CORONADO RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE THREE MONTHS ENDED MAY 31, 2015

The following Management's Discussion and Analysis ("MD&A") is dated July 29, 2015, for the period ended May 31, 2015 and should be read in conjunction with the Coronado Resources Ltd. ("Coronado" or the "Company") accompanying condensed consolidated interim financial statements for the period ended May 31, 2015 and the audited consolidated financial statements for the year ended February 28, 2015.

These condensed consolidated interim financial statements for the period ended May 31, 2015 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 condensed consolidated interim 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 unaudited condensed consolidated interim financial statements for the three month period ended May 31, 2015 or the audited financial statements of the Company and the notes thereto for the year ended February 28, 2015. 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.

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CURRENT DEVELOPMENTS

Corporate

The company reports that following the appointment of the Company's new CEO, management has initiated a review of all assets of the Company including its power generation assets, platinum exploration permits, and precious metal development properties. Management is focused on maximizing shareholder value and minimizing capital expenditures.

The company announced that Mr. Frank Jacobs and Mr. David Loretto have joined the Board of Directors of the Company during the quarter, while Mr. Douglas Lynes has resigned.

Electricity Generation and Retail

Coronado's subsidiary Opunake Hydro Limited ("OHL") is in the final stage of completing a comprehensive contractual agreement with Millennium Corporation ("Millennium") to develop a new electricity retailer. The retailer operates under the name of "Utilise Ltd." and provides Kiwi businesses with customized electricity pricing based on their consumption.

OHL executed the agreements with several of Millennium's subsidiary companies to develop the brand, information technology systems, as well as providing sales and service infrastructure for Utilise.

Millennium Corporation is a leading private group of companies focused on growing successful utilities, telecommunications and technology businesses in New Zealand and the Pacific region. It offers OHL a channel partner with a range of experience in building highly successful organisations servicing the business markets in the utilities sector.

Mining Exploration and Development

On December 17, 2014, New Zealand Petroleum and Minerals granted Coronado's 100% owned subsidiary, Lynx Platinum Limited ("Lynx"), a Mineral Exploration Permit ("MEP"), MEP 56391. This permit is located within close proximity to the Company's existing permits and added an additional 3,542 acres of prospective land.

New Zealand's Minister of Energy and Resources, Simon Bridges, announced on July 23, 2014, Lynx was awarded five mineral exploration permits in respect of New Zealand Petroleum and Minerals Platinum New Zealand Blocks Offer 2013.

All permits awarded reside on the South Island of New Zealand and based on the analysis done to date are prospective for platinum group metals and other metallic minerals such as gold and silver. Details of the permits awarded are summarized as follows:

Permit Number	Permit Name	Permit Size
MEP 56411	Longwood B	18,755 acres
MEP 56409	Longwood C	22,652 acres
MEP 56410	Murchison E-2	29,207 acres
MEP 56412	Murchison E-4	29,331 acres
MEP 56413	Murchison E-5	29,257 acres
MEP 56391	Greenhills	3,542 acres
		132,744 acres

The Company's subsidiary, Lynx Platinum Limited, has applied to surrender all of its platinum exploration permits by submitting the requisite application documentation to New Zealand Petroleum & Minerals.

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", on the OTCQX International under the symbol "CRDAF" and on the Canadian Securities Exchange ("CSE") under the symbol "CRD". The Company carried on its business as a resource exploration company with a focus on mineral exploration opportunities in North America. The Madison mine was acquired and the Company carried on exploration activities on the site, and continued to evaluate other properties and opportunities. Coronado acquired Opunake Hydro Limited in a share exchange transaction which resulted in Coronado's major activity changing to predominately a generator and retailer of power. It is in the process of growing the electricity business and brand and continues to maintain its mineral resource exploration properties. Additionally, in its effort increase shareholder value, the Company's subsidiary bid on and was awarded five mineral exploration permits in the Platinum New Zealand 2013 Blocks Offer and was granted an additional permit on December 17, 2014. The company has had significant changes in management and board composition in the quarter and as a consequence the new CEO and new members are reviewing all operations.

Madison Gold Property – History

In April 2005, the Company entered into an agreement to acquire a 100% interest in 6 patented and 12 unpatented claims in a gold-copper property in Montana, 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 8 additional claims in the year ended February 28, 2007, and subsequently it increased it 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.

During 2013, the mining crew was laid off and the mine was put on maintenance. Since that time, the Company continues to develop its strategy and plans for its mining property.

