CORONADO RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1

FOR THE PERIOD ENDED NOVEMBER 30, 2013

The following Management's Discussion and Analysis ("MD&A") is dated January 29, 2014, for the nine month period ended November 30, 2013 and should be read in conjunction with the Coronado Resources Ltd. ("Coronado" or the "Company") unaudited condensed consolidated interim financial statements for the nine month period ended November 30, 2013 and the audited consolidated financial statements for the year ended February 28, 2013.

These condensed consolidated interim financial statements for the nine month period ended November 30, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Results for the period ended November 30, 2013 are not necessarily indicative of future results. The MD&A supplement does not form part of the unaudited condensed consolidated interim financial statements for the nine month period ended November 30, 2013 or the audited financial statements of the Company and the notes thereto for the year ended February 28, 2013. 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. In the preparation of these statements, estimates are necessary to make a determination of future values for certain assets and liabilities. Management believes that the estimates have been based on careful judgements and have been properly presented. The financial statements have been prepared using policies and procedures established by management and fairly represent Coronado's financial position and results of operations.

The Company was incorporated under the *Business Corporations Act* (British Columbia) and carried on its business as a resource exploration company with a focus on mineral exploration opportunities in North America. However on September 27, 2013, Coronado completed a share purchase agreement whereby it purchased all the issued and outstanding shares of a power company ("Share Purchase Agreement"). Completion of this transaction constituted a change of business for purposes of the TSX Venture Exchange ("TSX-V") Policy 5.2 ("Change of Business") and was subject to review by the TSX-V and other approval bodies. As of September 27, 2013, Coronado received all of the required approvals and has fulfilled all the requirements of the Share Purchase Agreement and completed the transaction. Coronado is now predominantly a generator and retailer of power and continues to maintain its mineral resource exploration properties.

Coronado's 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".

SIGNIFICANT EVENTS, TRANSACTIONS AND ACTIVITIES

In order to better understand Coronado's financial results, it is important to gain an appreciation for the significant events, transactions and activities that have occurred during the period ended November 30, 2013 and to the date of this MD&A.

Change of Business

The Company entered into a Share Purchase Agreement dated May 13, 2013, whereby Coronado had agreed to purchase all of the outstanding shares of Opunake Hydro Limited ("OHL") from TAG Oil Ltd. ("TAG") and Opunake Hydro Holdings Limited ("OHHL") in exchange for common shares of Coronado (the "OHL Acquisition"), subject to the terms and conditions of the Share Purchase Agreement.

The Proposed Acquisition

Under the Share Purchase Agreement, Coronado agreed to issue 13,015,410 common shares to TAG, in exchange for 90% of the issued and outstanding shares of OHL and 1,446,157 common shares to OHHL in exchange for 10% of the issued and outstanding shares of OHL. At the time of the agreement the parties estimated an aggregate purchase price of $5,584,000 based on the volume weighted average price of Coronado's common shares on the TSX-V for the 20 consecutive trading days ending May 10, 2013. The eventual purchase price recorded for the transaction was $4,049,239 which was the value of the 14,461,567 shares on the close of the TSX-V on September 27, 2013.

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

a) approval of Coronado's shareholders at a special meeting of the shareholders that was held on August 29, 2013, to consider the OHL Acquisition, including the approval of a majority of disinterested shareholders, excluding TAG and any of its affiliates;
b) receipt of all regulatory approvals, including the consent from the Overseas Investment Office of New Zealand and acceptance by the TSX-V;
c) compliance by the parties to the Share Purchase Agreement with all covenants and agreements in such agreement;
d) no material adverse effect with respect to OHL; and
e) other conditions precedent set forth in the Share Purchase Agreement.

Coronado received conditional approval from the TSX-V on August 16, 2013 and approval of the shareholders on August 29, 2013 with the Overseas Investment Office of New Zealand giving its approval on September 18, 2013. There had been no material adverse effect on OHL and both parties complied with the terms of the Share Purchase Agreement and the OHL Acquisition was completed on September 27, 2013.

The full text of the Share Purchase Agreement may be found under Coronado's SEDAR profile at www.sedar.com.

Description of Change of Business

OHL is engaged in generating and retailing power in New Zealand. OHL's power generation business falls into two categories; (a) hydro generation for which OHL owns the Opunake hydro power scheme, consisting of a 0.4 megawatt (MW) generator located on Lake Opunake in Taranaki, New Zealand, and (b) 2MW of gas fired generation located at TAG's Cheal A production site in Taranaki, New Zealand, which supplies electricity to TAG's production station, located at its Cheal oil and gas field site and into New Zealand's main power grid. In addition, OHL has purchased a 1.15MW containerized gas fired generator which has been installed at the Cheal oil and gas field, which is now being tested and will generate power in February 2014, and it intends to acquire and install an additional 1MW gas fired generator in the near term. OHL currently supplies power to customers in the Taranaki region of New Zealand including the New Plymouth, Stratford, and Hawera areas, as well as to customers in the Rangitikei, Wellington and Auckland areas.

