliminated. The amounts payable are unsecured and non-interest bearing. A total of $225,000 is due at the time a financing event for the Company of $1,000,000 occurs. The remaining amount will be paid from the profits of the Company over the course of two years with preferred distributions.

6. MEMBERS' EQUITY

The Company is governed by the terms and conditions of the Second Amended and Restated Limited Liability Company Agreement dated June 1, 2015 (the "Agreement"). The Company shall continue until terminated in accordance with the terms of the Agreement or as provided by law, including events of dissolution. The Company shall dissolve upon the written determination of the manager or the written determination of a required interest of Class A members.

(Expressed in U.S. Dollars)

6. MEMBERS' EQUITY *(cont'd...)*

During fiscal 2014, the Company issued 20,000 Class B members' units for cash consideration of $200,000.

During fiscal 2015, the Company issued 25,000 Class B members' units for cash consideration of $250,000 and 7,801 Class C members' units for cash consideration of $104,000.

During fiscal 2015 the Company also granted the option to members of an advisory board to acquire a total of 53,304 Class B members' units exercisable at $0.001 expiring March 27, 2020 and June 1, 2020 in consideration for providing services to the Company. These options were valued at $533,040 based on the Black Scholes option pricing model.

The following weighted average assumptions were used for the valuation of the options for members' units:

	December 31, 2015
Risk-free interest rate	0.73% -1.01%
Expected life of options	5 years
Annualized volatility	102.82% - 100.68%
Dividend rate	0%
Forfeiture rate	0%

During fiscal 2016, the Company issued 1,000 Class B members' units for cash consideration of $10,000 and 44,635 Class C members' units for cash consideration of $595,000, of which $75,000 was received subsequent to December 31, 2016. The subscription agreements also included the option to acquire an additional 45,000 Class B members' units exercisable at $0.001 expiring June 1, 2020 and additional 132,864 Class C members' units exercisable at $0.001 expiring December 30, 2020. The Company issued 41,260 Class A members' units to the managing director as finders fees on the issuance of the members' units.

During the period ended June 30, 2017, the Company issued 5,262 Class C members' units for cash proceeds of $75,000 and received proceeds of $75,000 pursuant to Class C members' units issued in fiscal 2016.

On January 1, 2017, each of the outstanding Class B members' units was automatically converted into a Class A members' unit in accordance with the terms of the agreement. As at June 30, 2017, members' equity consists of 1,054,760 Class A members' units, and 57,698 Class C members' units.

Options to acquire members' units are summarized as follows:

	Options to acquire members' units		
	Number of Units		Weighted Average Exercise Price
Balance, December 31, 2014 and 2013	-	$	-
Granted	53,304		0.001
Balance, December 31, 2015	53,304	$	0.001
Granted / Issued	177,864		0.001
Balance, December 31, 2016, and June 30, 2017	231,168	$	0.001

6. MEMBERS' EQUITY *(cont'd...)*

As at June 30, 17, options to acquire members' units were outstanding as follows:

	Number		Exercise price	Expiry date
Options to acquire members' units	45,000	$	0.001	March 27, 2020
	53,304		0.001	June 1, 2020
	132,864	$	0.001	December 30, 2020
	231,168			

7. LEASES

The Company leases office space in Greenwood Village under a lease agreement commencing September 1, 2015 and expiring October 31, 2017. The monthly base rental amount is $4,427.

The Company also leases three photocopiers under two, 60-month non - cancellable operating leases. These leases expire in August and November 2017, and require monthly payments of $252 and $126.

Future minimum lease payments required under the operating leases that have lease terms in excess of one year are as follows:

2017	Total
	$47,672

For the years ended December 31, 2016, 2015 and 2014, total rental expense for all operating leases was $65,176, $60,116 and $49,993, respectively.

8. FINANCIAL INSTRUMENTS

Cash is carried at fair value using a level 1 fair value measurement, the carrying value of contributions receivable, accounts payable and accrued liabilities and amounts due to Williston Trust Group, LLC approximate their fair value because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

(a) Currency Risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates as all its transactions are in U.S. Dollars.

(b) Credit Risk

The Company maintains cash balances at one financial institutions in the Denver metro area. Cash balances at each institution are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2016, 2015 and 2014, the Company had uninsured cash deposits $186,383, $Nil and $Nil, respectively.

8. FINANCIAL INSTRUMENTS *(cont'd...)*

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, see going concern, Note 1. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

(d) 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 the market interest rates. The Company's cash is held mainly in interest bearing bank accounts.

(e) Market Risk

Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of uranium. The Company closely monitors uranium prices to determine the appropriate course of action to be taken by the Company.

Equity market risk

The Company is not exposed to equity market risk.

9. LINE OF CREDIT AGREEMENT

The Company entered into a revolving line of credit agreement as the lender. The maximum borrowing limit is $200,000, with an interest rate set at 5%. Interest will be paid monthly commencing January 1, 2018. The outstanding principal balance due to the Company at June 30, 2017 was $55,728. The borrower is an owner of Class C members' units and is a party to a licensing agreement with the Company.

10. NOTES PAYABLE

The Company signed a promissory note in the amount of $77,688 (CAD $100,853). The promissory note includes an interest rate of 5% and is to be repaid in full following completion of the transaction with Corazon Gold Corp. (Note 13).

The Company signed a promissory note in the amount of $77,688 (CAD $100,853). The promissory note includes an interest rate of 5% and is to be repaid in full following completion of the transaction with Corazon Gold Corp. (Note 13).

11. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2016, the Company paid $96,000 (2015 - $90,000, 2014 - $84,000), $84,000 (2015 - $60,000, 2014 - $60,000), and $78,000 (2015 - $66,000, 2014 - $66,000) for labour to the Manager, Chief Science Officer, and Chief Marketing Officer, respectively, of the Company.

During the year ended December 31, 2015, the Company received advances of $60,000 from Canosphere, LLC, a company controlled by the directors of the Company. The advances are unsecured, non-interest bearing and have been forgiven by Canosphere, LLC during the period ended June 30, 2017.

12. MANAGEMENT OF CAPITAL

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 delivery of nutritive elements and medicants. The Company relies mainly on members' contributions and the support of the Williston Trust Group, LLC. In the management of capital, the Company includes the components of member's equity (deficiency). The Company monitors the existing working capital to ensure that there are sufficient funds on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts. The Company did not change the ways in which it manages its capital during the period ended June 30, 2017.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2017, the Company:

a) signed a letter of intent dated December 22, 2016, with Corazon Gold Corp. ("Corazon") setting out the proposed terms of the Corazon's acquisition of 100% of the issued and outstanding members units shares of the Company (the "LOI"). Corazon is company listed on the TSX Venture Exchange under the symbol "CWG".

   Under the LOI, Corazon, or a subsidiary controlled by Corazon, would acquire 100% of the issued and outstanding members' equity of the Company. As consideration, Corazon would provide the members of the Company an aggregate of 40,000,000 common shares of Corazon and the rights to receive an aggregate of 19,000,000 additional common shares of Corazon upon the commercialization and first sale of the Company's "Evolve Cannabis" product. The execution of this LOI is subject to the signing of a definitive agreement, certain defined closing conditions and acceptance by the TSX Venture Exchange.

b) received proceeds of CAD $373,300 from the issuance of promissory notes. The promissory notes bear interest at 5% and are to be repaid in full following completion of the transaction with Corazon (see above).

c) received proceeds of $50,000 from the issuance of a convertible promissory note. The convertible promissory note bears interest at 5% and is repayable in full on completion of the transaction with Corazon (see above). The principal sum and interest is repayable in cash or common shares of Corazon.

d) granted options to acquire 154,000 members' units exercisable at $0.001 expiring December 30, 2020 in consideration for providing services to the Company.

e) issued 504,257 Class A members' units to the managing director and 60,000 Class A members' units to a key consultant as a success fee.