Opunake Hydro Limited

OHL was acquired to provide future growth and value to Coronado's shareholders. OHL provides retail customers with power purchased from the spot market augmented by in house peaking generation capacity. The Company plans to sell retail power in step with its generating capacity and use its peaking capacity and market hedges to mitigate risk of fluctuations in cost of supply. There are strategic plans in place for increased generation capacity and the company has recently developed critical IT infrastructure and sales and administration infrastructure to service a greater number of new customers expected to be acquired through Utilise.

At the time Coronado acquired OHL, it had 2.4MW of capacity and since that time it added another 2 x 1MW generators bringing its total capacity to 4.4MW. The Company's current plans are to acquire an additional 4MW in incremental generation capacity when warranted by new customer demand up to a total generation capacity of 8.4MW. The 4MW increase is intended to provide sufficient capacity for the Company to increase retail sales over the foreseeable future.

This approach has some inherent price risk involved with purchasing power on the spot market to supply customers with fluctuating demand. However, the Company will mitigate this risk by forecasting customer demand, using its peaking generation capacity, and purchasing hedge contracts.

OVERALL PERFORMANCE

The company's overall performance for the three month period May 31, 2015, was lower than anticipated due to cost associated with initializing a sales and marketing program without the benefit of having the revenue from the new sales, challenging operational issues relating to the optimization of generating timing with high spot rates and initializing, testing and integrating the IT infrastructure with increased sales and purchasing transaction volume. The primary focus for the period was to increase commercial/retail sales through various marketing channels supported by new IT infrastructure and increased sales presence. The infrastructure is up and running with the sales and invoicing function performing well and the purchasing data is operating with a bit of a backlog due to final testing and data integrity checks.

The Utilise brand was launched to create a new player in the commercial/retail marketplace with the sales and invoicing function and provide a new identity to focus attention and stimulate sales. The sales continue to increase in the commercial/retail market quarter over quarter while the company has reduced reliance on the lower margin industrial sales and have seen lower sale in that sector as a result. The sales are improving but are still in the early growth phase and will require time before reaching the volume where they are providing are sufficient gross profit to cover the initial upfront cost to break into the market.

In addition the Company allocated resources to bid on five mineral exploration permits in New Zealand through its newly incorporated subsidiary, Lynx Platinum Limited, and was awarded all five of them with an additional permit being granted on December 17, 2014. The company commenced the literature review portion of the exploration program which is near completion.

The operations of OHL have been included in Coronado since November 30, 2013 and the Company's management has focused most of its attention in supporting it. Management will continue to monitor the sales efforts in the power generation and commercial/retail sector and will review plans and timing for additional generation capacity. Management is reviewing the mining exploration and development sector which has had the Madison mine on maintenance for the last several quarters and commenced reviews of the six mineral exploration permits in New Zealand.

A discussion of each sector follows:

Electricity Generation and Retail Power

	Q1 2016	Q4 2015	Q1 2015
Sales	$ 1,884,921	$ 1,144,052	$ 1,451,337
Gross profit	$ 90,525	$ 11,875	$ 172,199
Gross profit percentage	5%	1%	12%
Loss for the period	$ (484,454)	$ (325,294)	$ (23,534)

The current quarter's sales have increased 65% from the prior quarter's figure and 30% from the same quarter in the prior year with generation capacity to support further increases. The company continues its efforts to focus on higher margin sales and is moving away from industrial sales and is focusing on commercial/retail sales. In Q1 2016 industrial sales amounted to 11% of the total sales while in Q4 2015 they amounted to 20% of sales and 61% in Q1 2015.

The gross profit has increased in dollar value and as a percentage of sales but is lower than the target of approximately 10% to 12%. The gross profit percentage will fluctuate from quarter to quarter depending on the seasonal demand, wholesale rates, hedging strategy, customer demand profiles and cost of sales. The percentage for Q1 2016 was 5%, up from Q4 2015 of 1%, but down from the Q1 2015 of 12%. The current quarter gross profits were up from the prior quarter and down from the same quarter in the previous year. The prior quarter had year to date adjustments which lowered the gross profit significantly resulting in higher gross profit in the current quarter. However the current quarter was much lower than the same quarter in the previous year as there were continued sales cost for the Utilse launch, ongoing operational difficulties with timing the generation to maximize return on output and other cost adjustments associated with the timing of reported cost of sales. The Company is targeting a 10% to 12% gross profit average quarter over quarter once the Company has reached the sales volume to support the operating cost of the sales force put in place to achieve growth objectives and rectify non-optimum operating conditions.