OHL had operating revenues of NZ$2,895,243 for the twelve months ended March 31, 2013 (March 31, 2012 - NZ$1,007,443) as disclosed in its audited financial statements.

A significant portion of New Zealand electricity is generated from gas fired turbines (2nd to hydro in the country) and continues to grow with electricity buyers looking for new supply sources. Coronado intends to pursue this growth opportunity with a properly executed business plan that will allow the Company to increase its electricity generation capacity and customer base in the near term with an initial focus in New Zealand.

Now that the OHL Acquisition is complete, Coronado will be classified as a power production and retail company. At completion, Coronado had approximately $7.0 million in cash on a consolidated basis.

Madison Gold Property – History

In April 2005, the Company entered into an agreement to acquire a 100% interest in seven patented and twelve 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.

During the third quarter of fiscal 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.

Current Developments

During the quarter ended November 30, 2013, the Company completed the OHL Acquisition. Since completing the acquisition, Coronado is reporting two full months of operations from OHL with sales of $540,961 and a cost of sales of $412,814 resulting in a gross profit on generation and retail power sales of $128,147. The Company since acquiring OHL, incurred $334,670 in capital expenditures relating to the ongoing acquisition, installation and commissioning of its third 1MW generator which will be operational and generating power by February 2014. A fourth 1 MW generator is planned to be acquired and operational within 12 months and a further 4MW acquired subsequent to that. Along with the increase in generating capacity the Company is developing sales and administrative capacity to accommodate expansion of its customer base and sales to achieve greater profitability.

During the quarter ended November 30, 2013, the Company incurred $376,346 (November 30, 2012: $153,819) in underground exploration, development and maintenance costs and received $3,147 (November 30, 2012: $428,989) in recovery proceeds. For the nine month period ended November 30, 2013, the Company incurred $623,657 (November 30, 2012: $735,357) on its property and received $40,876 (November 30, 2012: $1,067,356) in recovery proceeds.

Subsequent to November 30, 2013, the Company received $596,638 for a shipment of concentrate that had been processed during the quarter. Costs related to this shipment of ore are included in the exploration and evaluation assets. This payment represents 85% of the estimated value.

There was a small amount of ore that was crushed for an adjacent mine that provided recovery proceeds of $3,147 for the quarter. There were Trucking and Concentrating ore expenditures during the quarter of $74,957 and $201,418 respectively for approximately 2,300 tons of material shipped to a mill in Philipsburg, Montana. This was part of a stockpile of ore that had previously been mined and had been stored on site awaiting availability of a nearby facility capable of processing or milling the material. During the month of November 2013 the concentrate had been trucked to the dock to be loaded and shipped to China for smelting. In early December the final load reached the dock at which time the Company was entitled to receive an advance on the estimated settlement for the metals recovery. The Company received the advance payment of $596,638, for 85% of the estimated metal recovery from the concentrate, in early December 2013.The final balance due will be known once the smelting has been completed and any adjustments to the estimated recovery are complete. 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. Batch and metallurgical testing continues to establish optimum recovery values of the concentrate.

On May 13, 2013, the Company entered into a Share Purchase Agreement to purchase 100% of the outstanding shares of OHL. This served to significantly alter the business of Coronado to make power generation and sales its primary business which required an application to the TSX-V for a Change of Business. The OHL Acquisition was subject to shareholder and regulatory approvals that have been obtained, and on September 27, 2013, Coronado completed the OHL Acquisition.

On July 16, 2013, the Company approved an Advance Notice Policy (the "Policy") to provide shareholders, directors and management with a clear framework for nominating directors of the Company. The Policy will allow for the following:

i) facilitate an orderly and efficient process for the election of directors at annual general and special purpose meetings;
ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all director nominees; and
iii) allow shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

The Policy received shareholder ratification at Coronado's annual general and special meeting that was held on August 26, 2013.

The full text of the Policy may be found under Coronado's SEDAR profile at www.sedar.com.