SCHEDULE C

Proforma Financial Statements

NANOSPHERE HEALTH SCIENCES LLC

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Expressed in United States dollars)

As at June 30, 2017

NANOSPHERE HEALTH SCIENCES LLC
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited)
(Expressed in United States dollars)
AS AT JUNE 30, 2017

	Corazon Gold Corp.	Nanosphere Health Sciences LLC	Note 3	Pro-forma adjustments	Pro-forma consolidated
ASSETS					
Current					
Cash	$ 793,898	$ 30,064	a, c, d	$ 5,349,604	$ 6,173,566
Receivables and prepaid	9,789	-		-	9,789
	803,687	30,064		5,349,604	6183,355
Reclamation Bond	4,007	-		-	4,007
Line of credit agreement	-	55,728		-	55,728
Equipment	-	9,592		-	9,592
Total assets	$ 807,694	$ 95,384		$ 5,349,604	$ 6,252,682
Current					
Accounts payable and accrued liabilities	$ 66,116	$ 64,368		$ -	$ 130,484
Note payble	-	155,376		-	155,376
Due to Williston Trust Group	-	499,214	d	(225,000)	274,214
	66,116	718,958		(225,000)	560,074
Shareholders' equity					
Share capital	15,747,674	1,409,000	a, b, c	552,725	17,709,399
Reserves	2,337,945	533,040	a	(2,337,945)	533,040
Accumulated Other Comprehensive Income	49,603	-	a	(49,603)	-
Deficit	(17,393,644)	(2,565,614)	a, b	7,409,427	(12,549,831)
	741,578	(623,574)		5,574,604	5,692,608
Total liabilities and shareholders' equity	$ 807,694	$ 95,384		$ 5,349,604	$ 6,252,682

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

NANOSPHERE HEALTH SCIENCES LLC
PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in United States dollars)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

	Corazon Gold Corp.	Nanosphere Health Sciences LLC	Note 3	Pro-forma adjustments	Pro-forma consolidated
OPERATING EXPENSES					
Consulting	$ 42,112	$ -		$ -	$ 42,112
Depreciation	-	606		-	606
Filing	12,551	-		-	12,551
Foreign exchange	-	8,387		-	8,387
General and administrative	23,559	84,593		-	108,152
Labour	-	208,506		-	208,506
Rent	-	29,062		-	29,062
Professional fees	70,315	45,689		-	116,004
Supplies and materials	-	18,158		-	18,158
Travel	58,881	34,224		-	93,105
	$ (207,418)	$ (429,225)		$ -	$ (636,643)
OTHER					
Gain on wind down of subsidiaries	102,440	-		-	120,440
Gain on write-off of debt	398	60,000		-	398
Listing expense	-	-	b	(9,984,217)	(9,984,217)
Net loss and comprehensive loss for the period	$ (104,580)	$ (369,225)		$ (9,984,217)	$(10,458,022)
Basic and diluted loss per common share					$ (0.11)
Weighted average number of common shares outstanding					96,900,176

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

NANOSPHERE HEALTH SCIENCES LLC
PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in United States dollars)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Corazon Gold Corp.	Nanosphere Health Sciences LLC	Note 3	Pro-forma adjustments	Pro-forma consolidated
OPERATING EXPENSES					
Consulting	$ 98,083	$ -		$ -	$ 98,083
Depreciation	-	1,212		-	1,212
Gain on settlement of debt	(3,181)	-		-	(3,181)
Filing	35,950	-		-	35,950
Foreign exchange	(4,106)	-		-	(4,106)
General and administrative	41,658	26,357		-	68,015
Labour	-	267,626		-	267,626
Rent	-	65,176		-	65,176
Professional fees	38,863	92,640		-	131,503
Share-based payments	415,964	-		-	415,964
Supplies and materials	-	41,200		-	41,200
Travel	-	19,940		-	19,940
	$ (623,231)	$ (514,151)		$ -	$(1,137,382)
OTHER					
Listing expense	-	-	b	(9,984,217)	(9,984,217)
Net loss and comprehensive loss for the period	$ (623,231)	$ (514,151)		$(9,984,217)	$(11,121,599)
Basic and diluted loss per common share					$ (0.11)
Weighted average number of common shares outstanding					96,900,176

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

1. BASIS OF PRESENTATION

These unaudited pro-forma consolidated financial statements have been compiled from and include:

a) An unaudited pro-forma consolidated statement of financial position as at June 30, 2017 combining:

   i) the statement of financial position of Corazon Gold Corp. ("Corazon") as at June 30, 2017 derived from the unaudited condensed interim financial statements of Corazon; and
   ii) the consolidated statement of financial position of Nanosphere Health Sciences LLC ("Nanosphere") as at June 30, 2017 derived from the unaudited interim financial statements of Nanosphere.

   The unaudited pro-forma consolidated statement of financial position gives effect to the transactions as if they had occurred at June 30, 2017.

b) An unaudited pro-forma consolidated statement of loss and comprehensive loss for the six-month period ended June 30, 2017 combining:

   i) the interim statement of loss and comprehensive loss for the six-month period ended June 30, 2017 of Corazon derived from the unaudited condensed interim financial statements of Corazon for the six months ended June 30, 2017; and
   ii) the statement of operations and comprehensive loss for the six-month period ended June 30, 2017 of Nanosphere derived from the unaudited interim financial statements of Nanosphere for the six-month period ended June 30, 2017.

   The unaudited pro-forma consolidated statement of loss and comprehensive loss for the six-month period ended June 30, 2017 gives effect to the transactions as if they had occurred on January 1, 2017.

c) An unaudited pro-forma consolidated statement of loss and comprehensive loss for the year ended December 31, 2016 combining:

   i) the statement of loss and comprehensive loss for the year ended December 31, 2016 of Corazon derived from the audited financial statements of Corazon for the year ended December 31, 2016; and
   ii) the statement of operations and comprehensive loss for the year ended December 31, 2016 of Nanosphere derived from the audited financial statements of Nanosphere for the year ended December 31, 2016.

   The unaudited pro-forma consolidated statement of loss and comprehensive loss for the year ended December 31, 2016 gives effect to the transactions as if they had occurred on January 1, 2016.

The Pro Forma financial statements have been prepared for illustrative purposes only, and do not purport to represent the financial position that would have resulted had the Proposed Transaction actually occurred on June 30, 2017 or the results of operations that would have resulted had the Proposed Transaction actually occurred on January 1, 2016. Further, the Pro Forma financial statements are not necessarily indicative of the Company's future financial position or results of operations as a result of the Proposed Transaction and should be read in conjunction with the audited financial statements of both Corazon and Nanosphere as at and for the year ended December 31, 2016 and period ended June 30, 2017.

The Pro Forma financial statements do not reflect any cost savings, operating synergies or enhancements that the combined company may achieve or for liabilities resulting from integration planning as a result of the Proposed Transaction. Any such savings or liabilities could be material.

(Expressed in United States dollars)

1. BASIS OF PRESENTATION (cont'd…)

The accounting policies used in the preparation of the Pro Forma financial statements are those set out in our audited financial statements of Corazon as at and for the year ended December 31, 2016. In preparing the Pro Forma financial statements, a review was undertaken to identify differences between Corazon's accounting policies and those of Nanosphere that could have a material impact on the Pro Forma financial statements. No material differences were noted.

