

Coronado Announces Acquisition of Opunake Hydro Limited

Vancouver, B.C., May 14, 2013 - Coronado Resources Ltd. (TSX-V: CRD) and (OTCQX: CRDAF) (“Coronado” or the “Company”) is pleased to announce that it has entered into a binding share purchase agreement dated May 13, 2013 (the “Share Purchase Agreement”), whereby Coronado has agreed to acquire all of the outstanding common shares of Opunake Hydro Limited (“OHL”) from TAG Oil Ltd. (“TAG”) and Opunake Hydro Holdings Limited (“OHHL”) in exchange for common shares of Coronado (the “OHL Acquisition”), subject to the terms and conditions of the Share Purchase Agreement.

The Proposed Acquisition

Under the Share Purchase Agreement, Coronado agrees to issue 13,015,410 common shares to TAG in exchange for 90% of the issued and outstanding shares of OHL and 1,446,157 common shares to OHHL in exchange for 10% of the issued and outstanding shares of OHL, representing an aggregate purchase price of CDN\$5,584,000 based on the volume weighted average price of Coronado’s common shares on the TSX Venture Exchange (the “TSX-V”) for the 20 consecutive trading days ending on May 10, 2013.

The completion of the OHL Acquisition is subject to a number of conditions, including:

- (a) approval of Coronado’s shareholders at a special meeting to be called to consider the OHL Acquisition, including the approval of a majority of disinterested shareholders, excluding TAG and any of its affiliates;
- (b) receipt of all required regulatory approvals, including the consent from the Overseas Investment Office of New Zealand and acceptance by the TSX-V;
- (c) compliance by the parties to the Share Purchase Agreement with all covenants and agreements in such agreement;
- (d) no material adverse effect with respect to OHL; and
- (e) other conditions precedent set forth in the Share Purchase Agreement.

The full text of the Share Purchase Agreement may be found under Coronado’s profile at www.sedar.com. Additional information will be provided in the management information circular to be prepared in connection with the annual and special meeting of Coronado shareholders to approve the OHL Acquisition.

Description of Change of Business

The OHL Acquisition will constitute a “change of business” for purposes of TSX-V Policy 5.2 and is subject to review and acceptance of the TSX-V. Coronado is currently a resource and development company with operations in Montana, USA. Since 2008, Coronado has been primarily engaged in the underground development of its wholly owned Madison Mine.

OHL is engaged in generating and retailing power in New Zealand. OHL’s power generation business falls into two categories: (a) hydro generation for which OHL owns the Opunake hydro power scheme, consisting of a 0.7 megawatt (MW) generator located on Lake Opunake in Taranaki, New Zealand, and (b) gas fired generation for which OHL owns two 1MW generators located on TAG’s Cheal oil and gas field site in Taranaki, New Zealand, which supplies electricity to the Cheal oil and gas field’s production facilities and provides excess electricity into New Zealand’s main power grid. In addition, OHL has obtained the rights to purchase a 1.15MW containerized gas fired generator which will be installed on TAG’s Cheal oil and gas field site in June 2013 and intends to acquire and install an additional 1MW gas fired generator in the near term. OHL currently supplies electricity to customers in the Taranaki region of New Zealand including the New Plymouth, Stratford, and Hawera areas, as well as to customers in the

Rangitikei and Wellington areas. OHL has been supplying power to the area for many years. OHL had operating revenues of NZ\$984,391 for the twelve months ended March 31, 2012, as disclosed in its audited financial statements for such period.

Upon completion of the OHL Acquisition, Coronado will change from a junior mining company to an energy generation and retailing company. Coronado is expected to be well-financed company with approximately CDN\$8 million in cash, focused on opportunities in New Zealand with an experienced board of directors and management team.

Directors and Officers

Following the OHL Acquisition, the Company's board of directors will consist of Daniel Brown, Ashley Garnot, John Vaccaro and Douglas Lynes. Daniel Brown will serve as CEO, Barry MacNeil as CFO and Giuseppe (Pino) Perone as Corporate Secretary. A brief description of the background of this management team follows:

