CORONADO RESOURCES LTD.

Condensed Consolidated Interim Financial Statements

Third Quarter ended November 30, 2015

Unaudited

(Expressed in Canadian dollars)

CORONADO RESOURCES LTD.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	November 30, 2015	February 28, 2015
Assets		
Current assets		
Cash and cash equivalents	$ 937,914	$ 3,123,046
Amounts receivable	7,521	990,601
Prepaid expenses	23,460	14,525
	968,895	4,128,172
Property and equipment, net (Note 4)	594,610	7,863,786
Exploration and evaluation assets (Note 5)	4,669,631	4,759,792
Reclamation deposits, restricted cash and other	91,638	191,858
Assets held for sale (Note 11(d))	3,676,404	-
	$ 10,001,178	$ 16,943,608
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,110,015	$ 1,742,675
Electricity derivative (Note 3)	-	1,830
Liabilities held for sale (Note 11(d))	1,476,403	-
	2,586,418	1,744,505
Shareholders' equity		
Capital stock (Note 6(b))	20,127,801	20,127,801
Contributed surplus (Note 6(b))	1,657,109	1,657,109
Foreign currency translation	(4,923)	600,033
Deficit	(14,365,227)	(7,185,840)
	7,414,760	15,199,103
	$ 10,001,178	$ 16,943,608

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on January 29, 2016.

"Hugh Rogers"
……Director
Hugh Rogers

"Ashley Garnot"
……Director
Ashley Garnot

CORONADO RESOURCES LTD.

Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2015	2014 *(Restated - Note 11)*	2015	2014 *(Restated - Note 11)*
Continuing operations				
General and administrative expenses				
Amortization	$ 825	$ 1,034	$ 2,491	$ 3,123
Audit and accounting	11,197	21,135	17,017	25,527
Bank charges	570	1,255	1,446	2,187
Consulting and director fees	5,250	15,500	33,250	47,140
Insurance	2,000	1,724	7,014	6,138
Legal	81,062	11,712	102,859	28,285
Management fees	72,206	197,363	221,566	549,969
Office and administration	2,339	3,951	17,157	10,753
Office rent	7,294	7,369	22,715	22,005
Shareholder relations	-	36,049	11,966	68,238
Transfer and filing fees	6,938	26,789	23,497	59,865
Travel	219	962	7,049	5,703
	(189,900)	(324,843)	(468,027)	(828,933)
Other items				
Foreign exchange gain	5,134	28,675	24,621	15,896
Interest income	2,470	29,743	10,641	52,492
Write-off of exploration and evaluation asset	8,484	-	(390,594)	-
	16,088	58,418	(355,332)	68,388
Net loss from continuing operations	(173,812)	(266,425)	(823,359)	(760,545)
Net loss from discontinued operations (Note 11(a))	(5,805,978)	(81,172)	(6,356,028)	(92,509)
Net loss for the period	(5,979,790)	(347,597)	(7,179,387)	(853,054)
Other comprehensive loss				
Cumulative translation adjustment	669,238	(238,920)	(604,956)	(309,059)
Comprehensive loss for the period	$ (5,310,552)	$ (586,517)	$ (7,784,343)	$ (1,162,113)
Loss per share, basic and diluted	$ (1.06)	$ (0.06)	$ (1.27)	$ (0.15)
Weighted average number of common shares outstanding	5,662,340	5,662,340	5,662,340	5,662,340

See accompanying notes.

