

**CORONADO RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE SIX MONTHS ENDED AUGUST 31, 2010**

October 28, 2010

Coronado Resources Ltd. ("Coronado") is a resource exploration company with a focus on mineral exploration opportunities in North America. Coronado's head office is located in Vancouver, BC, Canada. Coronado's common shares trade on the TSX Venture Exchange under the symbol "CRD". The Company's current property interests are a gold/copper property in Montana and a base metal prospect in Quebec. This management's discussion and analysis ("MD&A") focuses on significant factors that affected Coronado during the six months ended August 31, 2010 and to the date of this report. The MD&A supplements do not form part of the audited financial statements of the Company and the notes thereto for the year ended February 28, 2010. Consequently, the following discussion and analysis should be read in conjunction with the audited financial statements for the year ended February 28, 2010 and the notes thereto.

The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Significant Events, Transactions and Activities on Mineral Properties

In order to better understand Coronado's financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which had occurred during the six months ended August 31, 2010 and to the date of this MD&A.

Summary of Activity

Madison Gold Property – Silverstar, Montana

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. The Company paid \$25,000 US to secure the option. The agreement calls for option payments totaling \$275,000 US, issuances of 2,700,000 shares and work commitments of \$1,000,000. All option payments, share issuances and work commitments have been made and completed.

Current Development

For the six month period ended August 31, 2010 the Company received \$1,057,896 in mineral recoveries and had \$725,212 in exploration and development costs. In April 2010 a copper shipment was made in which the company received \$532,368 net proceeds on final settlement. In June, 2010 the Company started to extract the gold mineralization accessed and started underground drilling to further define and expand the limits of this gold zone. In July, 2010 the Company shipped 1305 tons of gold ore averaging .481 oz/ton for net milling proceeds of \$525,528. The Company has completed driving underground development to the gold mineralization encountered in 2009 drilling and has established draw points for mining the ore. An agreement was secured with a nearby mill for producing a gold/copper concentrate ready for smelter. Batch testing and metallurgical work is currently underway to establish optimum recovery values of the concentrate.

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Current Development- cont'd

In the year ended February 28, 2010 the Company received proceeds of \$484,967 for May and July, 2009 gold shipments processed, and proceeds of \$823,163 for copper mineralization made in April, May August, and September of 2009 for total recovery proceeds of \$1,308,130. Total exploration, mining, processing and transportation expenditures in the period were \$1,025,415. Extraction of mineralization continues as it is encountered in the underground development. In the fall of 2009 the Company initiated an underground diamond drill program to test the downward expansion of the gold zone below the lowest level in the decline.

Madison Gold Property - History

In 2005, a 43-101 Geological Summary Report on the Madison Gold Property was completed recommending continued exploration. Diamond drilling in 2005 and 2006 was undertaken to examine the extent of the higher-grade gold and copper intercepts from previous drilling. The Company has compiled historical and new drill data into digital form to outline the higher-grade gold, copper and silver resource on the property. The Company acquired an additional eight unpatented mineral claims bordering the Madison gold Property for the cost of staking.

The Fall 2006 exploration program consisted of eight diamond drill holes. Mineralized intercepts of gold, copper and silver were found in all eight holes completed to depth. Full results of gold, copper and silver assays reported can be found on by visiting the Company's website at www.coronadoresourcesltd.com.

The focus in 2007 was driving an underground ramp to access the high-grade zones of oxide gold and copper mineralization. Drill stations were cut in the underground ramp to further test and expand the mineralized zones. The underground decline has been driven over 1500 feet at a -15% slope. The Company extracted, separately, the high grade gold and copper being encountered in the underground workings. A Crushing Plant and certified weigh scale were also installed on the property.

A contract was secured with Barrick's Golden Sunlight Mine allowing oxide gold mineralization to be shipped for processing. Oxide gold mineralization totalling 2280 tons with grades varying from 0.183 to 0.694 oz/ton was shipped for recovery proceeds of \$303,923 to February 28, 2008. Gold and copper mineralization is being brought to surface as it is being encountered in the continuing underground development.

In 2008 the underground development reached its planned destination below the high grade copper zone which had an intercept of 27 feet of 42% copper from previous drilling. In June 2008 a contract was secured with a metals broker in New York for copper mineralization to be delivered by container to a west coast port for shipment to a smelter in China. The first three shipments totalling 1310 dry short tons grading 17% to 24% copper were made in the fall of 2008. Recovery proceeds are dependent on commodity prices at settlement dates, less freight, brokerage and smelter costs. Due to the dramatic downturn in commodity prices in 2008, only \$181,313 was received for settlement of these shipments.

The Company, in the fall of 2008, brought approximately 800 tons of sulphide gold mineralization grading .650 oz/ton to surface. The Company signed a contract in 2008 with an offsite refining facility in Republic, Washington to process the sulphide gold mineralization. Shipment of 826 tons of gold mineralization to Republic, Washington that was made in January and February, 2009 secured proceeds of \$525,902 from the processing facility less \$73,600 for trucking costs.