As at June 30, 2017, the functional and presentation currency of Corazon was Canadian dollars. The financial statements of Corazon have been translated to United States dollars. Nanosphere has a functional currency of United States dollars. The following rates have been applied:

Currency translated to USD	As at June 30, 2017	Average for the six-month period ended June 30, 2017	Average for the year ended December 31, 2016
Canadian dollars	0.8014	0.7763	0.7543

The pro-forma adjustments and allocations of the purchase price of Corazon by Nanosphere as a reverse takeover are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of Corazon that exist as of the date of completion of the acquisition.

2. PROPOSED TRANSACTIONS

Reverse takeover

Corazon and Nanosphere have entered into a Letter of Intent (the "LOI") pursuant to which Corazon will acquire all of the issued and outstanding capital stock, being 59,000,000 common shares, of Nanosphere in consideration for securities of Corazon on a one for one basis. After completion of the LOI, the shareholders of Nanosphere will hold approximately 71.17% of Corazon. Accordingly, Nanosphere is considered to have acquired Corazon with the LOI being accounted as a reverse takeover of Corazon by Nanosphere shareholders (the "RTO").

In conjunction with the RTO, Corazon will complete a private placement of a minimum $5,609,604 (CAD$7,000,000) by issuing units at a price of CAD$0.50 per common share.

(Expressed in United States dollars)

3. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma consolidated financial statements incorporate the following pro-forma assumptions:

a) Corazon will complete a concurrent equity financing of a minimum 14,000,000 common shares for proceeds of $5,609,604 (CAD$7,000,000).

b) The legal acquisition of Nanosphere by Corazon constitutes an asset acquisition as Corazon does not meet the definition of a business, as defined in IFRS 3, Business Combinations. As a result of the RTO, the pro-forma consolidated statement of financial position has been adjusted for the elimination of Corazon's share capital, reserves and accumulated deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $9,984,217 has been recorded. This reflects the difference between the estimated fair value of the Nanosphere shares to the Corazon shareholders less the fair value of the net liabilities of Corazon acquired.

In accordance with reverse acquisition accounting:

i) The assets and liabilities of Nanosphere are included in the pro-forma consolidated statement of financial position at their carrying values;

ii) The net assets of Corazon are included at their fair value of $741,578.

iii) The fair value of net assets of Corazon has been estimated as follows:

Cash	$	793,898
Accounts receivable		9,789
Reclamation bond		4,007
Accounts payable and accrued liabilities		(66,116)
Estimated fair value of net assets	$	741,578

iv) The listing expense of $9,984,217 was determined as follows:

- Number of Corazon common shares held by former Nanosphere shareholders outstanding prior to the financing is estimated to be 59,000,000 or 67.72% of the combined entity.
- Number of outstanding shares of Corazon prior to the financing and after the consolidation is determined to be 28,125,981 being 23,900,176 common shares, 1,615,017 stock options and 2,610,788 warrants, or 32.28% of the combined entity.
- The fair value of the shares considered issued to acquire Corazon under reverse takeover accounting is assumed to be $10,725,795 being the common share value of $9,291,593 calculated as 23,900,176 shares at $0.3887 per share plus the fair value of stock options and warrants of $1,434,202 calculated using the Black-Scholes pricing model.
- The difference between the fair value of $10,725,395 being the consideration paid, and the estimated fair value of the net assets of Corazon of $741,578 amounts to a listing expense of $9,984,217.

The above acquisition price allocation and share valuations are preliminary. The final net assets and valuation of consideration paid will be calculated at the closing date of the RTO.

c) Total cash transaction costs which are expected to be incurred for the reverse asset acquisition amounts to $35,000 which includes exchange fees and professional and consulting fees. These have been allocated to share capital.

d) The Company will repay $225,000 to Williston Trust Group upon successful financing.

(Expressed in United States dollars)

4. PRO-FORMA SHARE CAPITAL

Authorized

Unlimited common shares, without par value

	Number of Shares	Share capital	Reserves
Opening balance of Nanosphere	59,000,000	$ 1,409,000	$ 533,040
Reverse takeover transaction			
Pursuant to the acquisition of Corazon	(59,000,000)		
Exchange of shares	59,000,000		
Fair value of shares of Corazon at the RTO date	23,900,176	10,725,795	
Less: transaction costs related to RTO		(35,000)	
Private placement			
Issued for cash pursuant to private placement	14,000,000	5,609,604	-
	96,900,176	$17,709,399	$ 533,040

SCHEDULE D

Corazon Gold Corp. Management Discussion & Analysis

for Fiscal Year Ended December 31, 2015

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for Fiscal Year Ended December 31, 2016

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for Fiscal Quarter Ended June 30, 2017

CORAZON GOLD CORP.

Management Discussion & Analysis

December 31, 2015

Corazon Gold Corp.
Form 51-102F1
Management Discussion and Analysis
For the Period Ended December 31, 2015
Dated as at April 29, 2016

The following Management Discussion and Analysis ("MD&A") of Corazon Gold Corp. (the "Company" or "Corazon") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2015 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR at www.sedar.com. This MD&A is dated as of April 29, 2016.

DESCRIPTION OF THE COMPANY

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects. The Company trades on the TSX Venture Exchange under the symbol 'CGW'.

OVERALL PERFORMANCE

- During the year ended December 31, 2015, the Company completed a private placement by issuing 1,316,000 Units for $0.19 per unit for gross proceeds of $250,040. Each unit consisted of one common share and one half share purchase warrant with each share purchase warrant exercisable at $0.40 until July 17, 2017. In connection with the private placement, the Company paid cash share issuance costs of $20,918 and issued 78,520 finder's warrants exercisable at $0.19 per warrant expiring in one year. The finder's warrants were valued at $13,151 using the Black Scholes option pricing model assuming a risk-free rate of 0.41%, an expected volatility of 136%, an expected life of 1 year and an expected dividend and forfeiture rate of nil.

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended:

		December 31, 2015		**December 31, 2014**		December 31, 2013
Financial results						
Total revenue	**$**	**Nil**	**$**	**Nil**	$	Nil
Loss for the year	**$**	**185,419**	**$**	**254,971**	$	6,867,767
Basic and diluted loss per share	**$**	**0.02**	**$**	**0.06**	$	0.93
Impairment of exploration and evaluation assets	**$**	**-**	**$**	**-**	$	5,501,911

Balance sheet data						
Current assets	**$**	**227,848**	**$**	**89,689**	$	55,160
Non-current assets	**$**	**24,132**	**$**	**21,045**	$	46,932
Total assets	**$**	**251,980**	**$**	**110,734**	$	102,092
Current liabilities	**$**	**374,890**	**$**	**267,260**	$	502,830
Shareholders' deficiency	**$**	**(122,910)**	**$**	**(156,526)**	$	(400,738)

Corazon is a mineral exploration company which has elected under IFRS to capitalize exploration and evaluation expenditures. Corporate and administration expenses, as well as any exploration expenditures incurred prior to obtaining the legal right to explore, are charged to the statement of earnings when incurred. The Company decided not to continue with its exploration properties and wrote-off all balances to the statement of loss and comprehensive loss as at December 31, 2014. No revenues have been reported for the years ended December 31, 2015, 2014, and 2013.

Results of Operations for the year ended December 31, 2015 compared to 2014

The net loss for the year decreased by $69,552 to $185,419 (2014 – $254,971). Individual items contributing to the decrease in net loss:

- Consulting fees decreased by $31,112 to $83,538 (2014 - $114,650) as the Company appointed a new CFO with a decreased fee.

- Salaries and benefits decreased by $2,241 to $Nil (2014 - $2,241) as the Company appointed a new management team including the CEO, CFO to replace salaried employees.

- Office expenses decreased by $5,139 to $21,072 (2014 - $26,211) as the Company had reduced office insurance among other miscellaneous expenses to conserve cash.

- Write-off of receivables and deposits decreased to $Nil (2014 - $17,305) as the Company recognized the one-time loss on sale of receivables during the prior year.