CORONADO RESOURCES LTD.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended November 30,	2015	2014
Operating activities		
Net loss for the period	$ (7,179,387)	$ (853,054)
Items not involving cash:		
Amortization	143,681	122,279
Loss on hedge mark to market	113,939	217,975
Interest on reclamation deposit and restricted cash	(197)	(8,790)
Impairment on remeasurement of disposal group	4,760,280	-
Write-off of exploration and evaluation asset	390,594	-
Foreign exchange	(13,353)	(8,720)
	(1,784,443)	(530,310)
Changes non-cash working capital:		
Amounts receivable	(1,061,753)	(122,376)
Prepaid expenses	(11,120)	19,714
Accounts payable and accrued liabilities	1,902,918	599,078
	830,045	496,416
Cash used in operating activities	(954,398)	(33,894)
Financing activity		
Redemption of restricted deposits	50,711	-
Cash provided in financing activity	50,711	-
Investing activities		
Cash and cash equivalents included in assets held for sale	(251,641)	-
Equipment acquisitions	(789,053)	(2,584,722)
Exploration and evaluation asset expenditures	(240,751)	(487,908)
Exploration and evaluation asset recoveries	-	29,070
Cash used in investing activities	(1,281,445)	(3,043,560)
Net outflow of cash and cash equivalents	(2,185,132)	(3,077,454)
Cash and cash equivalents, beginning of period	3,123,046	6,646,234
Cash and cash equivalents, end of period	$ 937,914	$ 3,568,780
Supplemental cash flow information		
Accounts payable included in equipment	$ -	$ 152,966
Accounts payable included in exploration and evaluation assets	$ 5,476	$ 14,489
Interest received	$ 24,408	$ 36,016
Cash and cash equivalents consist of:		
Cash	$ 141,155	$ 1,002,872
Short-term deposits	796,759	2,565,908
	$ 937,914	$ 3,568,780

See accompanying notes.

CORONADO RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares					
	Number	Amount	Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total
Balance, March 1, 2015	11,324,703	$20,127,801	$1,657,109	$ 600,033	$ (7,185,840)	$ 15,199,103
Share consolidation	(5,662,363)	-	-	-	-	-
Currency translation adjustment	-	-	-	(604,956)	-	(604,956)
Net loss for period	-	-	-	-	(7,179,387)	(7,179,387)
Balance, November 30, 2015	5,662,340	$20,127,801	$1,657,109	$ (4,923)	$(14,365,227)	$ 7,414,760
Balance, March 1, 2014	79,273,092	$20,127,801	$1,657,109	$ 455,037	$ (5,737,873)	$ 16,502,074
Share consolidation	(67,948,389)	-	-	-	-	-
Currency translation adjustment	-	-	-	(309,059)	-	(309,059)
Net loss for period	-	-	-	-	(853,054)	(853,054)
Balance, November 30, 2014	11,324,703	$20,127,801	$1,657,109	$ 145,978	$ (6,590,927)	$ 15,339,961

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated under the *Business Corporations Act* (British Columbia) and is an electrical generation and sales company and also is engaged in the exploration and development of exploration and evaluation assets. The Company's corporate office address is #507 – 595 Howe Street, Vancouver, BC, V6C 2T5, and trades on the TSX Venture Exchange under the symbol "CRD", on the OTCQX International under the symbol CRDAF and on the Canadian Stock Exchange under the symbol "CRD". TAG Oil Ltd ("TAG"), a public company, owns 2,785,029 common shares or 49.18% interest of the Company. During the period-end, the Company entered into agreement (see Note 12) which would remove itself from the electrical generation and sales business. As such, the Company has prepared these financial statements to reflect the assets and liabilities held for sale and the discontinued operations.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

At November 30, 2015, the Company has a working capital deficiency of $141,120 (February 28, 2015: capital of $2,385,497) and an accumulated deficit of $14,365,227 (February 28, 2015: $7,185,840).

With the planned disposal of the business of electrical generation and sales, the Company's focus returns to mining exploration which involves a high degree of risk. There is no assurance that exploration projects will result in future profitable operations. The business is subject to risk, market conditions, supply and demand, and competition. The Company has cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets reflects historical costs incurred and is not intended to reflect current or future values.

However, there can be no assurance that the Company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 28, 2015, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended February 28, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries.

The Company's subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Coronado Resources USA LLC	USA	100%	Mineral Property
Lynx Clean Power Corp.	Canada	100%	Holding Company
Lynx Gold Corp.	Canada	100%	Holding Company
Lynx Petroleum Ltd.	Canada	100%	Holding Company
Lynx Gold (NZ) Limited	New Zealand	100%	Inactive
Lynx Oil and Gas Limited	New Zealand	100%	Inactive
Lynx Platinum Limited	New Zealand	100%	Mineral Exploration
Opunake Hydro Limited	New Zealand	100%	Electricity Generation and Retailing
Utilise Limited	New Zealand	100%	Electricity Generation and Retailing

(c) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets and property and equipment may not be recoverable.

- the present value of electrical derivatives can be highly judgmental and is based on assumptions about the future impact of economic and environmental conditions on the wholesale price for electrical power in the New Zealand market, using historical data as indicators.

(d) Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is reclassified as if the operation had been discontinued from the start of the comparative year.