FINANCIAL RESULTS OF OPERATIONS

Summary of Quarterly Results

	For Quarters Ended			
	November 30, 2013	**August 31, 2013**	**May 31, 2013**	**February 28, 2013**
Sales	$ 540,961	$ -	$ -	$ -
Income (Loss) for the period	$ 1,037,227	$ (329,324)	$ (152,571)	$ (80,291)
Income (Loss) per share	$ 0.01	$ (0.00)	$ (0.00)	$ (0.01)

	For Quarters Ended			
	November 30, 2012	**August 31, 2012**	**May 31, 2012**	**February 29, 2012**
Sales	$ -	$ -	$ -	$ -
Income (Loss) for the period	$ (26,779)	$ (141,794)	$ (76,029)	$ (293,303)
Income (Loss) per share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.02)

Results for the Quarter

The Company's operations for the three months ended November 30, 2013, produced net income of $1,037,227 (nine months: $555,332) compared to a loss of $26,779 (nine months: $244,601) for the same quarter in the previous year. The income for the quarter was impacted by the bargain purchase gain realized on the purchase of OHL in the amount of $1,225,879 and net income from OHL's operations of $48,918. The bargain purchase gain resulted from the change in market value of Coronado's common shares issued to pay for the acquisition of OHL between the agreement date of May 13, 2013 and the completion date of September 27, 2013. The following table illustrates the effect of these items on the net income and net loss for the quarter and year to date results for comparison purposes to previous periods:

	Three Months Ended		Nine Months Ended	
	November 30, 2013	November 30, 2013	November 30, 2013	November 30, 2013
Net income (loss) for the period	$ 1,037,227	$ (26,779)	$ 555,332	$ (244,601)
Deduct: Bargain purchase gain	(1,225,879)	-	(1,225,879)	-
Deduct: OHL generation and retail power net income	(48,918)	-	(48,918)	-
Net (loss) for the period, with bargain purchase gain and OHL generation and retail power net income removed	$ (237,570)	$ (26,779)	$ (719,465)	$ (244,601)

The comparable overall loss for the quarter of $237,570 from the above table after removing the effect of the bargain purchase gain and the net income from generation and retail power sales was an increase of $210,791 over the loss of $26,779 from the same period in the previous year. The increase of $210,791 is a result of increased expenditures in audit and accounting, consulting fees, legal, and transfer and filing fees all relating to the OHL acquisition. The other expenses were lower or comparable to the same period in the prior year. The table below removes the OHL operating results from the consolidated numbers to give the reader an understanding of the impact the acquisition on the quarterly results.

	Coronado Resources Ltd.	Opunake Hydro Limited (1)	Coronado for Comparative Purposes (1)	Coronado Resources Ltd.
	Three Months Ended	Period Ended	Three Months Ended	Three Months Ended
	November 30, 2013	November 30, 2013	November 30, 2013	November 30, 2012
Revenues				
Electricity sales	$ 540,961	$ 540,961	$ -	$ -
Cost of sales	(412,814)	(412,814)	-	-
	128,147	128,147	-	-
General and administrative expenses				
Amortization	$ 11,478	$ 10,185	$ 1,293	$ 1,554
Audit and accounting	19,170	-	19,170	2,570
Bank charges	3,783	2,582	1,201	3,798
Consulting fees	84,856	10,670	74,186	9,000
Directors fees	500	-	500	-
Insurance	5,374	3,673	1,701	2,125
Legal	79,579	1,795	77,784	3,960
Management fees	15,000	-	15,000	20,000
Office and administration	6,831	3,931	2,900	8,298
Office rent	11,174	3,459	7,715	8,770
Salaries and wages	44,998	44,998	-	-
Shareholder relations and communication	5,412	-	5,412	18,797
Transfer and filing fees	39,751	-	39,751	(27,912)
Travel	3,871	2,979	892	875
	(331,777)	(84,272)	(247,505)	(51,835)
Other items				
Foreign exchange gain (loss)	(7,113)	-	(7,113)	13,135
Interest income	22,091	5,043	17,048	11,921
Bargain purchase gain	(2) 1,225,879	-	(2) -	-
	1,240,857	5,043	9,935	25,056
Net income (loss) for the period	$ 1,037,227	$ 48,918	$ 237,570	$ (26,779)

Note: (1) The Columns headed "Opunake Hydro Limited" and "Coronado for Comparative purposes" are shown to give the reader results of the quarter on a basis comparable to the operations prior to the acquisition of OHL. The column headed "Opunake Hydro Limited" are the two month results of OHL since the acquisition date that have been included in the Consolidated "Coronado Resources Ltd." for the three months ended November 30, 2013. The column headed "Coronado for Comparative purposes" represents the quarterly figures with the OHL results removed.

(2) The Bargain purchase gain of $1,225,879 was realized on the acquisition of OHL and has been removed from the "Coronado for Comparative purposes" column.