- Write-off of reclamation bond decreased to $Nil (2014 - $29,543) as the Company recognized a one-time loss on reclamation bonds during the prior year.

Cash flows for the year ended December 31, 2015 compared to 2014

- Cash outflows from operating activities decreased by $364,713 to $74,383 (2014 – $439,096) as the Company maintains low activity and conserving cash while in search of the next project.

- Cash inflows from financing activities decreased by $274,941 to $235,122 (2014 - $510,063) as the Company completed a private placement for gross proceeds of $250,040 during the year.

SUMMARY OF QUARTERLY RESULTS

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3*	Q2	Q1
Net Sales	-	-	-	-	-	-	-	-
Net loss	52,361	37,072	48,541	47,445	75,224	32,504	63,370	83,873
Basic and diluted net loss per share	0.00	0.00	0.01	0.01	0.00	0.01	0.04	0.06

* Numbers have been adjusted to remove share-based payments recognized during the period.

Results of Operations for the three month period ended December 31, 2015 compared to 2014

The net loss for the three month period ended December 31, 2015 decreased by $22,863 to $52,361 (2014 – $75,224). Individual items contributing to the decrease in net loss:

- Office expenses increased by $671 to $7,034 (2014 - $6,363) due to the Company moving offices for cheaper rent as well as a decrease in overall activity.

- Professional fees decreased by $7,777 to $9,000 (2014 - $16,777) as Company paid or accrued legal fees in relation to the private placement for proceeds of $514,448 completed the prior year period.

- Write-off of reclamation bond decreased to $Nil (2014 - $29,543) as the Company recognized a one-time loss on reclamation bonds during the prior year period.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At December 31, 2015 and December 31, 2014 the Company's working capital and deficit were as follows:

		December 31, 2015		December 31, 2014
Working capital deficiency	$	(147,042)	$	(177,571)
Deficit		(20,743,916)		(20,558,497)

As at December 31, 2015, the Company has a working capital deficiency of $147,042. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next fiscal year.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual consolidated financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

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 $72,000 to Scharfe Holdings Inc., a company controlled by Bradley Scharfe, the CEO of the Company. (2014 - $72,000)

- Paid or accrued consulting fees of $10,975 to Red Fern Consulting Ltd., a company for the CFO of the Company, Bao Huo, works for. (2014 - $42,650).

The amount of $85,340 (2014 - $32,775) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS 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.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non-inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company’s property holdings within existing investors’ investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company’s planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company’s securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2015 was $20,743,916. The Company decided not to continue with its acquire exploration properties and wrote-off all balances to the statement of loss and comprehensive loss as at December 31, 2014. The Company currently still maintains ownership of 1 mineral claim in the ReMac Zinc Property. Even if the Company commences development of the property, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company’s receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. Cash and receivables, 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 GST receivable of $1,366 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.

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 $10,000.

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' deficiency.

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 year.

OUTSTANDING SHARE DATA

Common shares, options, warrants and convertible securities outstanding as at the date of this report**:**

Security	Common Shares on Exercise
Common Shares	11,500,169
Options	-
Warrants	9,229,652

PROPOSED TRANSACTIONS

The Company has no proposed transactions under consideration.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

CORAZON GOLD CORP.

Management Discussion & Analysis

December 31, 2016

The following Management Discussion and Analysis ("MD&A") of Corazon Gold Corp. (the "Company" or "Corazon") should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2016 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR at www.sedar.com. This MD&A is dated as of April 28, 2017.

DESCRIPTION OF THE COMPANY

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects. The Company trades on the TSX Venture Exchange under the symbol 'CGW'.

OVERALL PERFORMANCE

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.

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended:

	December 31, 2016	December 31, 2015	December 31, 2014
Financial results			
Total revenue	$ Nil	$ Nil	$ Nil
Loss for the year	$ 826,192	$ 185,419	$ 254,971
Basic and diluted loss per share	$ 0.06	$ 0.02	$ 0.06
Impairment of exploration and evaluation assets	$ -	$ -	$ -
Balance sheet data			
Current assets	$ 1,352,373	$ 227,848	$ 89,689
Non-current assets	$ 23,585	$ 24,132	$ 21,045
Total assets	$ 1,375,958	$ 251,980	$ 110,734
Current liabilities	$ 317,850	$ 374,890	$ 267,260
Shareholders' equity (deficiency)	$ 1,058,108	$ (122,910)	$ (156,526)

Corazon is a mineral exploration company which has elected under IFRS to capitalize exploration and evaluation expenditures. Corporate and administration expenses, as well as any exploration expenditures incurred prior to obtaining the legal right to explore, are charged to the statement of earnings when incurred. The Company decided not to continue with its exploration properties and wrote-off all balances to the statement of loss and comprehensive loss as at December 31, 2014. No revenues have been reported for the years ended December 31, 2016, 2015, and 2014.

Results of Operations for the year ended December 31, 2016 compared to 2015

The net loss for the year increased by $640,773 to $826,192 (2015 – $185,419). Individual items contributing to the decrease in net loss:

- Consulting fees increased by $46,487 to $130,025 (2015 - $83,538) as the Company appointed a new CEO with an increased fee.

- Office expenses increased by $34,152 to $55,224 (2015 - $21,072) as the Company had travel expenses related to property visits.

Cash flows for the year ended December 31, 2016 compared to 2015

- Cash outflows from operating activities increased by $233,036 to $307,419 (2015 – $74,383) primarily due to the hiring of a new CEO and payment of previous accounts payable.

- Cash inflows from financing activities increased by $1,218,875 to $1,428,997 (2015 - $235,122) as the Company completed a private placement for gross proceeds of $765,875 during the year.

SUMMARY OF QUARTERLY RESULTS

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	-	-	-	-	-	-	-	-
Net loss	49,222	691,532	64,172	21,266	52,361	37,072	48,541	47,445
Basic and diluted net loss per share	0.00	0.04	0.01	0.01	0.00	0.00	0.01	0.01

Results of Operations for the three-month period ended December 31, 2016 compared to 2015

The net loss for the three-month period ended December 31, 2016 decreased by $3,139 to $49,222 (2015 – $52,361). Individual items contributing to the decrease in net loss:

- Office expenses increased by $25,961 to $32,995 (2015 - $7,034) due to the Company had travel expenses related to property visits.

- Professional fees increased by $16,312 to $25,312 (2015 - $9,000) as Company paid or accrued legal fees in relation to the private placement for proceeds of $765,875 completed the prior year period.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At December 31, 2016 and December 31, 2015 the Company's working capital and deficit were as follows:

		December 31, 2016		December 31, 2015
Working capital	$	1,034,523	$	(147,042)
Deficit		(21,595,108)		(20,743,916)

As at December 31, 2016, the Company has a working capital of $1,034,523. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next fiscal year.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual consolidated financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

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 $34,560 to Scharfe Holdings Inc., a company controlled by Bradley Scharfe, the chairman of the Company. (2015 - $72,000)

- Paid or accrued consulting fees of $10,000 to the CFO of the Company (2015 - $10,975).

- Paid or accrued consulting fees of $14,500 to a director of the Company (2015-$Nil)
- Issued stock options valued at $459,211 to key management personnel (2015-$Nil)
- Paid or accrued consulting fees of $40,000 for the current CEO of the Company (2015 - $Nil).

The amount of $24,749 (2015 - $85,340) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS 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.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non-inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2016 was $21,595,108. The Company decided not to continue with its acquire exploration properties and wrote-off all balances to the statement of loss and comprehensive loss as at December 31, 2014. The Company currently still maintains ownership of 1 mineral claim in the ReMac Zinc Property. Even if the Company commences development of the property, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. Cash and receivables, 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 GST receivable of $1,742 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.