(e) Assets held for sale

Non-current assets, or disposal comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

(f) New accounting standards and recent pronouncements

The Company has evaluated the following new and revised IFRS standards and has determined there to be no material impact on the financial statements upon adoption:

- IAS 1 – Presentation of Financial Statements
- IFRIC 21 – Levies
- IAS 32 – Financial instruments - Presentation

Future Changes in Accounting Policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") but not yet effective as at November 30, 2015. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

The following standards or amendments are effective for annual periods beginning on or after January 1, 2015:

- IFRS 9 – Financial Instruments (annual periods beginning January 1, 2018)

3. ELECTRICTY DERIVATIVE

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value. Changes in the fair value of derivative instruments are recognized immediately in the profit or loss.

The only derivatives the company is party to are electricity derivatives with a few established electricity wholesaler producers. The derivative contract provides for payments for differences in respect of the price of electricity, at specific grid exit points.

4. PROPERTY AND EQUIPMENT

	Land	Mining equipment	Hydro equipment	Generation equipment	IT Dev. in Progress	Office equipment	Buildings	Total
Cost								
February 28, 2014	$ 321,213	$ 667,005	$ 932,086	$ 4,069,215	$ -	$ 39,922	$ 90,332	$ 6,119,773
Additions	-	-	55,068	1,519,053	1,282,848	34,089	-	2,891,058
Foreign exchange movement	-	-	12,553	58,028	-	76	-	70,657
February 28, 2015	321,213	667,005	999,707	5,646,296	1,282,848	74,087	90,332	9,081,488
Additions	-	-	-	-	574,163	-	-	574,163
Reclassification to assets held for sale	-	-	(743,017)	(5,236,417)	(1,763,886)	(35,811)	-	(7,779,131)
Foreign exchange movement	-	-	(58,159)	(409,879)	(93,125)	(2,804)	-	(563,967)
November 30, 2015	$ 321,213	$ 667,005	$ 198,531	$ -	$ -	$ 35,472	$ 90,332	$ 1,312,553
Accumulated amortization								
February 28, 2014	$ -	$ 350,731	$ 399,840	$ 106,243	$ -	$ 16,025	$ 71,978	$ 944,817
Additions	-	63,254	48,627	142,078	-	9,169	3,671	266,799
Foreign exchange movement	-	-	4,247	1,818	-	21	-	6,086
February 28, 2015	-	413,985	452,714	250,139	-	25,215	75,649	1,217,702
Additions	-	38,021	35,397	103,269	-	9,606	2,206	188,499
Reclassification to assets held for sale	-	-	(300,248)	(335,250)	-	(12,972)	-	(648,470)
Foreign exchange movement	-	-	(21,172)	(18,158)	-	(458)	-	(39,788)
November 30, 2015	$ -	$ 452,006	$ 166,691	$ -	$ -	$ 21,391	$ 77,855	$ 717,943
Net book value								
February 28, 2015	$ 321,213	$ 253,020	$ 546,993	$ 5,396,157	$ 1,282,848	$ 48,872	$ 14,683	$ 7,863,786
November 30, 2015	$ 321,213	$ 214,999	$ 31,840	$ -	$ -	$ 14,081	$ 12,477	$ 594,610

5. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets are comprised of properties located in Quebec, Canada, Montana, USA, and New Zealand. Capitalized expenditures are as follows:

	True North Property, Quebec	Madison Property, Montana	Platinum Property, New Zealand	Total
Balance, February 28, 2014	$ 1	$ 4,136,948	$ -	$ 4,136,949
Expenditures during the year				
Amortization	-	76,294	-	76,294
Assessment and taxes	-	85,300	-	85,300
Camp costs	-	5,306	-	5,306
Consulting engineering	-	-	194,672	194,672
Fieldwork and wages	-	125,120	-	125,120
Permits, assay and testing	-	14,604	146,719	161,323
Power utilities	-	3,898	-	3,898
	-	310,522	341,391	651,913
Exploration and evaluation asset recoveries in year	-	(29,070)	-	(29,070)
Net expenditures in year	-	281,452	341,391	622,843
Balance, February 28, 2015	1	4,418,400	341,391	4,759,792
Expenditures during the period				
Amortization	-	45,859	-	45,859
Assessment and taxes	-	87,117	-	87,117
Camp costs	-	9,066	-	9,066
Consulting engineering	-	1,249	72,000	73,249
Fieldwork and wages	-	99,408	-	99,408
Permits, assay and testing	-	4,902	-	4,902
Power utilities	-	3,630	-	3,630
	-	251,231	72,000	323,231
Write-off of exploration and evaluation asset	(1)	-	(390,593)	(390,594)
Foreign exchange movement	-	-	(22,798)	(22,798)
Net expenditures in period	(1)	251,231	(341,391)	(90,161)
Balance, November 30, 2015	$ -	$ 4,669,631	$ -	$ 4,669,631