For the three month period ended November 30, 2013, the Company achieved generating and retail power sales of $540,961 (nine months: $540,961) and received $3,147 (nine months: $40,876) in mineral processing recovery proceeds. It had a cost of sales from the generating and retail power of $412,814 (nine months: $412,814) and had expenditures of $376,346 (nine months: $623,657) for all exploration costs. The generating and retail power sales were a result of acquiring OHL in the quarter, which reported operations for a two month period and is in the early stages of development and customer growth. The Company is now upgrading its information technology infrastructure to accommodate future sales from the increase in the Company's power generation capacity.

The mineral processing recovery of $3,147 was received for a small amount of ore that was crushed for an adjacent mine. The expenditures were mine maintenance costs and additional payments of $201,418 to Contact Mining for milling of ore into concentrate and trucking costs for the ore and concentrate. The ore had previously been mined and was stored above ground while waiting for a mill with the ability to process the ore in the vicinity, to become available. In August 2013, the Phillipsburg Mill became available and the Company began milling approximately 2,300 tons which was completed in September 2013. The resulting copper\gold\silver concentrate was transported to the Dock beginning in November for shipment to China for smelting. The Company received a partial payment based on 85% of the estimated processed metal value of $596,638 in December 2013 once all the concentrate reached the Dock. As the Company does not own any revenue producing mineral properties, no mining revenues have been recorded to date. Mineral processing recoveries are netted to exploration expenditures when they are received.

The Company's mineral properties are still in the exploration stage and the recoveries are reported as a reduction in expenditures when processed and received.

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2013, the Company had $6,311,811 (November 30, 2012: $6,604,440) in cash and cash equivalents and $6,359,482 (November 30, 2012: 6,395,497) in working capital. 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 program.

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.

At November 30, 2013, the Company had 79,273,092 (79,365,592 fully diluted) common shares issued and outstanding compared to 64,811,525 (66,929,025 fully diluted) at November 30, 2012. During the period ended November 30, 2013, the Company issued 14,461,567 common share for the purchase of OHL and did not issue or grant any stock options. During the period ended May 31, 2012, the Company executed a consolidation on a 1 for 2 basis and did not 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:

	November 30, 2013	November 30, 2012
Consulting fees	$ 27,000	$ 26,000
Consulting and engineering fees	-	5,000
	$ 27,000	$ 31,000

During the period ended November 30, 2013 the company had $85,274 (November 30, 2012 - $ Nil) included in accounts receivable from related companies with significant influence over the company. As at November 30, 2013 the company had $12,886 (November 30, 2012 - $ Nil) included in accounts payable from related companies with significant influence over the company

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 January 28, 2014, is 79,273,092 common shares, and the following shares purchase warrants and incentive stock options are currently outstanding:

	Number of Options	**Exercise Price**	**Expiry Date**
Stock Options	92,500	0.30	June 7, 2014

SUBSEQUENT EVENTS

On December 5, 2013 the Company received $596,638 as a partial payment for a shipment of concentrate that had been processed during the quarter and for which the related costs are included in the exploration and evaluation assets. The payment represents an advance for an estimated 85% of the eventual value of the processed gold, silver and copper net of associated smelting costs. The final results and settlement should be available by the end of the May 2014.

TSX-V Tier Upgrade

On October 1, 2013, the Company's classification on the TSX-V was upgraded from Tier 2 to Tier 1 status.

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 period ended November 30, 2013. They are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

RISKS

Mineral exploration and development involves 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 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 will be 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.

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.

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 following 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 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

Third Quarter ended November 30, 2013

Unaudited

(Expressed in Canadian dollars)

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

	November 30, 2013	February 28, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 6,311,811	$ 6,416,512
Amounts receivable	416,208	7,796
Prepaid expenses	35,224	7,658
	6,763,243	6,431,966
Property and equipment, net (Note 4)	4,826,114	823,942
Exploration and evaluation assets (Note 5)	4,714,949	4,132,168
Reclamation deposits, restricted cash and other	142,791	80,897
	$ 16,447,097	$ 11,468,973
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 395,291	$ 57,828
Loans payable	-	20,000
Derivative	8,470	-
	403,761	77,828
Shareholders' equity		
Capital stock (Note 6(b))	20,127,801	16,083,491
Contributed surplus (Note 6(b))	1,657,109	1,657,109
Foreign currency translation	52,549	-
Deficit	(5,794,123)	(6,349,455)
	16,043,336	11,391,145
	$ 16,447,097	$ 11,468,973

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 January 29, 2014.

