CORONADO RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE YEAR ENDED FEBRUARY 29, 2016

The following Management's Discussion and Analysis ("MD&A") is dated June 27, 2016, for the year ended February 29, 2016 and should be read in conjunction with the Coronado Resources Ltd. ("Coronado" or the "Company") accompanying audited consolidated financial statements for the years ended February 29, 2016 and February 28, 2015.

These audited consolidated financial statements for the year ended February 29, 2016 have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and its interpretation of the International Financial Reporting Interpretations Committee ('IFRIC'). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The MD&A supplement does not form part of the audited consolidated financial statements for the year ended February 29, 2016 and the notes thereto for the year ended February 29, 2016. All amounts are expressed in Canadian dollars unless otherwise indicated. In addition, readers are directed herein to discussions under the headings "*Forward-Looking Statements*", "*Critical Accounting Estimates*" and "*Risk Factors*".

Coronado management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and the financial statements.

Table of Contents

CURRENT DEVELOPMENTS

Corporate

During the year ended February 29, 2016, the Company's shareholders approved the proposed sale of two (2) 1MWgas-fired generators by Coronado's wholly owned subsidiary, Opunake Hydro Limited ("**OHL**"), to Cheal Petroleum Limited, a wholly owned subsidiary of TAG Oil Ltd. ("**TAG**") (the "**Asset Sale**"), at its Annual General and Special Meeting that was held on November 30, 2015 (the "**Meeting**"), pursuant to the terms of an asset purchase agreement dated October 30, 2015 ("**Asset Purchase Agreement**").

A proposed sale of all of the issued and outstanding shares of OHL by Lynx Clean Power Corp., a wholly owned subsidiary of Coronado, and Opunake Hydro Holdings Limited (the "**OHL Sale**"), was also approved by Coronado's shareholders at the Meeting, pursuant to the terms of a share purchase agreement dated October 30, 2015 (the "**Share Purchase Agreement**").

Furthermore, Coronado's shareholders also approved a proposed consolidation of all of its issued and outstanding common shares on a ratio of two (2) pre-consolidation shares for one (1) post-consolidation share (the "**Consolidation**") at the Meeting. The Consolidation was subsequently accepted by the TSX Venture Exchange ("**TSX-V**") and became effective on December 8, 2015.

Electricity Generation and Retail, Discontinued Operations

Following the appointment of the Company's new CEO on March 6, 2015, management announced on April 17, 2015, that it had initiated a review of all assets of the Company including its power generation assets. In the course of their evaluation, the board of directors (the "**Board**") consulted with its management and other advisors, reviewed a significant amount of information and considered a number of factors. This includes that it may be some time before the oil and gas industry recovers; so without the requisite generation to act as a source of supply and as a natural hedge to fluctuating spot rates, the Company was not prepared to commit to further funding the expansion of OHL's business. Also, the market conditions had been an ongoing concern by limiting the Company's ability to access funds from the capital markets and other sources to develop the business. This led to the Company canvassing a number of interested parties over the course of approximately six (6) months in an attempt to sell OHL as a going concern. However, in the global energy market there were very few entities that were willing to incur any capital expenditures to increase capacity. As a result, management and the Board decided that selling part of its generation equipment at market value in order to reduce debt and then selling OHL to the most suitable purchaser available, was the best course of action for the Company and its shareholders.

Mining Exploration and Development

On July 31, 2014, Coronado announced that it was awarded five (5) platinum exploration permits in respect of New Zealand Petroleum and Minerals' ("**NZP&M**") Platinum New Zealand Block Offer 2013. On December 17, 2014, Coronado was granted another platinum exploration permit by NZP&M. On July 27, 2015, Coronado received confirmation that all of its platinum exploration permits were surrendered and therefore all costs associated with the property were written-off.

COMPANY OVERVIEW

The Company was incorporated under the *Business Corporations Act* (British Columbia) and its head office is located in Vancouver, British Columbia, Canada. Coronado's common shares trade on the TSX-V under the symbol "CRD", and on the OTCQX International under the symbol "CRDAF". The Company carried on its business as a resource exploration company with a focus on mineral exploration opportunities in North America. The gold and copper mining property located in Silverstar, Montana, USA (the "**Madison Property**") was acquired and the Company carried on exploration activities on the site, and continued to evaluate other properties and opportunities. Coronado acquired OHL in a share exchange transaction that resulted in Coronado's major activity changing to predominately a generator and retailer of power, but continues to maintain its mineral resource exploration properties. There have been significant changes in the composition of the Company's management and Board, which included a thorough review of all operations. This review resulted in surrendering all of the platinum exploration permits, as well as completing the Asset Sale and the OHL Sale on February 18, 2016, for total proceeds of $2,017,653.

Madison Property

In April 2005, the Company entered into an agreement to acquire a 100% interest in six (6) patented and 12 unpatented claims in the Madison Property, subject only to 2% net smelter return or US$50,000 annual payment. The agreement called for option payments totaling US$300,000 and the issuance of shares and work commitments. All option payments, share issuances and work commitments have been made and completed. The Company has increased and consolidated its claims since the original acquisition by adding eight (8) additional claims in the year ended February 28, 2007, and subsequently it increased its acreage by adding 22 contiguous claims to the Madison Property. The 22 new claims replace seven (7) previous claims that were allowed to lapse, to increase the overall acreage and cover any non-contiguous boundaries. The Company continues to develop its strategy and plans for the Madison Property, as well as assess acquisition opportunities in a diligent manner.

Opunake Hydro Limited

Coronado's electricity generation business through OHL fell into two categories: hydro generation and natural gas-fired generation, in which OHL provided retail customers with power purchased from the spot market augmented by in house peaking generation capacity. This approach had some inherent price risk involved with purchasing power on the spot market to supply customers with fluctuating demand. However, the Company tried to mitigate this risk by forecasting customer demand, using its peaking generation capacity, and purchasing hedge contracts.

In January 2014, Coronado successfully installed, tested, and commissioned a 1MW gas-fired generator at the Cheal oil and gas field site located in Taranaki, New Zealand (the "**Cheal Site**"), and subsequently added another 1MW gas-fired generator to the Cheal Site. Along with the 2MW of gas-fired generation capacity that were commissioned by OHL on April 8, 2013, and the 400kW hydro generator from OHL's existing hydro generation facility, Coronado's total generation capacity reached 4.4MW.