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) Madison Property, Montana

In April 2005, the Company entered into an agreement to purchase a 100% interest in 6 patented and 12 unpatented mineral claims situated in Madison County, Montana. The agreement called for cash payments totaling $300,000, share issuances, and work commitments in stages over five years. The acquisition was completed in 2010, subject to an annual payment equal to the greater of a 2% NSR or US$50,000. The Company has increased and consolidated its claims since the original acquisition by adding 8 additional claims in the year ended February 28, 2007, and subsequently it increased its acreage by adding 22 contiguous claims. The 22 new claims replace 7 previous claims that were allowed to lapse, to increase the overall acreage and cover any non-contiguous boundaries.

The Company has extracted ore on a pre-commercial basis as a by-product of its exploration work. Accordingly, the proceeds realized on the sale of this ore have been offset against the exploration and development costs incurred.

(b) Platinum Property, New Zealand

The Company had six mineral exploration permits, which resided on the South Island of New Zealand, and based on the analysis done to date were prospective for platinum group metals and other metallic minerals such as gold and silver.

On July 27, 2015, the Company was given notice that the surrender of all permits on the platinum property has been granted and therefore all costs associated with the property were written-off.

(c) Title to exploration and evaluation assets

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(d) Realization of assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements and possible aboriginal claims, and the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(e) Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its exploration and evaluation asset activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

6. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

	Number of Common Shares	Amount	Contributed Surplus
Balance, February 28, 2014	79,273,092	$ 20,127,801	$ 1,657,109
Issued during the year:			-
Share consolidation (1)	(67,948,389)	-	-
Balance February 28, 2015	11,324,703	$ 20,127,801	$ 1,657,109
Share consolidation (2)	(5,662,363)	-	-
Balance November 30, 2015	5,662,340	$ 20,127,801	$ 1,657,109

(1) On November 14, 2014, the Company consolidated the outstanding share capital of the Company on the basis of seven (7) pre-consolidation common shares for one (1) post consolidation common share.

(2) On December 8, 2015, the Company consolidated the outstanding share capital of the Company on the basis of two (2) pre-consolidation common shares for one (1) post consolidation common share. The difference of shares is due to rounding.

(c) Stock options

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. All options granted under the plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

6. CAPITAL STOCK (Continued)

The purpose of the Plan is to provide directors, officers, key employees and certain other persons who provided services to the Company and its subsidiary with an increased incentive to contribute to the future success and prosperity of the Company.

Details of the status of the Company's stock options and changes during the periods then ended are as follows:

	Nine months ended November 30, 2015		Year Ended February 28, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	-	$ -	13,214	$ 2.10
Cancelled/expired	-	-	(13,214)	2.10
Outstanding and exercisable, end of period	-	$ -	-	$ -

(d) Share-based compensation

There were no stock options issued during the nine months ended November 30, 2015.

7. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

	November 30, 2015	November 30, 2014
Consulting	$ 31,000	$ 27,000
Director fees	1,250	1,750
Management fees	44,194	49,500
	$ 76,444	$ 78,250

During the nine month period ended November 30, 2015, the Company recorded discontinued operations sales in the amount of $671,300 (2014 - $646,878) from New Zealand related companies with significant influence over the company of which $82,017 (2014 - $164,764) was outstanding in the accounts receivable of assets held for sale at period end. For the nine month period ended November 30, 2015, the Company recorded $432,870 (2014 - $200,048) in discontinued operations purchases from related companies with significant influence over the company. At November 30, 2015, $714,133 (2014 - $36,119) was outstanding in the accounts payable and accrued liabilities of liabilities held for sale.

During the nine month period ended November 30, 2015, the Company was charged by a Canadian related company with significant influence $344,655 (2014 - $500,469) for management fees. At November 30, 2015, $1,066,661 (2014 - $582,730) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities.