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 $10,000.

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' deficiency.

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 year.

OUTSTANDING SHARE DATA

Common shares, options, warrants and convertible securities outstanding as at the date of this report**:**

Security	Common Shares on Exercise
Common Shares	23,923,926
Options	2,390,017
Warrants	2,634,538

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.

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than already disclosed.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

CORAZON GOLD CORP.

Management Discussion & Analysis
June 30, 2017

The following Management Discussion and Analysis ("MD&A") of Corazon Gold Corp. (the "Company" or "Corazon") should be read in conjunction with the consolidated condensed financial statements of the Company for the period ended June 30, 2017 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"), and the Company's audited annual consolidated financial statements for the year ended December 31, 2016 . This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future exploration activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Additional information can be found on SEDAR at www.sedar.com. This MD&A is dated as of August 29, 2017.

DESCRIPTION OF THE COMPANY

The Company is a natural resource company engaged in the acquisition and exploration of resource properties. The Company is actively searching for new projects. The Company trades on the TSX Venture Exchange under the symbol 'CGW'.

Corazon is a mineral exploration company which has elected under IFRS to capitalize exploration and evaluation expenditures. Corporate and administration expenses, as well as any exploration expenditures incurred prior to obtaining the legal right to explore, are charged to the statement of earnings when incurred. The Company decided not to continue with its exploration properties and wrote-off all balances to the statement of loss and comprehensive loss for the year ended December 31, 2014.

HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2017

The Company continues to progress towards to acquisition of Nanosphere Health Sciences LLC.

Results of operations for the six-month period ended June 30, 2017 compared to 2016

The net loss for the period increased by $49,285 to $134,723 (2016 – $85,438). This increase in net loss is primarily due to higher travel expenses for financing in the prior year period. Individual items contributing to the increase in net loss:

- Professional fees increased by $74,876 to $90,582 (2016 – $15,706) as the Company incurred advisory services and legal fees related to the acquisition of NanoSphere Health Sciences LLC.
- Travel expense of $75,852 (2016 - $Nil) primarily due to travel related to the financing.

- Gain on wind down of subsidiaries of $131,966 (2016 - $Nil) as the Company wound down Esmeralda Gold Inc., Eureka Gold Inc., and Washoe Gold Inc.

Cash flows for the six-month period ended June 30, 2017 compared to 2016

- Cash outflows from operating activities increased by $254,821 to $358,396 (2016 – $103,575) as the Company incurred expenses related to the acquisition of NanoSphere Health Sciences LLC.

SUMMARY OF QUARTERLY RESULTS

	2017		2016				2015	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net Sales	-	-	-	-	-	-	-	-
Net loss	42,345	92,378	49,222	691,532	64,172	21,266	52,361	37,072
Basic and diluted net loss per share	0.01	0.01	0.00	0.04	0.01	0.01	0.00	0.00
Current assets	1,002,889	1,184,497	1,352,373	1,410,625	201,894	154,764	227,848	232,572
Non-current assets	5,000	23,387	23,585	23,067	22,972	22,972	24,132	23,504
Total assets	1,007,889	1,207,884	1,375,958	1,433,692	224,866	177,736	251,980	256,076
Current liabilities	82,504	241,510	317,850	251,610	365,254	368,853	374,890	318,576
Shareholders' equity	925,385	996,374	1,058,108	1,182,082	(140,388)	(191,117)	(122,910)	(62,500)

Results of Operations for the three-month period ended June 30, 2017 compared to 2016

The net loss for the quarter increased by $104,712 to $168,888 (2016 – $64,176). Individual items contributing to the increase in net loss:

- Professional fees increased by $6,200 to $9,969 (2016 - $3,769) as the Company had fees related to the acquisition with NanoSphere Health Sciences LLC.
- Travel expense of $75,852 (2016 - $Nil) primarily due to travel related to the financing.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures.

		June 30, 2017		December 31, 2016
Working capital	$	920,385	$	1,034,523
Deficit		(21,704,831)		(21,570,108)

As at June 30, 2017, the Company has a working capital of $920,385. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next fiscal year.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual consolidated financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

OUTLOOK

The Company plans to complete the acquisition of NanoSphere and concurrent financing of not less than $7,000,000 in Q3 2017.

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 - $30,000).
- Paid or accrued consulting fees of $5,000 to the CFO of the Company (2016 - $5,000).
- Paid or accrued consulting fees of $40,000 for the current CEO of the Company (2016 - $10,000).

The amount of $4,907 (December 31, 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.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS NOT YET ADOPTED

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9, Financial Instruments (New).
- IFRS 2, Share-based Payments (Amended).
- IFRS 7, Financial Instruments: Disclosures (Amended).

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

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks (non-inclusive) faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek gold and precious metals. While gold has recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and the commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of June 30, 2017 was $21,704,831. The Company decided not to continue with its acquire exploration properties and wrote-off all balances to the statement of loss and comprehensive loss as the year ended December 31, 2014. The Company currently still maintains ownership of 1 mineral claim in the ReMac Zinc Property. Even if the Company commences development of the property, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the consolidated statement of financial position. Cash and receivables, 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 GST receivable of $2,215 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.

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.

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.

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' deficiency.

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.

OUTSTANDING SHARE DATA

Common shares, options, warrants and convertible securities outstanding as at the date of this report:

Security	Common Shares on Exercise
Common Shares	24,259,176
Options	2,390,017
Warrants	2,610,788

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 June 30, 2017, the LOI has not yet completed.

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than already disclosed.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

SCHEDULE E

NanoSphere Health Sciences LLC Management Discussion & Analysis

for Fiscal Year Ended December 31, 2015

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for Fiscal Year Ended December 31, 2016

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for Fiscal Quarter Ended June 30, 2017

Nanosphere Health Sciences LLC

Management Discussion & Analysis

For the years ended December 31, 2015 and 2014

The following Management Discussion and Analysis ("MD&A") of NanoSphere Health Sciences LLC ("NanoSphere" or the "Company") should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2015 and 2014 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. This MD&A is dated as of June 13, 2017.

DESCRIPTION OF THE COMPANY

The Company is organized and registered as an LLC in the State of Colorado. The Company is a nano-biotechnology company focused on providing next generation delivery of biological agents, such as medications and nutraceuticals, into the body. The Company is headquartered in Greenwood Village, Colorado.

OVERALL PERFORMANCE

During the year ended December 31, 2015, the Company has incurred ongoing losses and as at December 31, 2015 has a working capital deficiency of $426,522 and an accumulated deficit of $1,682,238. The Company has announced positive pharmacokinetics (PK) and pharmacodynamics (PD) results for its nano-encapsulated THC intra-oral formula.

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended:

		December 31, 2015		December 31, 2014
Financial results				
Total revenue	$	**15,324**	$	**6,240**
Loss for the year	$	**(1,008,867)**	$	**(528,099)**
Balance sheet data				
Current assets	$	**38,626**	$	**12,251**
Non-current assets	$	**6,325**	$	**7,536**
Total assets	$	**44,951**	$	**19,787**
Current liabilities	$	**465,148**	$	**318,158**
Shareholders' equity (deficiency)	$	**(420,198)**	$	**(298,371)**

NanoSphere is a biotechnology company which has elected under IFRS to expense product development expenditures. Revenue is recognized upon the delivery of products to retail locations within the State of Colorado. Revenue $15,324 have been reported for the year ended December 31, 2015.

Results of Operations for the year ended December 31, 2015 compared to 2014

The net loss for the year decreased by $52,272 to $475,827 (2014 – $528,099). The primary factor contributing to the net loss was a decrease in product development expense by $90,383 to $Nil (2014 - $90,383) .