OHL proceeded to enter into a comprehensive contractual agreement with Millennium Corporation ("**Millennium**") to develop a new electricity retailer, Utilise Limited ("**Utilise**"), which provided businesses in New Zealand with customized electricity pricing based on their consumption. OHL executed the agreements with several of Millennium's subsidiary companies to develop the brand, the information technology systems, as well as to provide sales and service infrastructure for Utilise. During the 2016 fiscal year, OHL terminated the contractual agreements and had reduced its sales staff and marketing efforts. This decision required much deliberation from the Company's management and Board, but was considered to be in the best interest of the Company and its shareholders at the time. More specifically, the sales drive to grow the customer base was predicated on the ability of the Company to ramp up its generation capacity as the sales grew, however that capacity had been restricted due to a lack of available gas supply to run the generators. The general state of the oil and gas industry, namely its impact on exploration activity and available gas supply, and market conditions, had made it difficult to access funds from the capital markets and other sources; resulting in increasing the Company's risk profile significantly and had caused plans for increased generation capacity to be placed on hold indefinitely.

During the 2016 fiscal year, the Company continued to experience difficulty operating its generators at an optimum level to provide a hedge against price fluctuations in the spot rate. This resulted in higher power purchase costs than expected, which caused lower gross profits.

OVERALL PERFORMANCE

The Company's overall performance for the year ended February 29, 2016, reflected a net loss from discontinued operations of $6,628,042 (which includes an impairment of $5,534,064) and a loss from continuing operations of $980,191. The Company currently has a working capital of $1,515,311 and is in position to fund its operations for a further 12 months. The course of action taken by the Company removes some of the uncertainty of results from continuing to operate in the generation and retail power business.

The primary focus for the year was to evaluate the current availability of gas supply necessary for increasing generation to support sales increases and to evaluate other options to ensure the continued operations for the next 12 months. Without a substantial increase in sales the Company would not achieve a sufficient gross profit to cover operations, overhead and future capital commitments going forward. OHL was not able to source sufficient economic gas to ensure adequate generation for the required sales volume due to the declining exploration and overall downward trends in the oil and gas industry.

OHL has not reached the level to provide consistent and increasing cash flow and the OHL Sale will allow the Company to stabilize the cash account and reduce monthly cash outflow. The Company's management completed both the Asset Sale and the OHL Sale and is reviewing the mining exploration and development sector, which has had the Madison Property on maintenance for the last several quarters and has surrendered all of its platinum exploration permits.

Electricity Generation and Retail Power, Discontinued Operations

	Q4	Q3	Q4	Year ended	
	2016	2016	2015	February 29, 2016	February 28, 2015
Sales	$ 2,069,527	$ 1,059,766	$ 1,144,052	$ 7,257,174	$ 5,352,332
Gross profit	$ 101,735	$ 62,453	$ 11,875	$ 331,880	$ 626,217
Gross profit percentage	5%	6%	1%	5%	12%
Loss for the period	$ (272,013)	$ (5,805,978)	$ (325,294)	$ (6,628,042)	$ (456,913)

The above table represents the operating results of the discontinued operations of the Electricity Generation and Retail Power segment. They have been included to demonstrate the effect of the discontinued operations on ongoing operations. The current quarter's sales for the discontinued operations have increased 49% from the prior quarter's figure and 45% from the same quarter in the prior year. The increase was in part due to the results from the marketing agreement and seasonal demand for power. Without continued sales growth and sufficient increase in gross profit to cover costs the operation would further reduce the Company's working capital and impair its ability to meet commitments. The Company was unable to secure a sufficient gas supply to meet the generation capacity required to capitalize the volumes of sales necessary to generate gross profit.

The gross profit from discontinued operations decreased in dollar value and the gross profit percentage is lower than the target of approximately 10% to 12%. The gross profit was not sufficient to cover the costs of the segment and the elimination of these costs will ensure that the Company can meet its commitments for the next 12 months.

	Q4	Q3	Q4	Year ended	
	2016	2016	2015	February 29, 2016	February 28, 2015
IT Development in progress	$ 99,798	$ 127,206	$ 210,667	$ 673,961	$ 1,282,848
Generation	-	-	-	-	1,519,053
Expenditures in period	$ 99,798	$ 127,206	$ 210,667	$ 673,961	$ 2,801,901

To date, OHL had installed and commissioned 4MW of gas-fired generation in addition to its 0.4MW hydro facility, which are included in the assets in the electricity generation and retail power segment that are being discontinued.

The IT infrastructure development is also included in the electricity generation and retail power segment that is being discontinued and represented a significant fixed cost which the Company was contractually obligate to complete. This obligation was included in the assets held for sale.

Mining Exploration and Development

	Q4	Q3	Q4	Year ended	
	2015	2015	2014	February 29, 2016	February 28, 2015
Sales	$ -	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -	$ -
Gross profit percentage	0%	0%	0%	0%	0%
Loss for the period	$ (156,833)	$ (173,812)	$ (269,619)	$ (980,191)	$ (991,054)

The Company's loss from mining exploration and development included the operations of the head office. The loss for the year to date includes the write-off of $390,325 for the platinum exploration permits and management fees of $259,559. In the current quarter the three largest expenses, audit and accounting, transfer and filing fees and management fees of $30,378, $32,077 and $37,993 respectively were predominately related to the oversight and negotiation of the sale of the electricity generation and retail power segment operations. Now that the proposed transactions are complete the expenditure will reduce significantly for the remaining monthly operations.