At November 30, 2015, OHL had a credit facility of NZ$900,000 that provides security to the New Zealand Electrical Clearing Manager to guarantee payments for electricity purchases, which a related company with significant influence over the Company has guaranteed.

7. RELATED PARTY TRANSACTIONS (Continued)

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations. The most significant exposure to this risk is relative to the sale of electrical output. All of the Company's generation is sold directly to retail and commercial customers in a government regulated industry. The Company is paid for its sales on industry standard terms and has the ability to suspend power in the event of nonpayment. The Company has assessed the risk of non-collection from the customer's as low due to the regulated nature of the business.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at November 30, 2015, there were no significant amounts past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its power purchase and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Market Risk

Market risk is the risk that changes in foreign exchange rates, electricity prices and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign Exchange Risk

Foreign currency exchange rate risk is the risk that future cash flows, net income and comprehensive income will fluctuate as a result of changes in foreign exchange rates. All of the Company's electricity sales are denominated in New Zealand dollars and operational and capital activities related to our operations are transacted primarily in New Zealand dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

8. FINANCIAL INSTRUMENTS RISK (Continued)

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the capital commitments in New Zealand are expected to be carried out in New Zealand and to a lesser extent, in United States dollars.

The Company has foreign exchange risk due to its activities carried out in Montana, USA, but is not viewed to be significant by the Company.

Commodity Price Risk

Commodity Price Risk is the risk that fluctuations in the price for electricity and natural gas could have a material effect on its financial condition. Prices for electricity and natural gas fluctuate in response to changes in supply and demand, market uncertainty, and a variety of other factors beyond the company's control. Such prices may also affect the cost of purchasing of electricity for resale and the level of spending for future activities. Prices received by the Company for its sales are negotiated by the Company but purchases are based on the spot rate and are impacted by environmental and economic events that dictate the levels of supply and demand. All of the Company's sales and generation is sold at negotiated rates but the purchases are either purchased on the spot market which is subject to fluctuation or the company purchases futures contracts for power, to hedge future sales reducing exposure for the Company, to the risk of price movements.

The Company had future price contracts in place as at or during the period ended November 30, 2015. The impact of $1.00 increase in the purchase price of electricity will increase costs in the amount $30,344 on an annual basis.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

8. FINANCIAL INSTRUMENTS RISK (Continued)

The fair value classification of the Company's financial instruments are as follows:

		November 30, 2015		February 28, 2015	
	Fair Value Level	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	937,914	-	3,123,046	-
Reclamation deposits and restricted cash		-	91,638	-	191,858
		937,914	91,638	3,123,046	191,858
Financial liabilities:					
Accounts payable and accrued liabilities		-	1,110,015	-	1,742,675
Electricity derivative	2	-	-	1,830	-
		-	1,110,015	1,830	1,742,675

The Company's cash and cash equivalents are classified as level 1. During the nine month period ended November 30, 2015 and the year ended February 28, 2015, there were no transfers between level 1, level 2 and level 3.

9. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future development of the business and maintaining investor, creditor and market confidence.

The Company defines its capital as shareholders' equity and working capital. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the event that adjustments to the capital structure are required, the company may consider issuing additional equity, raising debt or revising its capital investment programs.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements or restrictions. The company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. During the period the company acquired an electricity generation and sales business which has long-term contracts for purchases and sales. This has resulted in the company no longer requiring equity issues to fund administration and exploration costs. The company may still require equity issues but it may not be required if cash flows from operations are sufficient to cover administrative and operating cost.

10. SEGMENTED INFORMATION

The Company now operates in three geographic regions, and has reportable sales from operations as follows:

Geographic segments

The following sales and non-current assets are located in the following countries:

	As at November 30, 2015			
	Canada	United States	New Zealand	Total
Property and equipment	$ 14,080	$ 580,530	$ -	$ 594,610
Exploration and evaluation assets	-	4,669,631	-	4,669,631
Reclamation deposits and restricted cash	11,604	80,034	-	91,638
Assets held for sale	-	-	3,676,404	3,676,404
	$ 25,684	$ 5,330,195	$ 3,676,404	$ 9,032,283

	For the year ended February 28, 2015			
	Canada	United States	New Zealand	Total
Discontinued operations sales revenue	$ -	$ -	$ 5,352,332	$ 5,352,332

	As at February 28, 2015			
	Canada	United States	New Zealand	Total
Property and equipment	$ 16,571	$ 626,387	$ 7,220,828	$ 7,863,786
Exploration and evaluation assets	1	4,418,400	341,391	4,759,792
Reclamation deposits and restricted cash	11,610	74,741	105,507	191,858
	$ 28,182	$ 5,119,528	$ 7,667,726	$12,815,436

The Company operates in two industry segments; electricity generating and retailing, and mining exploration and development.