"Daniel Brown "
………………………………………………Director
Daniel Brown

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

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

	Three Months Ended November 30, 2013	Three Months Ended November 30, 2012	Nine Months Ended November 30, 2013	Nine Months Ended November 30, 2012
Revenues				
Electricity sales	$ 540,961	$ -	$ 540,961	$ -
Cost of sales	(412,814)	-	(412,814)	-
	128,147	-	128,147	-
General and administrative expenses				
Amortization	$ 11,478	$ 1,554	$ 14,088	$ 4,693
Audit and accounting	19,170	2,570	19,612	3,128
Bank charges	3,783	3,798	5,265	9,963
Consulting fees	84,856	9,000	137,320	26,000
Directors fees	500	-	2,000	-
Insurance	5,374	2,125	10,624	3,642
Legal	79,579	3,960	267,928	36,170
Management fees	15,000	20,000	45,000	55,440
Office and administration	6,831	8,298	16,989	27,990
Office rent	11,174	8,770	26,416	29,354
Salaries and wages	44,998	-	44,998	-
Shareholder relations and communication	5,412	18,797	20,627	51,044
Transfer and filing fees	39,751	(27,912)	245,254	19,485
Travel	3,871	875	9,705	2,531
	(331,777)	(51,835)	(865,826)	(269,440)
Other items				
Foreign exchange (loss) gain	(7,113)	13,135	7,624	5,701
Interest income	22,091	11,921	59,508	19,138
Bargain purchase gain	1,225,879	-	1,225,879	-
	1,240,857	25,056	1,293,011	24,839
Net income (loss) for the period	1,037,227	(26,779)	555,332	(244,601)
Other comprehensive income				
Cumulative translation adjustment	52,549	-	52,549	-
Comprehensive income (loss) for the period	1,089,776	(26,779)	607,881	(244,601)
Income (loss) per share, basic and diluted	$ 0.01	$ (0.00)	$ 0.01	$ (0.01)
Weighted average number of common shares outstanding	74,982,297	64,785,150	68,177,125	34,123,524

See accompanying notes.

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

For the nine months ended	November 30, 2013	November 30, 2012
Operating activities		
Net income (loss) for the period	$ 555,332	$ (244,601)
Items not involving cash:		
Amortization	14,088	4,693
Bargain purchase gain	(1,225,879)	-
Interest on reclamation deposit and restricted cash	(254)	(7,100)
Foreign exchange	(1,819)	-
Interest on loan payable	-	8,668
	(658,532)	(238,340)
Changes non-cash working capital:		
Amounts receivable	13,056	(20,925)
Prepaid expenses	(3,747)	(5,146)
Accounts payable and accrued liabilities	(241,569)	(39,543)
	(232,260)	(65,614)
Cash used in operating activities	(890,792)	(303,954)
Financing activities		
Loan advances	-	220,000
Repayment of advances	(20,000)	(48,180)
Share options exercised	-	60,000
Redemption of restricted term deposit	8,050	-
Issuance of common shares	-	6,000,000
Share issue costs	(4,929)	(43,228)
Cash (used in) provided by financing activities	(16,879)	6,188,592
Investing activities		
Cash on acquisition of subsidiary	1,604,399	-
Equipment acquisitions	(275,632)	(1,970)
Exploration and evaluation asset expenditures	(566,673)	(725,408)
Exploration and evaluation asset recoveries	40,876	1,067,356
Cash provided by investing activities	802,970	339,978
Net (outflow) inflow of cash	(104,701)	6,224,616
Cash and cash equivalents, beginning of period	6,416,512	379,824
Cash and cash equivalents, end of period	$ 6,311,811	$ 6,604,440
Supplemental cash flow information		
Accounts payable included in exploration and evaluation assets	$ 7,872	$ 13,098
Interest received	$ 59,508	$ 19,137
Cash and cash equivalents consist of:		
Cash	$ 1,332,629	$ 1,572,696
Short-term deposits	4,979,182	5,031,744
	$ 6,311,811	$ 6,604,440

See accompanying notes.

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

	Common Shares					
	Number	Amount	Contributed surplus	Foreign Currency Translation Reserve	Deficit	Total
Balance, March 1, 2013	64,811,524	$ 16,083,491	$1,657,109	$ -	$ (6,349,455)	$11,391,145
Acquisition of Opunake Hydro Limited (Note 3)	14,461,568	4,049,239	-	-	-	4,049,239
Share issue cost	-	(4,929)	-	-	-	(4,929)
Currency translation adjustment	-	-	-	52,549	-	52,549
Net income for period	-	-	-	-	555,332	555,332
Balance, November 30, 2013	79,273,092	$ 20,127,801	$1,657,109	$ 52,549	$ (5,794,123)	$16,043,336
Balance, March 1, 2012	29,223,048	$ 10,015,279	$1,708,549	$ -	$ (6,024,562)	$5,699,266
Share consolidation	(14,611,524)	-	-	-	-	
Private Placement	50,000,000	6,000,000	-	-	-	6,000,000
Share issue cost	-	(43,228)	-	-	-	(43,228)
Exercise of options	200,000	60,000	-		-	60,000
Transfer from contributed surplus on exercise of stock options	-	51,440	(51,440)	-	-	-
Net loss for period	-	-	-	-	(244,601)	(244,601)
Balance, November 30, 2012	64,811,524	$ 16,083,491	$1,657,109	$ -	$ (6,269,163)	$11,471,437