Cash flows for the year ended December 31, 2015 compared to 2014

- Cash outflows from operating activities decreased by $97,389 to $434,909 (2014 – $532,298) primarily due to the decrease on legal fee and product development expenses.

- Cash inflows from financing activities decreased by $36,580 to $461,284 (2014 - $497,864) as the Company received fewer loans.

SUMMARY OF QUARTERLY RESULTS

	2015				2014			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net Sales	$4,979	$8,091	$493	$1,759	$4,161	$1,415	$1,033	$-
Net Loss	$632,246	$115,073	$142,583	$118,965	$139,332	$105,260	$104,570	$179,146
Total Assets	$44,951	$24,530	$114,079	$109,861	$19,787	$26,721	$38,559	$131,214
Total Liabilities	$465,148	$423,114	$381,364	$339,614	$318,158	$248,220	$198,576	$148,932
Working Capital	$38,626	$14,400	$106,679	$83,140	$12,251	$14,590	$38,559	$130,214
Basic and diluted net loss per share	NA	NA	NA	NA	NA	NA	NA	NA

Results of Operations for the three months ended December 31, 2015 compared to 2014

The net loss for the quarter increased by $492,914 to $632,246 (2014 – $139,332), and the total liabilities increased by $146,990 to $465,148 (2014 – 318,158).

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At December 31, 2015 and 2014 the Company's working capital and deficit were as follows:

		December 31, 2015		December 31, 2014
Working capital	$	(426,522)	$	(298,371)
Deficit		(420,198)		(298,371)

As at December 31, 2015, the Company has a working capital deficit of $426,522. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next fiscal year.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in U.S. dollars unless otherwise noted.

RELATED PARTY TRANSACTIONS

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:

During the year ended December 31, 2015, the Company paid $90,000 (2014 - $84,000), $60,000 (2014 - $60,000), and $66,000 (2014 - $66,000) for labour to the Manager, Chief Science Officer, and Chief Marketing Officer, respectively, of the Company.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS 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.

RISKS AND UNCERTAINTIES

The Company’s financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Currency Risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates as all its transactions are in U.S. Dollars.

Credit Risk

The Company maintains cash balances at one financial institutions in the Denver metro area. Cash balances at each institution are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, see going concern, Note 1. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

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 the market interest rates. The Company's cash is held mainly in interest bearing bank accounts.

Market Risk

The Company's ability to raise capital to fund its development activities is subject to risks associated with fluctuations in the market for its products. The Company closely monitors the market for its products to determine the appropriate course of action to be taken by the Company.

Equity market risk

The Company is not exposed to equity market risk.

Competition. Significant and increasing competition exists for the supply of cannabinoids, nutraceuticals and other biological agents, and the Company's prospects depend in large part on the strength of the underlying markets for such products and the desirability of the Company's delivery system, on either an input cost or medicinal efficacy basis. As a result of this competition, some of which is with large established companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to preserve its competitive advantage in the face of new product offerings by such competitors.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2015 was $1,149,198.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the statement of financial position. Cash and receivables, 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. 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.

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.

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.

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 $10,000.

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' deficiency.

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 year.

SUBSEQUENT EVENT

a) The Company received $75,000 pursuant to the issuance of additional Class C members' units.

b) The Company has signed a letter of intent dated December 22, 2016, with Corazon Gold Corp. (“Corazon”) setting out the proposed terms of the Corazon’s acquisition of 100% of the issued and outstanding members units shares of the Company (the “LOI”). Corazon is company listed on the TSX Venture Exchange under the symbol “CGW”.

Under the LOI, Corazon, or a subsidiary controlled by Corazon, would acquire 100% of the issued and outstanding members’ equity of the Company. As consideration, Corazon would provide the members of the Company an aggregate of 40,000,000 common shares of Corazon and the rights to receive an aggregate of 19,000,000 additional common shares of Corazon upon the commercialization and first sale of the Company’s “Evolve Cannabis” product. The execution of this LOI is subject to the signing of a definitive agreement, certain defined closing conditions and acceptance by the TSX Venture Exchange.

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than already disclosed.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

Nanosphere Health Sciences LLC

Management Discussion & Analysis

For the years ended December 31, 2016 and 2015

Nanosphere Health Sciences LLC.
Form 51-102F1
Management Discussion and Analysis
For the Year Ended December 31, 2016 and 2015

The following Management Discussion and Analysis ("MD&A") of NanoSphere Health Sciences LLC ("NanoSphere" or the "Company") should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2016 and 2015 which have been prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS"). This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. This MD&A is dated as of June 13, 2017.

DESCRIPTION OF THE COMPANY

The Company is organized and registered as an LLC in the State of Colorado. The Company is a nano-biotechnology company focused on providing next generation delivery of biological agents, such as medications and nutraceuticals, into the body. The Company is headquartered in Greenwood Village, Colorado.

OVERALL PERFORMANCE

During the year ended December 31, 2016, the Company has incurred ongoing losses and as at December 31, 2016 has a working capital deficiency of $334,461 and an accumulated deficit of $2,196,389. The Company has announced positive pharmacokinetics (PK) and pharmacodynamics (PD) results for its nano-encapsulated THC intra-oral formula.

SELECTED ANNUAL FINANCIAL INFORMATION

For the years ended:

		December 31, 2016		December 31, 2015
Financial results				
Total revenue	$	Nil	$	15,324
Loss for the year	$	(514,151)	$	(1,008,867)
Balance sheet data				
Current assets	$	511,383	$	38,626
Non-current assets	$	5,112	$	6,325
Total assets	$	516,495	$	44,951
Current liabilities	$	845,844	$	465,148
Shareholders' equity (deficiency)	$	(329,349)	$	(420,198)

NanoSphere is a biotechnology company which has elected under IFRS to expense product development expenditures. Revenue is recognized upon the delivery of products to retail locations within the State of Colorado. No revenues have been reported for the year ended December 31, 2016.

Results of Operations for the year ended December 31, 2016 compared to 2015

The net loss for the year decreased by $494,716 to $514,151 (2015 – $1,008,867). The primary factor contributing to the net loss was an increase in legal and professional fees by $66,801 to $92,640 (2015 - $25,839) as the Company incurred legal expenses related to signing a letter of intent with Corazon Gold Corp. in relation to a proposed business combination.

Cash flows for the year ended December 31, 2016 compared to 2015

- Cash outflows from operating activities decreased by $136,300 to $298,609 (2015 – $434,909) primarily due to the timing of accounts payable.

- Cash inflows from financing activities increased by $235,082 to $696,366 (2015 - $461,284) as the Company received

- contributions from members during the year.

SUMMARY OF QUARTERLY RESULTS

	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	$-	$-	$-	$-	$4,979	$8,091	$493	$1,759
Net Loss	$125,541	$108,579	$119,032	$160,987	$632,246	$115,073	$142,583	$118,965
Total Assets	$516,495	$22,507	$34,588	$84,236	$44,951	$24,530	$114,079	$109,861
Total Liabilities	$845,844	$544,640	$518,148	$419,648	$465,148	$423,114	$381,364	$339,614
Working Capital	$436,383	$14,507	$25,788	$75,436	$38,626	$14,400	$106,679	$83,140
Basic and diluted net loss per share	NA	NA	NA	NA	NA	NA	NA	NA

Results of Operations for the three months ended December 31, 2016 compared to 2015

The net loss for the quarter decreased by $506,705 to $125,541 (2015 – $632,246), and the liabilities increased by $380,696 to $845,844 (2015 – 465,148).

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At December 31, 2016 and 2015 the Company's working capital and deficit were as follows:

		December 31, 2016		December 31, 2015
Working capital	$	(334,461)	$	(426,522)
Deficit		(329,349)		(420,198)

As at December 31, 2016, the Company has a working capital deficit of $334,461. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next fiscal year.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in U.S. dollars unless otherwise noted.