	As at November 30, 2015		
	Electricity Generation and Retailing *(discontinued)*	Mining Exploration and Development	Total
Loss for the period	$ (6,356,028)	$ (823,359)	$ (7,179,387)
Total assets	$ 3,676,404	$ 6,324,773	$ 10,001,178
Total liabilities	$ 1,476,403	$ 1,110,015	$ 2,586,418

10. SEGMENTED INFORMATION *(Continued)*

	As at February 28, 2015		
	Electricity Generation and Retailing *(discontinued)*	Mining Exploration and Development	Total
Sales revenue	$ 5,352,332	$ -	$ 5,352,332
Loss for the year	$ (458,811)	$ (989,156)	$ (1,447,967)
Total assets	$ 9,096,666	$ 7,846,942	$ 16,943,608
Total liabilities	$ 935,929	$ 808,576	$ 1,744,505

11. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company is committed to sell its electrical generation operating segment in early 2016, following a decision to place greater focus on other activities (see Note 12).

The electricity generation segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive profit or loss and OCI has been restated to show the discontinued operation separately from continuing operations.

a. Results of discontinued operation

	November 30, 2015	November 30, 2014
Electricity sales	$ 5,187,647	$ 4,028,280
Cost of sales	(4,957,502)	(3,593,938)
	230,145	434,342
General and administrative expenses	(1,306,441)	(330,023)
Other items	(519,452)	(196,828)
Impairment on remeasurement of disposal group	(4,760,280)	-
Net loss for the period	$ (6,356,028)	$ (92,509)
Loss per share, basic and diluted	$ (1.12)	$ (0.02)

b. Cash flows from (used in) discontinued operation

	November 30, 2015	November 30, 2014
Net cash used in operating activities	$ (822,658)	$ 400,385
Net cash from investing activities	284,704	(591,400)
Net cash flow for the period	$ (537,954)	$ (191,015)

11. DISCONTINUED OPERATIONS *(Continued)*

c. Impairment losses relating to the remeasurement of disposal group

Impairment losses of $4,760,280 for losses relating to the remeasurement of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in net loss from discontinued operations. The impairment losses have been applied to reduce the carrying amount of property and equipment within the disposal group.

d. Assets and liabilities of disposal group held for sale

As at November 30, 2015, the disposal group was stated at fair value less costs to sell and comprised of the following assets and liabilities:

Property and equipment	$	2,370,381
Cash		251,641
Reclamation deposits, restricted cash and other		48,387
Accounts receivable and prepaids		1,005,995
Assets held for sale	$	3,676,404

Accounts payable and accrued liabilities	$	1,351,306
Electricity derivatives		125,097
Liabilities held for sale	$	1,476,403

e. Cumulative income or expenses included in OCI

There are no cumulative income or expenses included in OCI relating to the disposal.

f. Measurement of fair value

The non-recurring fair value measurement for the disposal is $2,200,001 has been categorized as a level 2 fair value based on the inputs to the valuation technique used.

12. SUBSEQUENT EVENTS

The Company has proposed a sale of two (2) 1 megawatt gas-fired generators pursuant to the terms of an asset purchase agreement dated October 30, 2015, between Opunake Hydro Limited (“OHL”), a wholly owned subsidiary of Coronado, and Cheal Petroleum Limited, a wholly owned subsidiary of TAG (the “Asset Sale”). Also, the Company has proposed the sale of all of the issued and outstanding shares of OHL pursuant to the terms of a share purchase agreement dated October 30, 2015, between Lynx Clean Power Corp., a wholly owned subsidiary of Coronado, and Opunake Hydro Holdings Limited (the “OHL Sale Acquisition”). The completion of the Asset Sale and OHL Sale Acquisition remains subject to the satisfaction of the remaining conditions.

Coronado’s common shares ceased trading on the Canadian Securities Exchange under the symbol “CRD” on December 11, 2015.