# CORONADO RESOURCES LTD.

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## FORM 51-102F1

FOR THE NINE MONTHS ENDED NOVEMBER 30, 2014

The following Management's Discussion and Analysis ("MD&A") is meant to help readers understand key financial elements that influenced the operations of Coronado Resources Ltd. ("Coronado" or the "Company") during the past three months and to the date of this report.

This MD&A was prepared as of January 29, 2015 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for nine months ended November 30, 2014 and the Audited Consolidated Financial Statements for the year ended February 28, 2014. Additional information, including the Company's previous MD&A (2013 MD&A), the Annual Information Form (2013 AIF) and the audited Consolidated Financial Statements for the year ended February 28, 2014 is available on SEDAR at www.sedar.com.

The MD&A and the condensed consolidated interim financial statements for the nine month period ended November 30, 2014 has been prepared in accordance with and complies with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. Coronado's 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.

Actual results may differ from these estimates. The MD&A supplement does not form part of the unaudited condensed consolidated interim financial statements for the nine month period ended November 30, 2014 or the audited financial statements of the Company and the notes thereto for the year ended February 28, 2014. 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's head office is located in Vancouver, British Columbia, Canada. Coronado's common shares trade on the TSX-V under the symbol "CRD", on the OTCQX International under the symbol "CRDAF" and on the Canadian Securities Exchange ("CSE") under the symbol "CRD".

Additional information regarding the Company and its operation may be found on its website at www.coronadoresourcesltd.com.

# Table of Contents

## CURRENT DEVELOPMENTS

### Corporate

Coronado's Board of Directors approved a share consolidation of the outstanding share capital of Coronado on the basis of seven (7) pre-consolidation common shares for one (1) post-consolidation common share (the "Consolidation"). The Consolidation was effective at the open of the market on November 14, 2014.

As a result of the Consolidation, Coronado's issued and outstanding 79,273,092 common shares were reduced to approximately 11,324,727 common shares. No fractional common shares were issued as a result of the Consolidation. Instead, any fractional common shares were rounded down to the nearest whole number of common shares. Coronado's name and trading symbols remain unchanged.

### Electricity Generation and Retail

Coronado's subsidiary Opunake Hydro Limited ("OHL") completed a comprehensive contractual agreement with Millennium Corporation ("Millennium") to develop a new electricity retailer. The retailer will operate under the name of "Utilise Ltd." and provide Kiwi businesses with customized electricity pricing based on their consumption.

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

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

### Mining Exploration and Development

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

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

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

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

## COMPANY OVERVIEW

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. The Madison mine was acquired and the Company carried on exploration activities on the site, and continued to evaluate other properties and opportunities. 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-V Policy 5.2 and was subject to review by the TSX-V and other approvals. 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 is in the process of growing the electricity business and brand and continues to maintain its mineral resource exploration properties. Additionally, in its effort to grow the Company and increase value the Company bid on and was awarded five mineral exploration permits in the Platinum New Zealand 2013 Blocks Offer and was granted an additional permit on December 17, 2014.

### 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 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.

Coronado's acquisition of OHL changed its operations from an exploration and development company to a primarily electricity generation and power retail company. 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) 4MW of gas fired generators located at TAG's Cheal A production site in Taranaki, New Zealand. The 4MW of generation supplies electricity to TAG's production station, located at its Cheal oil and gas field site and into New Zealand's main power grid to supply power to customers throughout New Zealand and within electricity distribution networks supplying 80% of New Zealand connections.

A significant portion of New Zealand electricity is generated from gas fired turbines (2$^{nd}$ to hydroelectric 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. Coronado is classified primarily as a power production and retail company.

### OHL 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.

**Opunake Hydro Limited**

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

At the time Coronado acquired OHL, it had 2.4MW of capacity and in the intervening fourteen month period it added another 2 x 1MW generators bringing its total capacity to 4.4MW. The Company's current plans are to acquire an additional 4MW in generation capacity to increase total generation capacity to 8.4MW. This is intended to provide an opportunity for the Company to significantly increase retail sales in conjunction with the generation capacity. This approach has some inherent price risk involved with purchasing power on the spot market to supply customers with fluctuating demand. However, the Company will mitigate this risk by forecasting customer demand, using its peaking generation capacity, and purchasing hedge contracts.

**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.

The Company has increased and consolidated its claims since the original acquisition by adding 8 additional claims in the year ended February 28, 2007, and subsequently it increased it acreage by adding 26 contiguous claims. The 26 new claims replace 7 previous claims that were allowed to lapse, to increase the overall acreage and cover any non-contiguous boundaries.

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.