	Q1 2016	Q4 2015	Q1 2015
IT Development in progress	$ 83,516	$ 210,667	$ -
Generation	-	-	835,378
Expenditures in period	$ 83,516	$ 210,667	$ 835,378

The Company has installed and commissioned 4MW of generation to date in addition to its 0.4MW hydro facility and believes that in conjunction with wholesale purchases and it’s hedging strategy is well positioned to handle increased sales. There have been operational difficulties which management is aware of and are in the process of being resolved.

The IT infrastructure development represent a significant fixed cost and is nearing completion and will allow number of years of growth before requiring any upgrades or redevelopment. Its main purpose is to give the company the ability to handle the larger volume commercial/retail market transaction in a cost effective manner.

Mining Exploration and Development

	Q1 2016	Q4 2015	Q1 2015
Sales	$ -	$ -	$ -
Gross profit	$ -	$ -	$ -
Gross profit percentage	0%	0%	0%
Loss for the period	$ (179,301)	$ (269,619)	$ (251,788)

The company’s loss from Mining Exploration and Development includes the operations of the head office and have decreased in the current quarter compared to last quarter and the same quarter in the previous year.

Madison Property, Montana

	Q1 2016	Q4 2015	Q1 2015
Amortization	$ 15,342	$ 18,811	$ 19,230
Assessment and taxes	76,398	4,076	71,343
Camp costs	4,982	471	2,230
Fieldwork and wages	33,679	32,546	29,383
Permits, assay and testing	2,729	1,378	8,428
Power utilities	1,196	1,030	1,033
	134,326	58,312	131,647
Exploration and evaluation asset recoveries in period	-	-	(29,070)
Net expenditures in period	$ 134,326	$ 58,312	$ 102,577

The Madison mine remained on maintenance while the Company focused on OHL and developing is generation and sales capacity. This entailed minimal staffing and activity to keep the site in good standing with all its environmental permits and regulatory authorities. There was no significant activity during the quarter beyond the basic maintenance procedures. The company is currently reviewing its options with the Madison mine and would like to solidify an action plan in the near future.

There are approximately 1,000 tons of ore remaining on site which the Company will schedule for milling as soon as a facility in the vicinity becomes available.

Platinum Property, New Zealand

	Q1 2016	Q4 2015	Q1 2015
Consulting engineering	$ 27,140	$ 29,132	$ -
Permits, assay and testing	-	10,107	-
Net expenditures in period	$ 27,140	$ 39,239	$ -

On July 23, 2014, Coronado's 100% owned subsidiary, Lynx Platinum Limited, was awarded five mineral exploration permits in respect of New Zealand Petroleum and Minerals Platinum New Zealand Blocks Offer 2013. On December 17, 2014, the Company was granted an additional Mineral Exploration Permit 56391.

The consulting engineering and related costs of $27,140 represent the expenditure capitalized in the period for consultation, planning, and the work towards completing the literature review of the exploration permits.

The Company focused on consultation with landowners and all stakeholders and began analyzing all existing data, preparing the literature review and conducting the necessary geological and economic modeling to determine the potential of any commercial mineral deposits within these permits. The Company has been assessing the information gathered to date and has made application to the New Zealand Petroleum & Minerals for permission to relinquish the claims. Once the request has been reviewed by the Minister and a ruling issued, the Company will be in a position decide it future plans in regards to all the permits.

FINANCIAL RESULTS OF OPERATIONS

RESULTS FOR THE QUARTER

Summary of Quarterly Results

	Three Months Ended			
	May 31, 2015	February 28, 2015	November 30, 2014	August 31, 2014
Sales	$ 1,884,921	$ 1,144,052	$ 1,259,871	$ 1,497,072
Gross profit	$ 90,525	$ 11,875	$ 97,767	$ 344,376
Loss for the period	$ (663,755)	$ (594,913)	$ (347,597)	$ (230,135)
Loss per share	$ (0.06)	$ (0.05)	$ (0.03)	$ (0.02)
	May 31, 2014	February 28, 2014	November 30, 2013	August 31, 2013
Sales	$ 1,451,337	$ 1,074,600	$ 540,961	$ -
Gross profit	$ 172,199	$ 168,117	$ 128,147	$ -
(Loss) income for the period	$ (275,322)	$ 56,250	$ 1,037,227	$ (329,324)
(Loss) income per share	$ (0.02)	$ 0.00	$ 0.10	$ (0.03)