- **Daniel Brown, Chief Executive Officer and Director** Mr. Brown has been a controller in the oil and gas industry for a number of years and has also provided corporate accounting services to public and private companies for more than 10 years. Mr. Brown has also been a director of certain public companies operating in the resource industry sector. Mr. Brown served as Chief Financial Officer of Coronado from August 15, 2012 to April 11, 2013. Mr. Brown began serving as Chief Executive Officer of Coronado on August 15, 2012 and as a director on October 17, 2011.
- **Barry MacNeil, Chief Financial Officer** Mr. MacNeil is an accountant with over 20 years of experience in public practice and is an independent businessman and investor, and also acts as a corporate accounting consultant for public companies in the resource industry sector. Additionally, Mr. MacNeil has worked as a corporate accountant for a group of companies involved in sales and services of mining equipment to the international mining industry and a lumber company with export sales to Japan, Europe and Australia. Mr. MacNeil has also been a director and officer of certain public companies operating in the resource industry sector. Mr. MacNeil began serving as Chief Financial Officer of Coronado on, April 11, 2013.
- **Ashley Garnot, Director** Mrs. Garnot acts as a consultant for public and private companies in the resource and technology sectors, and has had experience working in both the branding and real estate industries. Mrs. Garnot holds a Canadian Securities Course Certificate from the Canadian Securities Institute and a Property Management and Real Estate Trading Services diploma from the Sauder School of Business (Real Estate Division). Mrs. Garnot began serving as a director of Coronado on November 10, 2011.
- **John Vaccaro, Director** Mr. Vaccaro has over 25 years of experience in the financial services industry where he directed and provided investment consulting to high net worth individuals as well as corporate and institutional clients. He acted as a senior investment executive with CIBC Wood Gundy from January 2002 to March 2007. Mr. Vaccaro has since established a private client consulting practice in the financial services sector, Yield Management Consultants, and acts as Managing Partner and a consultant for the practice. Mr. Vaccaro is also an active member of the Fellowship of the Canadian Securities Institute and holds a degree from the University of British Columbia in Urban Land Economics with double Majors. Mr. Vaccaro began serving as a director of Coronado on March 14, 2013.
- **Douglas Lynes, Director** Mr. Lynes obtained a B.Comm. from the University of British Columbia in 1985 and has been a member of the Institute of Chartered Accountants in British Columbia since 1988. Mr. Lynes has worked as a Chartered Accountant in public practice for over 25 years. Mr. Lynes began serving as a director of Coronado on March 14, 2013.
- **Giuseppe (Pino) Perone, Corporate Secretary** Mr. Perone is currently practicing as a corporate lawyer for TAG and other public and private companies, and has legal experience in a variety of

corporate and commercial matters. Mr. Perone obtained a B.A. with Distinction in Sociology from the University of Victoria in 2001 and an LL.B. from the University of Alberta in 2005, and has previously articulated at the law firm of Lang Michener LLP (now McMillan LLP) in their Vancouver, British Columbia office. Mr. Perone is also an active member of the Law Society of British Columbia and the Canadian Bar Association. Mr. Perone has also been a director of certain public companies operating in the resource industry sector and currently serves as the Corporate Secretary of TAG. Mr. Perone served as a director of Coronado from August 15, 2012 to March 14, 2013, and began serving as Corporate Secretary on August 15, 2012.

The Vendors

TAG is a company formed under the laws of British Columbia and whose shares are listed on the Toronto Stock Exchange and the premier tier of the OTCQX International. OHL and OHHL are privately held companies formed under the laws of New Zealand. TAG currently holds 25,975,000 common shares of Coronado or 40.08% of the issued and outstanding shares. As a result of the OHL Acquisition, TAG will hold 38,990,410 common shares of Coronado or 49.18% of the issued and outstanding shares. The OHL Acquisition is related party transactions within the meaning of TSX-V Policy 5.9 which incorporates Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to rely on the exemptions from the valuation requirement of MI 61-101 contained in sections 5.5(b). The OHL Acquisition will require approval by a simple majority of the disinterested shareholders of Coronado, excluding TAG and any of its affiliates.

Sponsorship

Dundee Capital Markets, subject to completion of satisfactory due diligence, has agreed to act as sponsor to Coronado in connection with the OHL Acquisition. Dundee will provide the required services in compliance with the applicable rules and policies of TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

For further information:

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Completion of the OHL Transaction is subject to a number of conditions, including Exchange acceptance and disinterested Shareholder approval. The OHL Transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the OHL Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the OHL Transaction, any information released or received with respect to the Change of Business may not be accurate or complete and should not be relied upon. Trading in the securities of Coronado should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the proposed OHL Transaction and has neither approved nor disapproved the contents of this press release.

Neither TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements:

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of Coronado. Such statements can generally, but not always, be identified by words such as "expects", "plans", "anticipates", "intends", "estimates", "forecasts", "schedules", "prepares", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Forward-looking statements and information concerning anticipated financial performance are based on management's assumptions using information currently available. Forward-looking statements in this news release include Coronado's expectations regarding the ability to complete, and the anticipated results of, the OHL Acquisition, the funds that will be available to Coronado upon completion of the OHL Acquisition and the proposed development and expansion of OHL's business.

In making the forward-looking statements in this news release, Coronado has applied certain factors and assumptions that are based on information currently available to Coronado as well as Coronado's current beliefs and assumptions made by Coronado, including that Coronado will be able to complete the OHL Acquisition and that OHL will be able to maintain its current operations and that a strategic plan for the near and mid-term can be determined. Although Coronado considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that OHL's operations will not continue at their current levels, and that Coronado will be unable to determine or will experience delays in determining a strategic plan for the near and mid-term range. Although Coronado has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Coronado does not undertake to update any forward-looking information, except in accordance with applicable securities laws.