Madison Property, Montana

	Q4	Q3	Q4	Year ended	
	2016	2016	2015	February 29, 2016	February 28, 2015
Amortization	$ 15,008	$ 15,173	$ 18,811	$ 60,867	$ 76,294
Assessment and taxes	306	545	4,076	87,423	85,300
Camp costs	-	4,084	471	9,066	5,306
Consulting engineering	-	-	-	1,249	-
Fieldwork and wages	40,571	29,554	32,546	139,979	125,120
Permits, assay and testing	2,145	1,048	1,378	7,047	14,604
Power utilities	568	1,495	1,030	4,198	3,898
	58,598	51,899	58,312	309,829	310,522
Exploration and evaluation asset recoveries	-	-	-	-	(29,070)
Net expenditures in period	$ 58,598	$ 51,899	$ 58,312	$ 309,829	$ 281,452

The Madison Property remained on maintenance while the Company had focused on OHL and divesting its electrical generation and retail power segment. This entailed minimal staffing and activity to keep the site in good standing with all its environmental permits and regulatory authorities. The expenditures for the period remain consistent with the prior period however, there were no recoveries during the year resulting in higher net expenditures of approximately $58,000. There was no significant activity during the quarter beyond the basic maintenance procedures but the expenditures were up roughly $7,000 largely due to the fieldwork and wages paid in the quarter. The Company is currently reviewing its several options with the Madison Property and would like to solidify an action plan in the near future.

Platinum Property, New Zealand

	Q4 2016	Q3 2016	Q4 2015	Year ended February 29, 2016	Year ended February 28, 2015
Consulting engineering	$ -	$ -	$ 29,132	$ 72,000	$ 194,672
Permits, assay and testing	-	-	10,107	-	146,719
Net expenditures in period	$ -	$ -	$ 39,239	$ 72,000	$ 341,391

The consulting engineering and related costs of $72,000 represent the expenditure capitalized in the period for consultation, planning, and the work towards completing the literature review of the platinum exploration permits. No further revenue or expenditures are expected from this operation.

On July 27, 2015, Coronado was given notice that the surrender of all platinum exploration permits has been granted and therefore all costs associated with the property were written-off in the amount of $390,325 (NZ$447,046).

The Company focused on consultation with landowners and all stakeholders and analyzed existing data, prepared literature reviews and conducted the necessary geological and economic modeling to determine the potential of any commercial mineral deposits within these permits. The Company assessed the information gathered and applied to NZP&M for permission to relinquish the permits. The request has been reviewed by NZP&M and a ruling issued, which allowed the Company to surrender the permits.

FINANCIAL RESULTS OF OPERATIONS

Selected Annual Information

For the years ended	February 29, 2016	February 28, 2015 (1)	February 28, 2014 (1)
	$	$	$
Net sales	-	-	-
Gross profit	-	-	-
Loss from continuing operations	(980,191)	(991,054)	(860,535)
(Loss) income from discontinued operations	(6,628,042)	(456,913)	1,472,117
(Loss) income for the year	(7,608,233)	(1,447,967)	611,582
(Loss) income for the year per share	(1.34)	(0.26)	0.11
Total assets	6,974,274	16,943,608	17,198,729
Total liabilities	59,264	1,744,505	696,655
Total long-term financial liabilities	-	1,830	69,559
Shares outstanding – end of year (millions)	5.66	5.66	5.66
Dividends declared	-	-	-

(1) The results for these year ends have been restated to remove the discontinued operations from and are reflected in the "Net Loss from discontinued operations"

Net Sales

For the years ended	February 29, 2016	February 28, 2015	February 28, 2014
Mining exploration and development	$ -	$ -	$ -
	$ -	$ -	$ -

In the current year, the Company has sold the electricity generation and retail power segment and disposed of all the assets and operations. The Company's remaining operations consist of exploration and evaluation assets and do not currently produce any revenue.

Sales from Discontinued Operations

For the years ended	February 29, 2016	February 28, 2015	February 28, 2014
Electricity generation and retail power	$ 7,257,174	$ 5,352,332	$ 1,615,561
	$ 7,257,174	$ 5,352,332	$ 1,615,561

Electricity generation and retail power sales of $7,257,174 represent the revenue reported for the period ended from March 1, 2015 to February 18, 2016 compared to $5,352,332 represent the revenue reported for the year ended February 28, 2015.

Loss for the Period

For the years ended	February 29, 2016	February 28, 2015	February 28, 2014
Loss from operations,			
Mining exploration and development	$ (980,191)	$ (991,054)	$ (860,535)
Loss from discontinued operations,			
Electricity generation and retail power	(6,628,042)	(456,913)	1,472,117
	$ (7,608,233)	$ (1,447,967)	$ 611,582

The Company's operations for the year ended February 29, 2016 produced a loss of $7,608,233 compared to loss of $1,447,967 in the previous year. The current year showed a loss of $980,191 from continuing operations, which is currently comprised of the mining exploration and development segment. The loss from discontinued operations which included the loss on the disposal of all the assets, liabilities and operations of the electricity generation and retail power segment amounted to $6,628,042.

The current loss from operations (mining exploration and development) includes the operational costs of maintaining the Madison Property and the costs of maintaining the corporate operations of the Company. Included in the year were management fees of $259,559 incurred for services provided by a Canadian related company with significant influence. These services are provided as needed on a cost plus basis for operational support in assisting OHL and in further advances and evaluating mining exploration opportunities and activities.

Total Assets

For the years ended	February 29, 2016	February 28, 2015	February 28, 2014
Electricity generation and retail power	$ -	$ 9,096,666	$ 6,582,217
Mining exploration and development	6,974,274	7,846,942	10,616,512
	$ 6,974,274	$ 16,943,608	$ 17,198,729

The Company's total assets decreased in the year by $9,969,334. This represented the sale of the electricity generating and retail power segment and a decrease in the mining exploration and developments assets of $872,668. The decrease in the value of the mining and exploration assets was due to the use of the cash for the sale of electrical assets and the expenditures related the Lynx Platinum Limited explorations expenditures and the ongoing Madison Property maintenance costs.

Total Liabilities

For the years ended	February 29, 2016	February 28, 2015	February 28, 2014
Electricity generation and retail power	$ -	$ 935,929	$ 678,062
Mining exploration and development	59,264	808,576	18,593
	$ 59,264	$ 1,744,505	$ 696,655

The total liabilities decreased by $1,685,241 in the year as a result of the sale of the electricity generation and power operations, the elimination of the related liabilities and the decrease in mining exploration and development operations during the year. Additionally a significant amount of the intercompany management fee was paid to TAG.