Sales

	Q1 2016	Q4 2015	Q1 2015
Electricity Generation and Retail Power	$ 1,884,921	$ 1,144,052	$ 1,451,337
Mining Exploration and Development	-	-	-
	$ 1,884,921	$ 1,144,052	$ 1,451,337

Sales for the three months ended May 31, 2015, increased by $433,584 over the sales from the same quarter in the previous year and increased by $740,869 from the previous quarter. The increase from the previous quarter and same quarter in the previous year was due to an increase in commercial/retail customers. The commercial/retail sales continue to increase and we anticipate greater growth in the coming quarter as we continue our sales effort with our Utilise brand and expanded sales staff.

Gross Profit

	Q1 2016	Q4 2015	Q1 2015
Electricity Generation and Retail Power	$ 90,525	$ 11,875	$ 172,199
Mining Exploration and Development	-	-	-
	$ 90,525	$ 11,875	$ 172,199

The gross profit for the three months ended May 31, 2015 was down $81,674 from the same quarter in the previous year and up $78,650 from the previous quarter.

There were several factors that led to higher cost of sales in the quarter compared to the same quarter in the previous year. A lower contribution to sales from the generation, a higher sales cost associated with the Utilise launch and higher lines charges carried forward from previous quarters relating to a lag created by the implementation of the automation of electricity and line charges. The gross profit was higher than the previous quarter due to the allocation of the year date cost adjustment of natural gas costs to the previous quarter. The process will be fully operational by the end of the second quarter in fiscal 2016. Our sales contracts are based on a fixed price for power but our purchase of power is fluctuating with the wholesale price for power. Management prepares customer usage profiles to predict consumption and will enter the hedge market to purchase forward contracts to mitigate price swings and maintain gross profit.

Loss for the Period

	Q1 2016	Q4 2015	Q1 2015
Electricity Generation and Retail Power	$ (484,454)	$ (325,294)	$ (23,534)
Mining Exploration and Development	(179,301)	(269,619)	(251,788)
	$ (663,755)	$ (594,913)	$ (275,322)

The Company's operations for the three months ended May 31, 2015 produced a loss of $663,755 compared to loss of $275,322 for the same quarter in the previous year. The current quarter showed a loss of $484,454 from the electricity generating and retail power segment while the mining exploration and development segment recorded a loss of $179,301. This compared to a loss of $23,534, from the electricity generating and retail power segment while the mining exploration and development segment recorded a loss of $251,788 for the same quarter in the previous period.

The current loss for the power generation and retailing sector resulted from higher salaries and wages, a loss on hedge mark to market, marketing costs associated with the Utilise Limited brand development charged to operations in the quarter, higher amortization of generation equipment due to longer periods of operation and higher wages to support the sales initiative.

The Company does not apply the principle of hedge accounting which may result in some volatility in income and losses from period to period, due to reporting gains and losses for hedge contracts. The gains and losses will be offset with higher and lower electricity purchase prices over the term of the hedge contracts smoothing out the volatility over longer periods of time.

The current loss for mining exploration and development includes the operational costs of maintaining the Madison mines site and the costs of maintaining the corporate operations of the Company. Included in the period were management fees of $117,811 incurred for services provided by TAG. 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.

LIQUIDITY AND CAPITAL RESOURCES

	Q1 2016	Q4 2015	Q1 2015
Cash and cash equivalents	$ 2,429,170	$ 3,123,046	$ 5,776,662
Working capital	$ 1,700,398	$ 2,385,497	$ 5,659,460

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 twelve months based on the current development plan for OHL and the projected mine maintenance and mineral exploration programs.

Any additional material capital expenditures or commitments may require a source of additional financing which may come from funds through equity financing and the exercise of options and warrants.

	Q1 2016	**Q4 2015**	**Q1 2015**
Issued and outstanding shares(1)	11,324,703	11,324,703	11,324,703
Issued and outstanding shares, fully diluted(1)	11,324,703	11,324,703	11,337,917

(1) The outstanding shares in the table reflect the share consolidation effective November 14, 2014 and are shown on a post consolidation basis.

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.