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" and on the OTCQX International under the symbol CRDAF. On September 27, 2013, the Company announced that it had completed a change of business acquisition previously announced on May 14, 2013. Pursuant to the acquisition, Coronado acquired all of the outstanding common shares of Opunake Hydro Limited ("OHL") from TAG Oil Ltd. ("TAG") and Opunake Hydro Holdings Limited ("OHHL") in exchange for the issuance of 13,015,410 common shares of Coronado to TAG and 1,446,158 Coronado shares to OHHL. As a result of the acquisition, TAG now owns 49.18% and TAG and OHHL, collectively, own 51.01% of the issued capital of Coronado. The Company has now completed the transaction which results in a change in business from an exploration mining company to being predominately an electrical generation and sales 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 November 30, 2013, the Company has working capital of $6,359,482 (February 28, 2013: $6,354,138). At November 30, 2013, the Company also has an accumulated deficit of $5,794,123 (February 28, 2013: $6,349,455). 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) 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 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 Oil (New Zealand) Limited	New Zealand	100%	Inactive
Lynx Power Corp	Canada	100%	Holding Company
Opunake Hydro Limited	New Zealand	100%	Electricity Generation and Retailing

(c) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. 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 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 preparation of these condensed consolidated interim financial statements used the same accounting policies and methods as in the most recent annual consolidated financial statements. The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

(d) 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 financial statements:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(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 period are amortized at one-half the annual rate. Amortization of exploration-related assets is included within deferred exploration and evaluation assets.

Assets attributable to electricity operations, with the exception of the natural gas generation assets, 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 calculated using the declining-balance method.

All costs directly associated with the acquisition, setup and commissioning of natural gas generating equipment are capitalized at cost and amortized using the units of production method based on the manufactures expected useful life.
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(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 a 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 November 30, 2013, the Company did not have any asset retirement obligations.

(i) Basic and diluted loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(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. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 period-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 and of the associate 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 period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period;
  and

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred tax is 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 and when 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and reclamation deposits and restricted cash. 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.

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. Derivatives are included in this category unless they are designated as hedges.

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

Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Company and 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.

New accounting standards and recent pronouncements

New accounting standards and recent pronouncements

The following standards are effective for annual years beginning on or after January 1, 2013. The Company has assessed the impact of these standards and has determined that they would not have a material impact on the Company.

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- IFRS 10, *Consolidated Financial Statements,* requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12, *Consolidation – Special Purpose Entities* and parts of IAS 27, *Consolidation and Separate Financial Statements.*

- IFRS 13, *Fair Value Measurement,* aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement under IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

New standards, amendments and interpretations to existing standards not adopted by the Company

The following revised standards are effective for annual periods beginning on or after January 1, 2014 with earlier application permitted. The Company has assessed the impact of these standards and has determined that they would not have a material impact on the Company.

- IAS 32, Financial Instruments: Presentation (January 1, 2014)
- IFRS 9, Financial Instruments (January 1, 2015)

There are no other IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

3. ACQUISITION OF OPUNAKE HYDRO LIMITED (“OHL”) AND ALLOCATION OF CONSIDERATION

On September 27, 2013, the Company completed the planned change of business pursuant to the terms of a share purchase agreement dated May 13, 2013, between the Company and the shareholders’ of OHL, Tag Oil Ltd. (“TAG”) and Opunake Hydro Holdings Limited (“OHHL”). The Company has purchased 100% of the outstanding common shares of OHL in exchange for 14,461,567 common shares of the Company.

	September 28, 2013
Purchase Price Consideration	
Value of 14,461,567 common shares issued	$ 4,049,239
Assets acquired and liabilities Assumed	
Cash	$ 1,604,399
Current assets	445,287
Property, plant and equipment	3,759,101
Reclamation deposits and restricted cash	68,615
Current liabilities	(602,284)
Bargain purchase gain	(1,225,879)
	$ 4,049,239