RELATED PARTY TRANSACTIONS

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:

During the year ended December 31, 2016, the Company paid $96,000 (2015 - $90,000), $84,000 (2015 - $60,000), and $78,000 (2015 - $66,000) for labour to the Manager, Chief Science Officer, and Chief Marketing Officer, respectively, of the Company.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS 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.

RISKS AND UNCERTAINTIES

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Currency Risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates as all its transactions are in U.S. Dollars.

Credit Risk

The Company maintains cash balances at one financial institutions in the Denver metro area. Cash balances at each institution are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2016 and 2015, the Company had uninsured cash deposits $186,383 and $Nil, respectively.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, see going concern, Note 1. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

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 the market interest rates. The Company's cash is held mainly in interest bearing bank accounts.

Market Risk

The Company's ability to raise capital to fund its development activities is subject to risks associated with fluctuations in the market for its products. The Company closely monitors the market for its products to determine the appropriate course of action to be taken by the Company.

Equity market risk

The Company is not exposed to equity market risk.

Competition. Significant and increasing competition exists for the supply of cannabinoids, nutraceuticals and other biological agents, and the Company's prospects depend in large part on the strength of the underlying markets for such products and the desirability of the Company's delivery system, on either an input cost or medicinal efficacy basis. As a result of this competition, some of which is with large established companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to preserve its competitive advantage in the face of new product offerings by such competitors.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2016 was $1,663,349.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the statement of financial position. Cash and receivables, 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. 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.

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.

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.

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 $10,000.

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' deficiency.

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 year.

SUBSEQUENT EVENT

a) The Company received $75,000 pursuant to the issuance of additional Class C members' units.

b) The Company has signed a letter of intent dated December 22, 2016, with Corazon Gold Corp. ("Corazon") setting out the proposed terms of the Corazon's acquisition of 100% of the issued and outstanding members units shares of the Company (the "LOI"). Corazon is company listed on the TSX Venture Exchange under the symbol "CGW".

Under the LOI, Corazon, or a subsidiary controlled by Corazon, would acquire 100% of the issued and outstanding members' equity of the Company. As consideration, Corazon would provide the members of the Company an aggregate of 40,000,000 common shares of Corazon and the rights to receive an aggregate of 19,000,000 additional common shares of Corazon upon the commercialization and first sale of the Company's "Evolve Cannabis" product. The execution of this LOI is subject to the signing of a definitive agreement, certain defined closing conditions and acceptance by the TSX Venture Exchange.

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than already disclosed.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

Nanosphere Health Sciences LLC

Management Discussion & Analysis

For the period ended June 30, 2017

The following Management Discussion and Analysis ("MD&A") of NanoSphere Health Sciences LLC ("NanoSphere" or the "Company") should be read in conjunction with the interim financial statements of the Company for the period ended June 30, 2017 and the audited financial statements of the Company for year ended December 31, 2016. This MD&A includes certain statements that may be deemed "forward looking statements". All statements in this MD&A, other than statements of historical fact, that address future activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. This MD&A is dated as of November 21, 2017.

DESCRIPTION OF THE COMPANY

The Company is organized and registered as an LLC in the State of Colorado. The Company is a nano-biotechnology company focused on providing next generation delivery of biological agents, such as medications and nutraceuticals, into the body. The Company is headquartered in Greenwood Village, Colorado.

OVERALL PERFORMANCE

During the period ended June 30, 2017, the Company has incurred ongoing losses and as at June 30, 2017 has a working capital deficiency of $688,894 and an accumulated deficit of $2,565,614. The Company has announced positive pharmacokinetics (PK) and pharmacodynamics (PD) results for its nano-encapsulated THC intra-oral formula.

Cash flows for the period ended June 30, 2017 compared to year ended December 31, 2016 and 2015

- Cash outflows from operating activities of $420,232 are primarily due to labor costs in development and research.
- Cash inflows from financing activities decreased by $527,405 to $168,961 (2016 – 696,366, 2015 - $461,284) as the Company received contributions from members during the year.

SUMMARY OF QUARTERLY RESULTS

	2017		2016				2015	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net Sales	$-	$-	$-	$-	$-	$-	$4,979	$8,091
Net Loss	$151,270	$217,955	$125,541	$108,579	$119,032	$160,987	$604,707	$115,073
Total Assets	$95,384	$214,407	$516,495	$22,507	$34,588	$84,236	$44,951	$24,530
Total Liabilities	$718,958	$686,711	$845,844	$544,640	$518,148	$419,648	$465,148	$423,114
Working Capital	$ (469,150)	$ (477,114)	$436,383	$14,507	$25,788	$75,436	$38,626	$14,400
Basic and diluted net loss per share	NA	NA	NA	NA	NA	NA	NA	NA

Results of Operations for the three months ended June 30, 2017 compared to June 30, 2016

The net loss for the quarter of $151,270 (2016 – $119,032) is a result of the increased activity of the company

LIQUIDITY AND CAPITAL RESOURCES

The Company has no significant revenues and no expectation of revenues in the near term. In order to manage risk, the Company closely monitors its cash requirements and expenditures. At June 30, 2017, December 31, 2016 and 2015 the Company's working capital and deficit were as follows:

	June 30, 2017	December 31, 2016	December 31, 2015
Working capital	$ (469,150)	$ (334,461)	$ (426,522)
Deficit	(623,574)	(329,349)	(420,198)

As at June 30, 2017, the Company has a working capital deficit of $469,150. Management is actively reviewing financing opportunities in order to meet working capital requirements for the next period.

BASIS OF PRESENTATION - INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The annual financial statements of the Company comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in U.S. dollars unless otherwise noted.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2016, the Company paid $96,000 (2015 - $90,000), $84,000 (2015 - $60,000), and $78,000 (2015 - $66,000) for labour to the Manager, Chief Science Officer, and Chief Marketing Officer, respectively, of the Company.

The Company received advances of $60,000 from Canosphere LLC, a company controlled by the directors of the Company. The advances are unsecured, non- interest bearing and have been forgiven by Canosphere LLC subsequent to June 30, 2017.

CRITICAL ACCOUNTING 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.

CHANGES IN ACCOUNTING STANDARDS 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.

RISKS AND UNCERTAINTIES

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Currency Risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates as all its transactions are in U.S. Dollars.

Credit Risk

The Company maintains cash balances at one financial institutions in the Denver metro area. Cash balances at each institution are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2016 and 2015, the Company had uninsured cash deposits $186,383 and $Nil, respectively.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, see going concern, Note 1. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10.

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 the market interest rates. The Company's cash is held mainly in interest bearing bank accounts.

Market Risk

The Company's ability to raise capital to fund its development activities is subject to risks associated with fluctuations in the market for its products. The Company closely monitors the market for its products to determine the appropriate course of action to be taken by the Company.

Equity market risk

The Company is not exposed to equity market risk.

Competition

Significant and increasing competition exists for the supply of cannabinoids, nutraceuticals and other biological agents, and the Company's prospects depend in large part on the strength of the underlying markets for such products and the desirability of the Company's delivery system, on either an input cost or medicinal efficacy basis. As a result of this competition, some of which is with large established companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to preserve its competitive advantage in the face of new product offerings by such competitors.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations.

The Company has incurred net losses to date. The Company's deficit as of June 30, 2017 was $2,565,614.

Uninsurable risks.

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, approximate carrying value, which is the amount recorded on the statement of financial position. Cash and receivables, 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. 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.

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.

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.

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 $10,000.

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' deficiency.

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 year.