During the three month period May 31, 2015, 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 of 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:

	Q1 2016	**Q4 2015**	**Q1 2015**
Consulting fees	$ 14,000	$ 18,000	$ 9,000
Directors fees	500	-	-
Management fees	14,194	19,500	16,500
	$ 28,694	$ 37,500	$ 26,000

During the three month period ended May 31, 2015, the Company recorded sales in the amount of $228,544 (2014 - $239,931) from New Zealand related companies with significant influence over the company of which $144,847 (2014 - $151,505) was outstanding in accounts receivable at period end. For the three month period ended May 31, 2015, the Company recorded $128,257 (2014 - $116,566) in purchases from related companies with significant influence over the company of which $105,717 (2014 - $65,911) were outstanding in accounts payable and accrued liabilities.

During the three month period ended May 31, 2015, the Company was charged by a Canadian related company with significant influence $117,811 (2014 - $155,010) for management fees. At May 31, 2015, $874,868 (2014 - $212,248) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities.

At May 31, 2015, OHL had a credit facility of NZ$900,000 that provides security to the New Zealand Electrical Clearing Manager to guarantee payments for electricity purchases, which a related company with significant influence over the Company has guaranteed.

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 July 29, 2015, is 11,324,703 common shares, and the Company has no shares purchase warrants and 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 and 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 is 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 condensed consolidated interim financial statements for the three month period May 31, 2015. 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(d) of the Company's May 31, 2015 condensed consolidated interim financial statements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions, which have not been disclosed.

FINANCIAL INSTRUMENTS RISK

A detailed summary of all the Company's financial instruments risk is included in Note 8 of the Company's May 31, 2015 condensed consolidated interim 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 OHL Acquisition, Coronado changed the focus of its business from a junior mining company to a power generation and retailing company in New Zealand. Some of the additional risks that are faced by Coronado are, among other things: the possible failure of Coronado to successfully integrate Coronado and OHL and manage the related expansion risks and to realize the anticipated benefits of the OHL Acquisition; the ability to obtain necessary financing and resources for the operation, development and/or expansion of Coronado's power generation and retailing business and mining operations; the health of the economy generally; current and future stock price volatility; electricity demand and global market factors and fluctuations in energy and input prices and market conditions; operation risks such as overcapacity risk, disruptions in production, equipment failure, supply failure, changes in hydrology, opposition to production, 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; volumetric and hedging risks; 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; accidents, environmental risks, labour disputes and other risks of the energy and mining industries; and availability of and access to interconnection facilities and transmission systems.

The factors identified above are not intended to represent a complete list of the risks faced by Coronado. While management of Coronado 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 use of proceeds from the private placement, the operations of Coronado since completion of the OHL Acquisition, and Coronado's overall strategic plan including statements pertaining to the Company's proposed business plans that include the operation and development of its power generation and retail business and the operation of its gold, copper, and platinum mining properties for the near and mid-term range. 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 current operations, and that a business plan for the near and mid-term range can be fulfilled. 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.

Condensed Consolidated Interim Financial Statements

First Quarter ended May 31, 2015

Unaudited

(Expressed in Canadian dollars)

CORONADO RESOURCES LTD.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	May 31, 2015	February 28, 2015
Assets		
Current assets		
Cash and cash equivalents	$ 2,429,170	$ 3,123,046
Amounts receivable	1,453,422	990,601
Prepaid expenses	11,498	14,525
	3,894,090	4,128,172
Property and equipment, net (Note 4)	7,423,191	7,863,786
Exploration and evaluation assets (Note 5)	4,900,052	4,759,792
Reclamation deposits, restricted cash and other	193,614	191,858
	$ 16,410,947	$ 16,943,608
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,193,692	$ 1,742,675
Electricity derivative (Note 3)	207,138	1,830
	2,400,830	1,744,505
Shareholders' equity		
Capital stock (Note 6(b))	20,127,801	20,127,801
Contributed surplus (Note 6(b))	1,657,109	1,657,109
Foreign currency translation	74,802	600,033
Deficit	(7,849,595)	(7,185,840)
	14,010,117	15,199,103
	$ 16,410,947	$ 16,943,608

Nature of operations and going concern (Note 1)
Subsequent event (Note 11)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on July 30, 2015.