Shares Outstanding

The outstanding shares decreased by 5,662,363 shares to bring it to a total as at February 29, 2016 of 5,662,340, down from 11,324,340 in the prior year. The shares decreased due to the Consolidation. There were no shares issued during the 2016 fiscal year.

RESULTS FOR THE QUARTER

Summary of Quarterly Results

	Three Months Ended			
	February 29, 2016	November 30, 2015	August 31, 2015 (1)	May 31, 2015 (1)
Sales	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -
Loss from continuing operations	$ (156,833)	$ (173,812)	$ (470,245)	$ (179,301)
Net loss from discontinued operations	$ (272,013)	$ (5,805,978)	$ (65,597)	$ (484,454)
Loss for the period	$ (428,846)	$ (5,979,790)	$ (535,842)	$ (663,755)
Loss per share	$ (0.08)	$ (1.06)	$ (0.09)	$ (0.12)
	February 28, 2015 (1)	November 30, 2014 (1)	August 31, 2014 (1)	May 31, 2014 (1)
Sales	$ -	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -	$ -
Loss from continuing operations	$ (269,619)	$ (260,874)	$ (208,773)	$ (251,788)
Net loss from discontinued operations	$ (325,294)	$ (86,723)	$ (21,362)	$ (23,534)
Loss for the period	$ (594,913)	$ (347,597)	$ (230,135)	$ (275,322)
Loss per share	$ (0.11)	$ (0.06)	$ (0.04)	$ (0.05)

(1) The results for these quarters have been restated to remove the discontinued operations from and are reflected in the "Net Loss from discontinued operations"

Sales

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Mining exploration and development	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -

During the current quarter, the Company had entered into the Asset Purchase Agreement and the Share Purchase Agreement. The Company's remaining operations consist of exploration and evaluation assets and do not currently produce any revenue.

Sales from Discontinued Operations

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Electricity generation and retail power (1)	$2,069,527	$1,059,766	$1,144,052	$7,257,174	$5,352,332
	$2,069,527	$1,059,766	$1,144,052	$7,257,174	$5,352,332

(1) The sales for the electricity generation and retail power are from discontinued operations and are shown here to demonstrate the impact this discontinuation will have on future operations.

Sales for the three months ended February 29, 2016, increased by $925,475 over the sales from the same quarter in the previous year and increased by $1,009,761 from the previous quarter. The increase from both the previous quarter and same quarter in the previous year was due to seasonal fluctuation in demand and the continued sales growth of the Utilise brand. The commercial/retail sales effort with the Utilise brand and expanded sales staff was hampered by lack of generation to meet the growing demand. The sales effort was scaled back as a result and an agreement was negotiated to sell the operations.

Gross Profit

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Mining exploration and development	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -

In the current quarter, the Company completed the two agreements that will divest entirely the assets and operations of the Electricity Generation and Retail Power segment. The Company's remaining operations consist of exploration and evaluation assets and do not currently produce any revenue, cost of production, or gross profit.

Gross Profit, from Discontinued Operations

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Electricity generation and retail power	$ 101,735	$ 62,453	$ 11,875	$ 331,880	$ 626,217
	$ 101,735	$ 62,453	$ 11,875	$ 331,880	$ 626,217

The gross profit for the three months ended February 29, 2016 increased $89,860 from the same quarter in the previous year and increased $39,282 from the previous quarter.

The gross profit for the 2016 fiscal year to date was down significantly from the prior year mainly due to the increased cost of sales associated with the Utilise brand launch and continued support. The projected sales increase and resulting gross profit increase would have provided sufficient cash flow for continuing operations but it relied on having increases in generation. With insufficient gas supply to achieve the necessary growth management and the Board felt that it was in the best interest of the Company to discontinue operations.

Loss for the Period

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Loss from operations,					
Mining exploration and development	$ (156,833)	$ (173,812)	$(269,619)	$ (980,191)	$ (991,054)
Loss from discontinued operations,					
Electricity generation and retail power	(272,013)	(5,805,978)	(325,294)	(6,628,042)	(456,913)
	$ (428,846)	$(5,979,790)	$(594,913)	$(7,608,233)	$(1,447,967)

The Company's operations for the three months ended February 29, 2016 produced a loss of $428,846 compared to loss of $594,913 for the same quarter in the previous year. The current quarter showed a loss of $156,833 from continuing operations, which is currently comprised of the mining exploration and development segment. The loss from discontinued operations which included the estimated loss on disposal all the assets, liabilities and operations of the electricity generation and retail power segment, amounted to $272,013.

LIQUIDITY AND CAPITAL RESOURCES

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Cash and cash equivalents	$ 1,532,920	$ 937,914	$ 3,123,046	$ 1,532,920	$ 3,123,046
Working capital	$ 1,515,311	$ (141,120)	$ 2,385,497	$ 1,515,311	$ 2,385,497

As at the date of this report, the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next 12 months. The Company rectified the deficiency by arranging the Asset Sale and the OHL Sale that were completed during the year. The Asset Purchase Agreement provided sufficient funds to increase the working capital to fund its operations and planned capital expenditures for the next 12 months. Any additional material capital expenditures or commitments may require a source of additional financing, which may come from funds through equity financing.

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Issued and outstanding shares	5,662,340	5,662,340	5,662,340	5,662,340	5,662,340
Issued and outstanding shares, fully diluted	5,662,340	5,662,340	5,662,340	5,662,340	5,662,340

On December 8, 2015, the Company completed the Consolidation.

During the year ended February 29, 2016, the Company did not issue any common shares and did not issue or grant any stock options.

The market price of natural resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development and production from such properties. This may affect the Company's ability to raise capital to acquire and explore resource properties. Management believes it will be able to raise the capital required to develop resource properties by various means of equity issuances, debenture financing or securing joint venture partners for projects.