(Unaudited - Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Land	Mining equipment	Hydro equipment	Generation equipment	Office equipment	Buildings	Total
Cost							
February 29, 2012	$ 321,213	$ 667,005	$ 198,531	$ -	$ 33,502	$ 90,332	$ 1,310,583
Additions	-	-	-	-	1,970	-	1,970
February 28, 2013	321,213	667,005	198,531	-	35,472	90,332	1,312,553
Additions	-	-	682,630	3,700,307	4,141	-	4,387,078
November 30, 2013	$ 321,213	$ 667,005	$ 881,161	$ 3,700,307	$ 39,613	$ 90,332	$ 5,699,631
Accumulated amortization							
February 29, 2012	$ -	$ 172,828	$ 125,344	$ -	$ 3,350	$ 61,654	$ 363,176
Additions	-	98,835	14,637	-	6,228	5,735	125,435
February 28, 2013	-	271,663	139,981	-	9,578	67,389	488,611
Additions	-	59,571	230,882	86,380	4,616	3,457	384,906
November 30, 2013	$ -	$ 331,234	$ 370,863	$ 86,380	$ 14,194	$ 70,846	$ 873,517
Net book value							
February 28, 2013	$ 321,213	$ 395,342	$ 58,550	$ -	$ 25,894	$ 22,943	$ 823,942
November 30, 2013	$ 321,213	$ 335,771	$ 510,298	$ 3,613,927	$ 25,419	$ 19,486	$ 4,826,114

(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, and Montana, USA. Capitalized expenditures are as follows:

	True North Property, Quebec	Madison Property, Montana	Total
Balance, February 29, 2012	$ 1	$ 4,494,252	$ 4,494,253
Expenditures during the year			
Camp costs	-	44,669	44,669
Surface contracting	-	579	579
Underground work	-	30,896	30,896
Fieldwork and wages	-	298,210	298,210
Consulting and engineering	-	79,213	79,213
Assessment and taxes	-	86,280	86,280
Permits, assay and testing	-	17,149	17,149
Trucking and transport	-	42,925	42,925
Power utilities	-	11,817	11,817
Amortization	-	119,207	119,207
	-	730,945	730,945
Exploration and evaluation asset recoveries in year	-	(1,093,030)	(1,093,030)
Net recoveries in year	-	(362,085)	(362,085)
Balance, February 28, 2013	$ 1	$ 4,132,167	$ 4,132,168
Expenditures during the period			
Camp costs	-	10,753	10,753
Fieldwork and wages	-	101,737	101,737
Consulting engineering		2,869	2,869
Assessment and taxes	-	82,034	82,034
Permits, assay and testing	-	19,386	19,386
Trucking and transport	-	76,787	76,787
Power utilities	-	3,307	3,307
Amortization	-	71,851	71,851
Travel exploration	-	389	389
Concentrating ore	-	254,544	254,544
	-	623,657	623,657
Exploration and evaluation asset recoveries in period	-	(40,876)	(40,876)
Net expenditures in period	-	582,781	582,781
Balance, November 30, 2013	$ 1	$ 4,714,948	$ 4,714,949

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 7 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 (US$50,000 paid for both fiscal years presented). During the year ended February 28, 2007, the Company acquired, by staking, eight additional contiguous claims.

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) True North Property, Raglan Mine District, Ungava Region, Quebec

During the year ended February 28, 2010, the costs incurred on this property were written down to a nominal amount due to a lack of exploration activity in recent years.

(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 29, 2012	29,223,048	$ 10,015,279	$ 1,708,549
Issued during the period:			
Share consolidation (1)	(14,611,524)	-	-
Private placement (2)	50,000,000	6,000,000	-
Share issue costs	-	(43,228)	-
Exercise of stock options	200,000	111,440	(51,440)
Balance, February 28, 2013	64,811,524	16,083,491	1,657,109
Purchase of subsidiary (3)	14,461,568	4,049,239	-
Share issue costs	-	(4,929)	-
Balance November 30, 2013	79,273,092	$ 20,127,801	$ 1,657,109

(1) *On April 14, 2012, the Company consolidated its shares on a basis of one new for two old shares. Comparatives have been applied on a retroactive basis*

(2) *On August 15 2012, the Company completed a private placement of 50 million common shares at $0.12 per share for gross proceeds of $6 million.*

(3) *On September 27, 2013, the Company issued 14,461,568 common shares for the purchase of 100% of the issued common shares of Opunake Hydro Limited.*

(Unaudited - Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(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.

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

	November 30, 2013		February 28, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	102,500	$ 0.30	812,500	$ 0.30
Exercised	-	-	(200,000)	0.30
Cancelled/expired	(10,000)	-	(510,000)	0.30
Outstanding and exercisable, end of period	92,500	$ 0.30	102,500	$ 0.30

All stock options issued vested immediately. Stock options outstanding are as follows:

Expiry Date	Exercise Price	November 30, 2013	February 28, 2013
June 7, 2014	$ 0.30	92,500	92,500
June 23, 2014	0.30	-	10,000
Outstanding, end of period	$ 0.30	92,500	102,500
Weighted average outstanding life of options		0.52 years	1.28 years

(Unaudited - Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(d) Share Purchase Warrants

Details of the status of the Company's share purchase warrants and changes during the years then ended are as follows:

	November 30, 2013		February 28, 2013	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	2,000,000	$ 0.36	2,000,000	$ 0.36
Expired during the period (1)	(2,000,000)	$ 0.36	-	-
Outstanding, end of period	-	$ -	2,000,000	$ 0.36

(1) warrants expired unexercised October 12, 2013

(e) Share-based compensation

There were no stock options issued during the nine months ended November 30, 2013.