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

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

CORONADO RESOURCES LTD.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

For the three months May 31,		2015		2014
Revenues				
Electricity sales	$	1,884,921	$	1,451,337
Cost of sales		(1,794,396)		(1,279,138)
		90,525		172,199
General and administrative expenses				
Amortization		62,904		57,083
Audit and accounting		10,755		5,890
Bank charges		9,407		9,555
Consulting and director fees		25,799		20,252
Insurance		19,316		8,728
Legal		7,123		8,720
Management fees		117,811		157,773
Office and administration		55,170		15,064
Office rent		15,131		12,932
Salaries and wages		192,004		100,377
Shareholder relations and communication		26,477		17,820
Transfer and filing fees		10,036		22,008
Travel		5,240		7,705
		(557,173)		(443,907)
Other items				
Foreign exchange loss		(1,912)		(14,620)
Interest income		10,155		9,849
(Loss) gain on hedge mark to market		(205,350)		1,157
		(197,107)		(3,614)
Net loss for the period		(663,755)		(275,322)
Other comprehensive loss				
Cumulative translation adjustment		(525,231)		(70,139)
Comprehensive loss for the period	$	(1,188,986)	$	(345,461)
Loss per share, basic and diluted	$	(0.06)	$	(0.02)
Weighted average number of common shares outstanding		11,324,703		11,324,703

See accompanying notes.

CORONADO RESOURCES LTD.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

For the three months ended May 31,	2015	2014
Operating activities		
Net loss for the period	$ (663,755)	$ (275,322)
Items not involving cash:		
Amortization	62,904	57,083
Loss (gain) on hedge mark to market	205,350	(1,157)
Interest on reclamation deposit and restricted cash	(453)	(7,309)
Foreign exchange	(1,885)	163
	(397,839)	(226,542)
Changes non-cash working capital:		
Amounts receivable	(462,821)	(11,117)
Prepaid expenses	3,027	(89,928)
Accounts payable and accrued liabilities	556,952	203,380
	97,158	102,335
Cash used in operating activities	(300,681)	(124,207)
Financing activities		
Purchase of restricted term deposit	(8,640)	(13,653)
Cash used in financing activities	(8,640)	(13,653)
Investing activities		
Equipment acquisitions	(241,642)	(655,674)
Exploration and evaluation asset expenditures	(142,913)	(105,108)
Exploration and evaluation asset recoveries	-	29,070
Cash used in investing activities	(384,555)	(731,712)
Net outflow of cash and cash equivalents	(693,876)	(869,572)
Cash and cash equivalents, beginning of period	3,123,046	6,646,234
Cash and cash equivalents, end of period	$ 2,429,170	$ 5,776,662
Supplemental cash flow information		
Accounts payable included in equipment	$ 25,127	$ -
Accounts payable included in exploration and evaluation assets	$ 17,662	$ 12,827
Interest received	$ 9,702	$ 2,540
Cash and cash equivalents consist of:		
Cash	$ 877,071	$ 1,154,882
Short-term deposits	1,552,099	4,621,780
	$ 2,429,170	$ 5,776,662

See accompanying notes.

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

	Common Shares					
	Number	Amount	Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total
Balance, March 1, 2015	11,324,703	$ 20,127,801	$ 1,657,109	$ 600,033	$ (7,185,840)	$ 15,199,103
Currency translation adjustment	-	-	-	(525,231)	-	(525,231)
Net loss for period	-	-	-	-	(663,755)	(663,755)
Balance, May 31, 2015	11,324,703	$ 20,127,801	$ 1,657,109	$ 74,802	$ (7,849,595)	$ 14,010,117
Balance, March 1, 2014	79,273,092 (1)	$ 20,127,801	$ 1,657,109	$ 455,037	$ (5,737,873)	$ 16,502,074
Currency translation adjustment	-	-	-	(70,139)	-	(70,139)
Net loss for period	-	-	-	-	(275,322)	(275,322)
Balance, May 31, 2014	79,273,092 (1)	$ 20,127,801	$ 1,657,109	$ 384,898	$ (6,013,195)	$ 16,156,613

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

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated under the *Business Corporations Act* (British Columbia) and is an electrical generation and sales company and also is engaged in the exploration and development of exploration and evaluation assets. The Company trades on the TSX Venture Exchange under the symbol “CRD”, on the OTCQX International under the symbol CRDAF and on the Canadian Stock Exchange under the symbol “CRD”. TAG Oil Ltd (“TAG”), a public company, owns 5,570,058 common shares or 49.18% interest of the Company.