RELATED PARTY TRANSACTIONS

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

	2016	2016	2015	Year ended	
	Q4	Q3	Q4	February 29, 2016	February 28, 2015
Consulting fees	$ 7,000	$ 6,000	$ 18,000	$ 38,000	$ 45,000
Directors fees	500	250	-	1,750	1,750
Management fees	15,000	15,000	19,500	59,194	69,000
	$ 22,500	$ 21,250	$ 37,500	$ 98,944	$ 115,750

During the year ended February 29, 2016, the Company recorded discontinued operations sales in the amount of $881,865 (February 28, 2015 - $927,406) from related companies with significant influence over the Company of which $nil (February 28, 2015 - $155,245) was outstanding in accounts receivable at year end. For the year ended February 29, 2016, the Company recorded $484,774 (February 28, 2015 - $344,810) in discontinued operations purchases from related companies with significant influence over the Company of which $nil (February 28, 2015 - $143,693) was outstanding in accounts payable and accrued liabilities at the year end.

During the year ended February 29, 2016, the Company was charged by a Canadian related company with significant influence $314,889 (February 28, 2015 - $708,332) for management fees. At February 29, 2016, $nil (February 28, 2015 - $765,569) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities. At February 29, 2016, the Canadian related company with significant influence owes the Company $25,109 resulting from the sale of OHL and was outstanding in accounts receivable.

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.

SHARE CAPITAL

The Company's outstanding share position as at June 27, 2016, is 5,662,340 common shares, and the Company has no share purchase warrants or incentive stock options currently outstanding.

SUBSEQUENT EVENTS

None noted.

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 business opportunities. The Company defines its capital as shareholders' equity, loans and advances payable. The Board of Directors does not establish 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.

COMPETITION

The power generation and retail industry in which the Company was primarily engaged is in general, highly competitive, as well as the resource industry in which the Company is still engaged. Competition in generation may come from low fuel cost, geothermal generation with peak demand met from hydro storage or batteries. Retail competition could come from other mass market suppliers moving into the electricity market, or the bundling of utility products. Competitors in the resource industry include well-capitalized resource companies, independent resource companies and other companies having financial and other resources far greater than those of the Company, thus a degree of competition exists between those engaged in the resource industry to acquire attractive resource properties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in preparation of the financial statements are consistent with those set forth in Note 2 of the consolidated financial statements for the year ended February 29, 2016. They are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

CHANGES IN ACCOUNTING POLICIES

A detailed summary of all the Company's significant change in accounting policies is included in Note 2(p) of the Company's February 29, 2016, consolidated financial statements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

FINANCIAL INSTRUMENTS RISK

A detailed summary of all the Company's financial instruments risk is included in Note 7 of the Company's February 29, 2016, consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of short-term investments; cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

RISKS

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that Coronado will be able to secure the funds necessary to continue to explore its gold, copper and platinum mineral properties, or, even if the funds are available, will continue with the exploration of its mineral properties. There is also no assurance that any of Coronado's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Following the completion of the Asset Sale and OHL Sale, the focus of Coronado's business has shifted from a power generation and retailing company in New Zealand to furthering the development of its strategy and plans for the Madison Property, and assessing acquisition opportunities. Some of the additional risks that are faced by Coronado are, the ability to obtain necessary financing and resources for the operation, development and/or expansion of Coronado's operations; the health of the economy generally; current and future stock price volatility; operation risks such as overcapacity risk, disruptions in production, equipment failure, supply failure, changes in hydrology, opposition to production and unexpected increases in raw materials costs; reliance on licences, permits, approvals and renewals from governmental authorities and the risks associated with the complexity of, and any changes to, the regulatory environment or delays in obtaining or failures to obtain necessary regulatory permits and approvals from government authorities; political instability and arbitrary changes in law; changes in the cost of doing business as a result of any changes in the regulatory environment; dependence upon key contracts with certain counterparties and reliance on certain wholesale supply agreements; management inexperience and dependence upon key management employees; fluctuations in foreign currency exchange rates; property title and investments related risks, including the potential for the existence of undetected or unregistered interests or claims over the property of Coronado; possible changes in business prospects and opportunities; transportation and construction delays; failure of plant, equipment or processes to operate as anticipated; and accidents, environmental risks, labour disputes and other risks of the energy and mining industries.

The factors identified above are not intended to represent a complete list of the risks faced by Coronado. Coronado's management believes that the foregoing risks and uncertainties are a fair indication of the risks and uncertainties material to Coronado's business; however, additional risks and uncertainties, including those currently unknown to Coronado or not considered to be material by Coronado, may also adversely affect the business of Coronado.

OFF-BALANCE SHEET ARRANGMENTS

The Company has not entered into any off-balance sheet transactions.

ADDITIONAL INFORMATION

Additional information relating to the Company and results of its operations may be found under Coronado's SEDAR profile at www.sedar.com or on Coronado's website at www.coronadoresourcesltd.com.

FORWARD LOOKING STATEMENTS

The foregoing information contains forward-looking statements within the meaning of securities laws. Forward-looking statements are statements that are not historical fact and often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Coronado to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements in this MD&A include, but are not limited to the operations of Coronado since completion of the Asset Sale and OHL Sale, and Coronado's overall strategic plan for the Madison Property and assessing acquisition opportunities. In making the forward-looking statements in this MD&A, 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 maintain its business plan for the near and mid-term range. 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 Coronado's operations will not continue at their current levels, and that Coronado will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading "*Risks*". The factors identified above and in the "*Risks*" section of this MD&A are not intended to represent a complete list of the factors that could affect Coronado. 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, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

CORONADO RESOURCES LTD.

Consolidated Financial Statements

February 29, 2016
and
February 28, 2015

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Coronado Resources Ltd.

We have audited the accompanying consolidated financial statements of Coronado Resources Ltd. which comprise the consolidated statements of financial position as at February 29, 2016 and February 28, 2015 and the consolidated statements of comprehensive loss, changes in equity 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 as issued by the International Accounting Standards Board 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Coronado Resources Ltd. as at February 29, 2016 and February 28, 2015 and financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
June 27, 2016

CORONADO RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		February 29, 2016		February 28, 2015
Assets				
Current assets				
Cash and cash equivalents	$	1,532,920	$	3,123,046
Amounts receivable		34,580		990,601
Prepaid expenses		7,075		14,525
		1,574,575		4,128,172
Property and equipment, net (Note 3)		578,778		7,863,786
Exploration and evaluation assets (Note 4)		4,728,229		4,759,792
Reclamation deposits and restricted cash		92,692		191,858
	$	6,974,274	$	16,943,608
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	$	59,264	$	1,742,675
Electricity derivative		-		1,830
		59,264		1,744,505
Shareholders' equity				
Capital stock (Note 5(b))		20,127,801		20,127,801
Contributed surplus (Note 5(e))		1,657,109		1,657,109
Foreign currency translation		(75,827)		600,033
Deficit		(14,794,073)		(7,185,840)
		6,915,010		15,199,103
	$	6,974,274	$	16,943,608

Nature of operations and going concern (Note 1)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on June 27, 2016.