7. RELATED PARTY TRANSACTIONS

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

	November 30, 2013	November 30, 2012
Consulting fees	$ 27,000	$ 26,000
Consulting and engineering fees	-	5,000
	$ 27,000	$ 31,000

During the period ended November 30, 2013 the company had $85,274 (November 30, 2012 - $ Nil) included in accounts receivable from related companies with significant influence over the company. As at November 30, 2013 the company had $12,886 (November 30, 2012 - $ Nil) included in accounts payable from related companies with significant influence over the company

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

8. FINANCIAL INSTRUMENTS RISK

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

Credit Risk

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

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

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts as at November 30, 2013 and did not provide for any doubtful accounts. During the period ended November 30, 2013, the Company was required to write-off $Nil (2013 – $Nil). As at November 30, 2013, 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 cash balance at November 30, 2013 of $6,311,811 (February 28, 2013: $6,416,512), the Company's liquidity risk is assessed as low. As at November 30, 2013 the Company's financial liabilities including accounts payable and accrued liabilities of $395,291 (February 28, 2013: $77,828).

Market Risk

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

Foreign Exchange Risk

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

8. FINANCIAL INSTRUMENTS RISK (Continued)

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

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

Commodity Price Risk

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

The Company had future price contracts in place as at or during the period ended November 30, 2013. The impact of $1.00 increase in the purchase price of electricity will increase costs in the amount $21,553 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.

The Company's cash and cash equivalents are classified as level 1. During the nine month period ended November 30, 2013 and the year ended February 28, 2013, there were no transfers between level 1, level 2 and level 3.

(Unaudited - Expressed in Canadian Dollars)

9. CAPITAL MANAGEMENT

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

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

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

10. SEGMENTED INFORMATION

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

Geographic segments

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

	As at November 30, 2013			
	Canada	United States	New Zealand	Total
Sales revenue	$ -	$ -	$ 540,961	$ 540,961
Property and equipment	$ 21,991	$ 726,197	$ 4,077,926	$ 4,826,114
Exploration and evaluation assets	-	4,714,949	-	4,714,949
Reclamation deposits and restricted cash	11,736	63,184	67,871	142,791
	$ 33,727	$ 5,504,330	$ 4,145,797	$ 9,683,854

	As at February 28, 2013			
	Canada	United States	New Zealand	Total
Property and equipment	$ 25,894	$ 798,048	$ -	$ 823,942
Exploration and evaluation assets	-	4,132,168	-	4,132,168
Reclamation deposits and restricted cash	19,780	61,117	-	80,897
	$ 45,674	$ 4,991,333	$ -	$ 5,037,007

(Unaudited - Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION (Continued)

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

	As at November 30, 2013		
	Electricity Generation and Retailing	Mining Exploration and Development	Total
Sales revenue	$ 540,961	$ -	$ 540,961
Profit (Loss)	$ 48,918	$ (719,465)	$ (670,547)
Net Assets	$ 10,721,295	$ 5,725,802	$ 16,447,097
Liabilities	$ 349,216	$ 54,545	$ 403,761

During the nine month ended November 30, 2013 and subsequent to the last annual Financial Statements as at February 28, 2013, the Company acquired an electricity generation and retailing operation. With this addition to the existing mining exploration and development segment the company has two industry reporting segments. The results of the two months of operation since acquisition are segregated and shown above.

The profit (loss) shown in the table from the two industry segments above is prior to the inclusion of the Bargain Purchase Gain resulting from the acquisition of the electricity generation and retailing operation. The reconciliation to the Net Income (loss) for the period is as follows:

	November 30, 2013
Profit (Loss) from segmented information	$ (670.547)
Bargain purchase gain	1,225,879
Net income for the period	$ 555,332

11. SUBSEQUENT EVENT

On December 5, 2013, the Company received $596,638 as a partial payment for a shipment of concentrate that had been processed during the quarter and for which the related costs are included in the exploration and evaluation assets. The payment represents an advance for an estimated 85% of the eventual value of the processed gold, silver and copper net of associated smelting costs. The final results and settlement should be available by the end of May 2014.