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True North Property - Raglan Mine Properties Raglan Mine District, Ungava Region, Quebec

In May 2003, the Company purchased a 100% interest in 304 mining claims, known as the Raglan 1 Property. The property is immediately northwest of Falconbridge's property containing the five-year-old Raglan Mine and six outlined nickel/copper deposits. The nickel deposits in the Raglan camp stretch across 55km east west, and consists of clusters of discrete sulphide lenses associated with periodotitic flow bodies at the base of the Chakotat rock group. Ore lenses in the area consist of a narrow zone of massive sulphides along the footwall contact overlain with net-textured and disseminated sulphides.

On March 31, 2004, the Company entered into an agreement with Novawest Resources Inc. on the property which was renamed the True North Property. Novawest can earn a 70% interest in the property by expending \$440,000 cumulative over five years in development expenditures. Exploration by Novawest included an airborne electromagnetic survey over the property to identify anomalies. Mineralization outlined in the Raglan Mine camp is nickel, copper, cobalt and platinum group elements. The Company wrote down their investment, in the Raglan Property to a nominal amount at February 28, 2010, due to exploration inactivity.

Board Appointments

There have been no recent changes or appointments to the Board of Directors.

FINANCIAL RESULTS OF OPERATIONS

Selected Annual Information

	For the Years Ended		
	February 28, 2010	February 28, 2009	February 29, 2008
Total revenues (interest & other income)	\$ NIL	\$ 6,392	\$ 54,546
Loss before write-off/gain on sale of mineral properties	474,622	1,074,623	358,394
Write-down mineral properties	120,349	-	6,117
Loss for the year	594,971	1,074,623	364,511
Loss for the year per share	0.03	0.05	0.02
Total assets	5,903,596	6,576,705	6,292,799
Total liabilities	141,415	573,263	88,818
Total long-term financial liabilities	0	0	0
Shares outstanding – end year (millions)	24.12	21.95	21.35
Dividends declared	0	0	0

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Summary of Quarterly Results

	For Quarters Ended			
	August 31, 2010	May 31, 2010	February 28, 2010	November 30, 2009
Loss before write-off/gain on the following:	\$ 54,277	\$ 60,844	\$ 67,046	\$ 434,853
Loss (gain) on disposal of :				
- Mineral properties	-	-	120,349	-
Loss for the period	54,277	60,844	187,046	434,853
Loss per share	0.00	0.00	0.01	0.02

	For Quarters Ended			
	August 31, 2009	May 31, 2009	February 28, 2009	November 30, 2008
Total revenues	\$ -	\$ -	\$ 476	\$ 1,409
Loss before write-off/gain on sale of mineral properties	57,881	48,934	152,458	145,158
Loss (gain) on disposal of:				
- Mineral properties	-	-	-	-
Loss for the period	57,881	48,934	152,458	145,158
Loss per share	0.00	0.00	0.01	0.01

Results for the Quarter

The Company's operations for the quarter ended August 31, 2010 produced a net loss of \$54,277 compared to a loss of \$57,881 for the same three-month period in the previous year. The larger expenditures in the quarter were \$615 for legal fees, \$15,000 for management fees, \$15,000 for consulting, \$3,318 for listing and regulatory fees, and \$10,503 for rent and insurance. In the quarter, the Company had net exploration recoveries of \$85,637 from mineral processing recoveries of \$593,662 and exploration expenditures of \$508,025. These expenditures were mainly for continuing exploration and development on the Madison Gold Property. The Company expended \$208,459 for underground and ore development, \$28,513 for geological field work and \$33,085 for consulting and engineering in the quarter. For the year ended February 28, 2010, the Company received \$1,308,130 in mineral processing recovery proceeds and paid \$1,025,415 for all exploration costs, for net exploration recoveries of \$282,715. 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.

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Liquidity and Capital Resources

Working capital as at August 31, 2010 was \$263,985 compared to a working capital deficiency of \$37,422 at February 28, 2010. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations. At August 31, 2010, the Company had 24,173,098 (27,792,557 fully diluted) common shares issued and outstanding compared to 22,269,098 (24,319,048 fully diluted) as at August 31, 2010. In September, 2009 the Company completed a private placement of 1,024,000 shares at \$.15 per share for net proceeds of \$153,600. The increase in working capital in the period is from mineral processing recoveries exceeding exploration expenditures.

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 Company paid \$14,621 for rent and paid \$28,400 in the period for consulting services to private companies controlled by the President.

Competition

The resource industry in which the Company is engaged is in general, highly competitive. Competitors 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.

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'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 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.

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Off- Balance Sheet Arrangements

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

Changes in Accounting Policies including Initial Adoption

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended February 28, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been reasonably estimated at this time.

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 exploration program is available on SEDAR at www.sedar.com or on the corporate website at www.coronadoresourcesltd.com.