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

At May 31, 2015, the Company has working capital of $1,700,398 (February 28, 2015: $2,385,497). At May 31, 2015, the Company also has an accumulated deficit of $7,849,595 (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 electrical generation and sales business.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance and basis of presentation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Consolidation

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

The Company's subsidiaries are:

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

(c) Significant accounting judgments, estimates and assumptions

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

Critical judgements in applying accounting policies:

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) New accounting standards and recent pronouncements

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

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

Future Changes in Accounting Policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) but not yet effective as at May 31, 2015. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

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

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

3. ELECTRICTY DERIVATIVE

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

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

(Unaudited - Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Land	Mining equipment	Hydro equipment	Generation equipment	IT Dev. in Progress	Office equipment	Buildings	Total
Cost								
February 28, 2014	$ 321,213	$ 667,005	$ 932,086	$ 4,069,215	$ -	$ 39,922	$ 90,332	$ 6,119,773
Additions	-	-	55,068	1,519,053	1,282,848	34,089	-	2,891,058
Foreign exchange movement	-	-	12,553	58,028	-	76	-	70,657
February 28, 2015	321,213	667,005	999,707	5,646,296	1,282,848	74,087	90,332	9,081,488
Additions	-	-	-	-	83,516	-	-	83,516
Foreign exchange movement	-	-	(49,766)	(350,728)	(79,686)	(2,399)	-	(482,579)
May 31, 2015	$ 321,213	$ 667,005	$ 949,941	$ 5,295,568	$ 1,286,678	$ 71,688	$ 90,332	$ 8,682,425
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	-	12,720	12,124	46,655	-	3,342	738	75,579
Foreign exchange movement	-	-	(18,117)	(15,538)	-	(392)	-	(34,047)
May 31, 2015	$ -	$ 426,705	$ 446,721	$ 281,256	$ -	$ 28,165	$ 76,387	$ 1,259,234
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
May 31, 2015	$ 321,213	$ 240,300	$ 503,220	$ 5,014,312	$ 1,286,678	$ 43,523	$ 13,945	$ 7,423,191

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

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

	True North Property, Quebec	Madison Property, Montana	Platinum Property, New Zealand	Total
Balance, February 28, 2014	$ 1	$ 4,136,948	$ -	$ 4,136,949
Expenditures during the year				
Amortization	-	76,294	-	76,294
Assessment and taxes	-	85,300	-	85,300
Camp costs	-	5,306	-	5,306
Consulting engineering	-	-	194,672	194,672
Fieldwork and wages	-	125,120	-	125,120
Permits, assay and testing	-	14,604	146,719	161,323
Power utilities	-	3,898	-	3,898
	-	310,522	341,391	651,913
Exploration and evaluation asset recoveries in year	-	(29,070)	-	(29,070)
Net expenditures in year	-	281,452	341,391	622,843
Balance, February 28, 2015	1	4,418,400	341,391	4,759,792
Expenditures during the period				
Amortization	-	15,342	-	15,342
Assessment and taxes	-	76,398	-	76,398
Camp costs	-	4,982	-	4,982
Consulting engineering	-	-	27,140	27,140
Fieldwork and wages	-	33,679	-	33,679
Permits, assay and testing	-	2,729	-	2,729
Power utilities	-	1,196	-	1,196
	-	134,326	27,140	161,466
Foreign exchange movement	-	-	(21,206)	(21,206)
Net expenditures in period	-	134,326	5,934	140,260
Balance, May 31, 2015	$ 1	$ 4,552,726	$ 347,325	$ 4,900,052

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) Madison Property, Montana

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

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

(b) Platinum Property, New Zealand

The Company's 100% owned subsidiary, Lynx Platinum Limited, was awarded five mineral exploration permits in respect of New Zealand Petroleum and Minerals Platinum New Zealand Blocks Offer 2013 and subsequently on December 17, 2014 it was awarded MEP 56391. All permits awarded reside on the South Island of New Zealand and based on the analysis done to date are prospective for platinum group metals and other metallic minerals such as gold and silver. Details of the permits awarded are summarized as follows:

Permit Number	Permit Name
MEP 56411	Longwood B
MEP 56409	Longwood C
MEP 56410	Murchison E-2
MEP 56412	Murchison E-4
MEP 56413	Murchison E-5
MEP 56391	Greenhills

(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.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(e) Environmental

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

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

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

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

6. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

	Number of Common Shares	Amount	Contributed Surplus
Balance, February 28, 2014	79,273,092	$ 20,127,801	$ 1,657,109
Issued during the year:			-
Share consolidation (1)	(67,948,389)	-	-
Balance February 28, 2015 and May 31, 2015	11,324,703	$ 20,127,801	$ 1,657,109

(2) 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, which 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 subsidiary with an increased incentive to contribute to the future success and prosperity of the Company.