SUBSEQUENT EVENT

Subsequent to June 30, 2017, the Company:

a) signed a letter of intent dated December 22, 2016, with Corazon Gold Corp. ("Corazon") setting out the proposed terms of the Corazon's acquisition of 100% of the issued and outstanding members units shares of the Company (the "LOI"). Corazon is company listed on the TSX Venture Exchange under the symbol "CWG". Under the LOI, Corazon, or a subsidiary controlled by Corazon, would acquire 100% of the issued and outstanding members' equity of the Company. As consideration, Corazon would provide the members of the Company an aggregate of 40,000,000 common shares of Corazon and the rights to receive an aggregate of 19,000,000 additional common shares of Corazon upon the commercialization and first sale of the Company's "Evolve Cannabis" product. The execution of this LOI is subject to the signing of a definitive agreement, certain defined closing conditions and acceptance by the TSX Venture Exchange.

b) received proceeds of CAD $373,300 from the issuance of promissory notes. The promissory notes bear interest at 5% and are to be repaid in full following completion of the transaction with Corazon (see above).

c) received proceeds of $50,000 from the issuance of a convertible promissory note. The convertible promissory note bears interest at 5% and is repayable in full on completion of the transaction with Corazon (see above). The principal sum and interest is repayable in cash or common shares of Corazon.

d) granted options to acquire 154,000 members' units exercisable at $0.001 expiring December 30, 2020 in consideration for providing services to the Company.

e) Issued 504,257 Class A members' unit to the managing director and 60,000 Class A members' units to a key consultant as a success fee.

PROPOSED TRANSACTIONS

The Company has no proposed transactions other than already disclosed.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OTHER INFORMATION

Additional information on the Company is available on SEDAR at www.SEDAR.COM

SCHEDULE F

<u>Corazon Gold Corp. Executive Compensation Disclosure</u>

Named Executive Officers

During the financial year ended December 31, 2015, the Company had two Named Executive Officers ("**NEOs**"), being Bradley Scharfe, the Company's past Chief Executive Officer ("**CEO**") and Bao Huo, the Company's Chief Financial Officer ("**CFO**").

"**Named Executive Officer**" means: (a) a CEO, (b) a CFO, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and (d) each individual who would be an NEO under (c), above, but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

When entering into employment contracts or arrangements, the compensation to be paid by the Company is determined by the Company's Board of Directors (the "**Board**").

Compensation Program Objectives

The objectives of the Company's executive compensation program are as follows:

(a) to attract, retain and motivate talented executives who create and sustain the Company's continued success;

(b) to align the interests of the Company's executives with the interests of the Shareholders; and

(c) to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is a junior mineral exploration company involved in exploration and development of early-stage mineral properties and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

Purpose of the Compensation Program

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

Elements of Compensation Program

The executive compensation program consists of a combination of base salary, performance bonus and stock option incentives.

Purpose of Each Element of the Executive Compensation Program

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration. In addition to a fixed base salary, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. The pre-established, quantitative target(s) used to determine performance bonuses are set each fiscal year. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year. Stock options are generally awarded to NEOs on an annual basis based on performance measured against set objectives. The granting of stock options upon hire aligns NEOs' rewards with an increase in Shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the Shareholders' investments.

Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance

Compensation of the NEOs of the Company is reviewed annually by the Board of Directors which approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

The Board of Directors reviews from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, are designed in a manner which is in the best interests of the Company and the Shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that the majority of the Company's executive compensation will consist of options granted under the Company's stock option plan (the "**Plan**"). Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and the Shareholders is limited.

The other two elements of compensation, base salary and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not anticipated to form a significant part of total compensation and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and the Shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Performance Bonuses

Given the size and nature of the Company's operations, the Company does not offer the NEOs performance bonuses.

Stock Options

The Company has established the Plan under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved

Shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price.

The Board makes these determinations subject to the provisions of the Plan and, where applicable, the policies of the Exchange. Previous grants of option-based awards are taken into account when considering new grants.

Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program. The granting of stock options has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Purchase of Financial Instruments

At the date of this Information Circular, the Company does not have a policy regarding the purchase of financial instruments by NEOs such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of the Company's equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option-Based Awards

The Board is responsible for granting options to the executive officers. Stock option grants are designed to reward executive officers for success on a similar basis as the Shareholders, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the executive officers. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the executive officers of the Company and to closely align the personal interest of such persons to the interest of the Shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant.

NEO COMPENSATION

Summary Compensation Table

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Name and Principal Position	Year ended Dec. 31	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Bradley Scharfe, CEO	2015	72,000	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2014	72,000	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2013	50,000	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Bao Huo, CFO	2015	10,000	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2014	42,650	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
	2013	32,650	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Notes:

(1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Shares and expected life of the options.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Company has not granted any Share-based awards to the NEOs.

Outstanding Option-Based Awards as at December 31, 2015

The following table sets forth the outstanding option-based awards held by the NEOs of the Company as at December 31, 2015.

	Option-based Awards			
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Options(1) ($)
Bradley Scharfe CEO	N/A	N/A	N/A	N/A
Bao Huo CFO	N/A	N/A	N/A	N/A

Notes:

(1) "In-the-Money Options" means the excess of the market value of the Shares on December 31, 2015 over the exercise price of the options. The market price for the Shares on December 31, 2015 was $0.23.

Incentive Plan Awards – Value Vested or Earned

Value Vested or Earned for Incentive Plan Awards during the Year Ended December 31, 2015

The following table sets forth details of those stock options that were exercised by the NEOs during the financial year ended December 31, 2015, and the value vested or earned for all incentive plan awards during that year by the NEOs.

Name	Option-Based Awards – Value Vested During the Year[(1)] ($)	Share-Based Awards – Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Bradley Scharfe CEO	N/A	N/A	N/A
Bao Huo CFO	N/A	N/A	N/A

Notes:

(1) *The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the vesting date and the exercise price of the options under the option-based award multiplied by the number of options outstanding on the vesting date.*

Termination and Change of Control Benefits

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to the NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in the NEOs' responsibilities.

DIRECTOR COMPENSATION

Summary Compensation Table – Year Ended December 31, 2015

Set out below is a summary of compensation paid or accrued during the financial year ended December 31, 2015 to the Company's directors, other than any NEO previously disclosed.

Name	Fees Earned ($)	Share-Based Awards ($)	Option-Based Awards[(1)] ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Jason Scharfe	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fred Tejada	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) *The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Shares and expected life of the options.*

Narrative Discussion

No compensation was paid by the Company to the directors in their capacity as such or as consultants or experts during the Company's two most recently completed financial years.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Company has not granted any Share-based awards to its directors.

Outstanding Option-Based Awards as at December 31, 2015

The following table sets forth details of all outstanding option-based awards held by directors of the Company, other than any NEO previously disclosed, as at December 31, 2015.

	Option-based Awards			
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options(1) ($)**
Jason Scharfe	N/A	N/A	N/A	N/A
Fred Tejada	N/A	N/A	N/A	N/A

Notes:

(1) *"In-the-Money Options" means the excess of the market value of the Shares on August 30, 2016 over the exercise price of the options. The market price for the Shares on December 31, 2015 was $0.23.*

Incentive Plan Awards – Value Vested or Earned

Value Vested or Earned for Incentive Plan Awards during the Year Ended December 31, 2015

The following table sets forth details of those stock options that were exercised by the directors, other than any NEO previously disclosed, during the financial year ended December 31, 2015, and the value vested or earned for all incentive plan awards during the financial year ended December 31, 2015 by each director.

Name	**Option-based awards – Value vested during the year(1) ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Jason Scharfe	N/A	N/A	N/A
Fred Tejada	N/A	N/A	N/A

Notes:

(1) *The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities on the vesting date and the exercise price of the options under the option-based award multiplied by the number of options outstanding on the vesting date.*