"Hugh Rogers "
……………………………………………………Director
Hugh Rogers

"Ashley Garnot "
……………………………………………………Director
Ashley Garnot

CORONADO RESOURCES LTD.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended	**February 29, 2016**	**February 28, 2015** *(Restated – Note 10)*
Continuing operations		
General and administrative expenses		
Amortization	$ 3,313	$ 4,144
Audit and accounting	47,395	46,602
Bank charges	2,549	2,764
Consulting and director fees	39,750	71,140
Insurance	9,014	8,138
Legal	131,141	32,984
Management fees	259,559	743,602
Office and administration	17,279	14,139
Office rent	29,907	29,063
Shareholder relations and communication	19,812	79,020
Transfer and filing fees	55,574	75,353
Travel	14,017	6,504
	(629,310)	(1,113,453)
Other items		
Foreign exchange gain	25,270	62,597
Interest income	14,174	59,802
Write-off of exploration and evaluation asset	(390,325)	-
	(350,881)	122,399
Net loss from continuing operations	(980,191)	(991,054)
Net loss from discontinued operations (Note 10(a))	(6,628,042)	(456,913)
Net loss for the year	(7,608,233)	(1,447,967)
Other comprehensive income		
Cumulative translation adjustment	(675,860)	144,996
Comprehensive loss for the year	$ (8,284,093)	$ (1,302,971)
Loss per share, basic and diluted	$ (1.34)	$ (0.26)
Weighted average number of common shares outstanding	5,662,340	5,662,340

See accompanying notes.

CORONADO RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended		February 29, 2016		February 28, 2015
Operating activities				
Net loss for the year	$	(7,608,233)	$	(1,447,967)
Items not involving cash:				
Amortization		3,313		205,947
Loss on discontinued operations		6,628,042		-
Write-off of exploration and evaluation asset		390,325		-
Electricity derivative loss		-		231,652
Income taxes – recovered		-		(68,863)
Interest on reclamation deposit and restricted cash		(186)		(495)
Foreign exchange		(7,050)		(15,349)
		(593,789)		(1,095,075)
Changes non-cash working capital:				
Amounts receivable		(49,789)		(189,871)
Prepaid expenses		(66,181)		13,024
Accounts payable and accrued liabilities		2,584,901		972,374
		2,468,931		795,527
Cash provided by (used in) operating activities		1,875,142		(299,548)
Financing activity				
Purchased of restricted term deposit		47,306		(17,580)
Cash used in financing activity		47,306		(17,580)
Investing activities				
Cash and cash equivalents included in assets sold		(445,027)		-
Proceeds from sale of asset		2,017,653		-
Equipment purchases		(4,797,174)		(2,668,444)
Exploration and evaluation asset expenditures		(288,026)		(566,686)
Exploration and evaluation asset recoveries		-		29,070
Cash used in investing activities		(3,512,574)		(3,206,060)
Net outflow of cash and cash equivalents		(1,590,126)		(3,523,188)
Cash and cash equivalents, beginning of year		3,123,046		6,646,234
Cash and cash equivalents, end of year	$	1,532,920	$	3,123,046
Supplemental cash flow information				
Accounts payable included in exploration and evaluation assets	$	1,253	$	148,723
Interest received	$	13,988	$	86,022
Cash and cash equivalents consist of:				
Cash	$	91,182	$	998,223
Short-term deposits		1,441,738		2,124,823
	$	1,532,920	$	3,123,046

See accompanying notes.

CORONADO RESOURCES LTD.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common shares					
	Number	Amount	Contributed surplus	Foreign currency translation reserve	Deficit	Total
Balance, February 28, 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	-	-	-	144,996	-	144,996
Net loss for year	-	-	-	-	(1,447,967)	(1,447,967)
Balance, February 28, 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	-	-	-	(675,860)	-	(675,860)
Net loss for year	-	-	-	-	(7,608,233)	(7,608,233)
Balance, February 29, 2016	5,662,340	$20,127,801	$ 1,657,109	$ (75,827)	$(14,794,073)	$ 6,915,010

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated under the *Business Corporations Act* (British Columbia) and is engaged in the exploration and development of exploration and evaluation assets. The Company trades on the TSX Venture Exchange under the symbol "CRD", 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 year ended February 29, 2016, the Company sold its interest in the electrical generation and sales business (see Note 10) and therefore changed from being an electrical generation and sales company to being predominately an exploration mining company.

These consolidated 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 February 29, 2016, the Company had working capital of $1,515,311 (February 28, 2015: $2,385,497). At February 29, 2016, the Company also has an accumulated deficit of $14,794,073 (February 28, 2015: $7,185,840). The Company has working capital to fund its operations for the next twelve months, but may be reliant upon future equity financing to fund its operations and advance the development of its exploration mining business.

With the 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 factors 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 reflect 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 consolidated 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) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Consolidation

The consolidated 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 Platinum Limited	New Zealand	100%	Inactive

(c) Basis of Presentation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and its interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently by the Company and its subsidiaries.

(d) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements is 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 consolidated 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 judgments 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 consolidated 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property and equipment

All depreciable property and equipment is recorded at cost and amortized using a declining-balance method at rates from 4% - 50% annually. Additions during the year are amortized at one-half the annual rate. Amortization of exploration-related assets is included within deferred exploration and evaluation assets.

Assets attributable to mining exploration operations are recorded at cost less accumulated depreciation and depreciation is calculated using the declining-balance method. Corporate assets consist primarily of office equipment and leasehold improvements and are stated at cost less accumulated depreciation. Depreciation of these corporate assets is also calculated using the declining-balance method.