(Unaudited - Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

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

	Three months ended May 31, 2015		Year Ended February 28, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	-	$ -	13,214	$ 2.10
Cancelled/expired	-	-	(13,214)	2.10
Outstanding and exercisable, end of period	-	$ -	-	$ -

(d) Share-based compensation

There were no stock options issued during the three months ended May 31, 2015.

7. RELATED PARTY TRANSACTIONS

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

	May 31, 2015	May 31, 2014
Consulting	$ 14,000	$ 9,000
Director fees	500	-
Management fees	14,194	16,500
	$ 28,694	$ 25,500

During the three month period ended May 31, 2015, the Company recorded sales in the amount of $228,544 (2014 - $239,931) from New Zealand related companies with significant influence over the company of which $144,847 (2014 - $151,505) was outstanding in accounts receivable at period end. For the three month period ended May 31, 2015, the Company recorded $128,257 (2014 - $116,566) in purchases from related companies with significant influence over the company of which $105,717 (2014 - $65,911) was outstanding in accounts payable and accrued liabilities.

During the three month period ended May 31, 2015, the Company was charged by a Canadian related company with significant influence $117,811 (2014 - $155,010) for management fees. At May 31, 2015, $874,868 (2014 - $212,248) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities.

At May 31, 2015, OHL had a credit facility of NZ$900,000 that provides security to the New Zealand Electrical Clearing Manager to guarantee payments for electricity purchases, which a related company with significant influence over the Company has guaranteed.

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

8. FINANCIAL INSTRUMENTS RISK

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

Credit Risk

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

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

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at May 31, 2015, there were no significant amounts past due or impaired.

Liquidity Risk

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

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

Market Risk

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

Foreign Exchange Risk

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

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

8. FINANCIAL INSTRUMENTS RISK (Continued)

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

Commodity Price Risk

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

The Company had future price contracts in place as at or during the period ended May 31, 2015. The impact of $1.00 increase in the purchase price of electricity will increase costs in the amount $27,510 on an annual basis.

Interest Rate Risk

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

Fair Value of Financial Instruments

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

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

(Unaudited - Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS RISK (Continued)

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

		May 31, 2015		February 28, 2014	
	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	2,429,170	-	3,123,046	-
Reclamation deposits and restricted cash			193,614	-	191,858
		2,429,170	193,614	3,123,046	191,858
Financial liabilities:					
Accounts payable and accrued liabilities		-	2,193,692	-	1,742,675
Electricity derivative	2	207,138	-	1,830	-
		207,138	2,193,692	1,830	1,742,675

The Company's cash and cash equivalents are classified as level 1. During the three month period ended May 31, 2015 and the year ended February 28, 2015, there were no transfers between level 1, level 2 and level 3.

9. CAPITAL MANAGEMENT

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

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

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

(Unaudited - Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION

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

Geographic segments

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

	For the three month period ended May 31, 2015			
	Canada	United States	New Zealand	Total
Sales revenue	$ -	$ -	$ 1,884,921	$ 1,884,921

	As at May 31, 2015			
	Canada	United States	New Zealand	Total
Property and equipment	$ 15,738	$ 611,045	$ 6,796,408	$ 7,423,191
Exploration and evaluation assets	1	4,552,726	347,325	4,900,052
Reclamation deposits and restricted cash	11,610	74,412	107,592	193,614
	$ 27,349	$ 5,238,183	$ 7,251,325	$ 12,516,857

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

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

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

	As at May 31, 2015		
	Electricity Generation and Retailing	Mining Exploration and Development	Total
Sales revenue	$ 1,884,921	$ -	$ 1,884,921
Loss for the period	$ (484,454)	$ (179,301)	$ (663,755)
Net Assets	$ 9,024,500	$ 7,386,447	$ 16,410,947
Liabilities	$ 1,479,791	$ 921,039	$ 2,400,830

(Unaudited - Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION (Continued)

	As at February 28, 2015		
	Electricity Generation and Retailing	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
Liabilities	$ 935,929	$ 808,576	$ 1,744,505

11. SUBSEQUENT EVENT