(f) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

(g) Exploration and evaluation assets

The Company capitalizes all costs related to investments in exploration and evaluation assets on a property-by-property basis. Such costs include exploration and evaluation asset acquisition costs and exploration and development expenditures, net of cost recoveries from incidental revenues. Incidental revenues are recognized when the product has been delivered to the buyer’s plant. Costs are deferred until such time as the extent of mineralization has been determined and exploration and evaluation assets are either developed, the interest is sold or the Company's mineral rights are allowed to lapse.

All capitalized costs are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property interest exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company’s assessment, it will be unable to sell the property interest for an amount greater than the deferred costs, provision is made for the impairment in value.

When it has been determined that an exploration and evaluation asset can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and will be amortized using the unit-of-production method over the estimated life of the ore body based upon recoverable ounces to be mined from estimated proven and probable reserves.

The Company is still in the exploration stage and commercial production has not yet commenced. Hence, amortization has not been charged in these financial statements. Commercial production occurs when an asset or property is substantially complete and ready for its intended use. Revenues realized on the sale of ore prior to the commencement of commercial production are offset against the accumulated costs incurred on the property to which they relate, with any excess amounts included in operations.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

From time to time the Company may acquire or dispose of an exploration and evaluation asset pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale or option of the Company's property, are recorded as a reduction of the exploration and evaluation asset cost. The Company recognizes in income those costs that are recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

(h) Asset retirement obligation

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at February 29, 2016, the Company did not have any asset retirement obligations.

(i) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

(j) Share-based compensation

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

(k) Impairment

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 established 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.

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates.

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 so that the increased carrying amount 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.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in Canadian dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

(iii) Subsidiaries

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the year-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the year; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the statement of income as part of the gain or loss on sale.

(m) Income taxes

Income tax on the profit or loss for the years 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 years end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax is provided using the balance sheet 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 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 balance sheet 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. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(n) Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents are included in this category of financial assets.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Loans and receivables comprise trade and other receivables. Amounts receivable, excluding GST, is included in this category of financial assets.

iii. Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity. The Company currently does not have any financial assets classified as AFS.

Management assesses the carrying value of AFS financial assets at each reporting period and any impairment charges are also recognized in other comprehensive income or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are reclassified to profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

The Company's financial liabilities are classified as borrowings and other financial liabilities.

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities are included in this category of financial liabilities.

Derivative financial instruments

The Company holds derivative financial instruments to hedge its commodity price risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(o) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. These criteria are generally met at the time the product is consumed by the customer and, depending on the delivery conditions, title and risk have passed to the customer and acceptance of the product, when contractual requirements, have been fulfilled. Revenue is measured based on the price specified in the sales contract.

(p) New accounting standards issued

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:

1) IFRS 7 - Financial Instruments: Disclosures
2) IFRS 11 - Joint Arrangements

Certain pronouncements were issued by the IASB or the IFRIC, but not yet effective as at February 29, 2016. 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 March 1, 2016:

1) IFRS 9 – Financial Instruments (annual periods beginning March 1, 2018)
2) IFRS 15 – Revenue from Contracts with Customers Issued (annual periods beginning March 1, 2017)

(Expressed in Canadian Dollars)

3. 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	-	-	-	-	673,961	4,462	-	678,423
Sale of assets	-	-	(756,667)	(5,236,417)	(1,885,540)	(40,932)	-	(7,919,556)
Foreign exchange movement	-	-	(44,509)	(409,879)	(71,269)	(2,145)	-	(527,802)
February 29, 2016	$ 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	-	50,464	44,161	135,326	-	10,561	2,929	243,441
Sale of assets	-	-	(312,118)	(371,568)	-	(13,210)	-	(696,896)
Foreign exchange movement	-	-	(16,223)	(13,897)	-	(352)	-	(30,472)
February 29, 2016	$ -	$ 464,449	$ 168,534	$ -	$ -	$ 22,214	$ 78,578	$ 733,775
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
February 29, 2016	$ 321,213	$ 202,556	$ 29,997	$ -	$ -	$ 13,258	$ 11,754	$ 578,778

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets are comprised of properties located in Montana, USA. 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 year				
Amortization	-	60,867	-	60,867
Assessment and taxes	-	87,423	-	87,423
Camp costs	-	9,066	-	9,066
Consulting engineering	-	1,249	72,000	73,249
Fieldwork and wages	-	139,979	-	139,979
Permits, assay and testing	-	7,047	-	7,047
Power utilities	-	4,198	-	4,198
	-	309,829	72,000	381,829
Write-off of exploration and evaluation asset	(1)	-	(390,324)	(390,325)
Foreign exchange movement	-	-	(23,067)	(23,067)
Net expenditures in year	(1)	309,829	(341,391)	(31,563)
Balance, February 29, 2016	$ -	$ 4,728,229	$ -	$ 4,728,229

4. 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.

4. 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 a material liability to the Company.

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the year ended February 29, 2016:

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.

During the year ended February 28, 2015:

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.

(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, whose options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

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

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

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

	February 29, 2016		February 28, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	-	$ -	13,214	$ 2.10
Cancelled/expired	-	-	(13,214)	2.10
Outstanding and exercisable, end of year	-	$ -	-	$ -

(d) Share Purchase Warrants

There were no warrants outstanding as at February 29, 2016 and February 28, 2015.

(e) Share-based compensation

There were no stock options issued during the years ended February 29, 2016 and February 28, 2015.

6. RELATED PARTY TRANSACTIONS

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

	February 29, 2016	February 28, 2015
Consulting fees	$ 38,000	$ 45,000
Directors fees	1,750	1,750
Management fees	59,194	69,000
	$ 98,944	$ 115,750

During the year ended February 29, 2016, the Company recorded discontinued operations sales in the amount of $881,865 (February 28, 2015 - $927,406) from related companies with significant influence over the Company of which $nil (February 28, 2015 - $155,245) was outstanding in accounts receivable at year end. For the year ended February 29, 2016, the Company recorded $484,774 (February 28, 2015 - $344,810) in discontinued operations purchases from related companies with significant influence over the Company of which $nil (February 28, 2015 - $143,693) was outstanding in accounts payable and accrued liabilities at the year end.

During the year ended February 29, 2016, the Company was charged by a Canadian related company with significant influence $314,889 (February 28, 2015 - $708,332) for management fees. At February 29, 2016, $nil (February 28, 2015 - $765,569) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities. At February 29, 2016, the Canadian related company with significant influence owes the Company $25,109 resulting from the sale of OHL and was outstanding in accounts receivable.

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.

7. 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. Prior to the sale of the electricity segment, the most significant exposure to this risk is relative to the sale of electrical output. All of the Company's generation sold directly to retail and commercial customers in a government regulated industry. The Company paid for its sales on industry standard terms and had the ability to suspend power in the event of nonpayment. The Company had assessed the risk of non-collection from the customers 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 February 29, 2016, 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 purchases 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 (previously) 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 were denominated in New Zealand dollars and operational and capital activities related to the operations were transacted primarily in New Zealand dollars and/or United States dollars with some costs also being incurred in Canadian dollars.

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 that are expected to be carried out in United States dollars will be limited. 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.

7. FINANCIAL INSTRUMENTS RISK (Continued)

Commodity Price Risk

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

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.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS RISK (Continued)

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

		February 29, 2016		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	1,532,920	-	3,123,046	-
Reclamation deposits and restricted cash		-	92,692	-	191,858
		1,532,920	92,692	3,123,046	191,858
Financial liabilities:					
Accounts payable and accrued liabilities		-	59,264	-	1,742,675
Electricity derivative	2	-	-	1,830	-
		-	59,264	1,830	1,742,675

During the years ended February 29, 2016 and February 28, 2015, there were no transfers between level 1, level 2 and level 3.

8. 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 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. The Company may require equity issues but it may not be required if cash flows from operations are sufficient to cover administrative and operating costs.

(Expressed in Canadian Dollars)

9. SEGMENTED INFORMATION

The Company now operates in two (2015 – three) geographic regions, and had reportable sales from operations as follows:

Geographic segments

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

	As at February 29, 2016			
	Canada	United States	New Zealand	Total
Discontinued operations sales revenue	$ -	$ -	$ 7,257,174	$ 7,257,174

	As at February 29, 2016			
	Canada	United States	New Zealand	Total
Property and equipment	$ 13,258	$ 565,520	$ -	$ 578,778
Exploration and evaluation assets	-	4,728,229	-	4,728,229
Reclamation deposits and restricted cash	11,520	81,172	-	92,692
	$ 24,778	$ 5,374,921	$ -	$ 5,399,699

	As at 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

During the year, the Company operated in two industry segments: electricity generating and retailing, and mining exploration and development.

	As at February 29, 2016		
	Electricity Generation and Retailing *(discontinued)*	Mining Exploration and Development	Total
Loss for the year	$ (6,634,460)	$ (973,773)	$ (7,608,233)
Total assets	$ -	$ 6,974,274	$ 6,974,274
Total liabilities	$ 1,281	$ 57,983	$ 59,264

(Expressed in Canadian Dollars)

9. 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

10. DISPOSAL GROUP SALE AND DISCONTINUED OPERATIONS

On February 18, 2016, the Company completed its 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 Purchase Agreement") and also completed its 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, an unrelated Company, (the "OHL Sale Acquisition") for total proceeds of $2,017,653.

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

a. *Results of discontinued operation*

	February 29, 2016	February 28, 2015
Electricity sales	$ 7,257,174	$ 5,352,332
Cost of sales	(6,925,294)	(4,726,115)
	331,880	626,217
General and administrative expenses	(1,562,153)	(947,056)
Other items	136,695	(136,074)
Loss on disposal group	(5,534,464)	-
Net loss for the year	$ (6,628,042)	$ (456,913)
Loss per share, basic and diluted	$ (1.17)	$ (0.08)

b. *Cash flows from (used in) discontinued operation*

	February 29, 2016	February 28, 2015
Net cash used in operating activities	$ 5,479,274	$ 124,785
Net cash from investing activities	(5,823,842)	(315,774)
Net cash flow for the year	$ (344,568)	$ (190,989)

c. *Cumulative income or expenses included in OCI*

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

(Expressed in Canadian Dollars)

11. INCOME TAXES

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

As at	February 29, 2016	February 28, 2015
	$	$
Net loss for the year before tax	(1,516,830)	(1,516,830)
Expected income tax (recovery) expense	(408,539)	(408,539)
Net adjustment for deductible and non-deductible amounts	(16,849)	(16,849)
Unrecognized benefit of current non-capital loss	356,525	356,525
Total income tax (recovery) expense	(68,863)	(68,863)

The components of the Company's deferred tax assets and liabilities are as follows:

As at	February 29, 2016	February 28, 2015
	$	$
Deferred tax asset: non-capital losses net of unrecognized amounts	1,002,374	1,002,374
Deferred tax liabilities: Mineral Properties	(1,002,374)	(1,002,374)
Net deferred tax	-	-

The significant components of the Company's deferred income tax assets (liabilities) are as follows:

As at	February 29, 2016	February 28, 2015
	$	$
Deferred income tax liabilities:		
Exploration and evaluation carrying amounts in excess of tax pools	(3,312,803)	(3,312,803)
Non-capital loss carry-forwards	6,627,028	6,627,028
Equipment and share issue costs	513,573	513,573
Unrecognized deductible temporary differences	3,827,798	3,827,798

(Expressed in Canadian Dollars)

11. INCOME TAXES (Continued)

As at February 29, 2016, the Company has Canadian non-capital losses carry forward of approximately $4,422,000. These losses are available to be utilized as deductions against future year's Canadian taxable income operations. If not utilized, they will expire as follows:

2026	$	158,000
2027		293,000
2028		381,000
2029		291,000
2030		517,000
2031		250,000
2032		523,000
2033		338,000
2034		873,000
2035		798,000
2036		
	$	4,422,000

The Company has US non-capital loss carry-forwards for tax purposes (expiring between 2026 and 2035) of approximately $1,387,000 (February 28, 2015 – $1,387,000) available to be utilized as deductions against future year's US taxable income.