## OVERALL PERFORMANCE

The Company's financial performance for the nine months ended November 30, 2014, reflected the expenditures of time, energy and resource necessary to initiate the process of growing the electricity business. That included the continuing development of a sales scheme to attract new customers and building IT infrastructure and hiring additional staff to support the growth. In addition the Company allocated resources to bid on five mineral exploration permits in New Zealand through its newly incorporated subsidiary, Lynx Platinum Limited, and was awarded all five of them with an additional permit being granted on December 17, 2014.

The operations of OHL have been included in Coronado for five quarters beginning in the period ended November 30, 2013 and supporting the efforts of the New Zealand business growth has been the focus of the Company's management since it was acquired. Management will continue to focus on achieving sales targets in the power generation and retailing sector. The mining exploration and development sector has been on maintenance for the last several quarters and with the addition of the six new mineral exploration permits in New Zealand, management has secured another growth opportunity for the Company with a low entry cost and minimum capital expenditure for the next twelve months. A discussion of each sector follows:

**Electricity Generation and Retail Power**

| | **2014** | | **2013** | **Nine months ended** | |
|---|---|---|---|---|---|
| | **Q3** | **Q2** | **Q3** | **2014** | **2013** |
| Sales | $1,259,871 | $1,497,072 | $ 540,961 | $4,208,280 | $ 540,961 |
| Gross profit | $ 97,767 | $ 344,376 | $ 128,147 | $ 614,342 | $ 128,147 |
| Gross profit percentage | 8% | 23% | 24% | 15% | 24% |
| Income (loss) for the period | $ (88,621) | $ (21,362) | $ 48,918 | $ (133,517) | $ 48,918 |

In the period since the acquisition of OHL, the gross sales have increased in each quarter with the exception of the current quarter. The lower sales volume is mainly attributable to lower seasonal consumption of our larger industrial customers in the current quarter. Our overall sales decreased but our commercial sales increased. Gross profit has decreased in total dollar value and as a percentage of sales compared to the last quarter due to the cyclical nature of the spot market. The gross profit was down from the same quarter in the previous year due to a lower percentage of generation sales to total sales as well as the prior year period only consisted of two months. The cost of wholesale electricity will fluctuate seasonally on a relatively predictable basis. This will increase or decrease cost of sales each quarter on a percentage of sales basis and impact our gross profit in a dollar amount as well as a percentage basis. With the use of hedging we anticipate that we will be able to moderate the fluctuations in wholesale power costs and our gross profit percentage will be less volatile from quarter to quarter.

| | **2014** | | **2013** | **Nine months ended** | |
|---|---|---|---|---|---|
| | **Q3** | **Q2** | **Q3** | **2014** | **2013** |
| IT Development in progress | $ 332,771 | $ 739,410 | $ - | $1,072,181 | $ - |
| Generation | 19,476 | 664,199 | - | 1,519,053 | - |
| Expenditures in period | $ 352,247 | $1,403,609 | $ - | $2,591,234 | $ - |

The Company is on track with its investment in increased generation capacity, IT Development and sales and service infrastructure and will work towards matching that increase in generation capacity with new customers and growing sales revenue.

## Mining Exploration and Development

***Madison Property, Montana***

| | 2014 | | 2013 | Nine months ended | |
|---|---|---|---|---|---|
| | Q3 | Q2 | Q3 | 2014 | 2013 |
| Camp costs | $ 60 | $ 2,545 | $ 9,734 | $ 4,835 | $ 10,753 |
| Fieldwork and wages | 34,133 | 29,058 | 42,227 | 92,574 | 101,737 |
| Consulting engineering | - | - | 2,869 | - | 2,869 |
| Assessment and taxes | 3,279 | 6,602 | 7,786 | 81,224 | 82,034 |
| Permits, assay and testing | 1,705 | 3,093 | 12,653 | 13,226 | 19,386 |
| Trucking and transport | - | - | 74,958 | - | 76,787 |
| Power utilities | 1,025 | 810 | 926 | 2,868 | 3,307 |
| Amortization | 19,023 | 19,230 | 23,775 | 57,483 | 71,851 |
| Travel exploration | - | - | - | - | 389 |
| Concentrating ore | - | - | 201,418 | - | 254,544 |
| | 59,225 | 61,338 | 376,346 | 252,210 | 623,657 |
| Exploration and evaluation asset recoveries | - | - | (3,148) | (29,070) | (40,876) |
| Net expenditures in period | $ 59,225 | $ 61,338 | $373,198 | $223,140 | $ 582,781 |

The Madison mine remained on maintenance while the Company focused on the change in business and OHL Acquisition. This entailed minimal staffing and activity to keep the site in good standing with all its environmental permits and regulatory authorities. There was no significant activity during the quarter beyond the basic maintenance procedures.

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

***Platinum Property, New Zealand***

| | 2014 | | 2013 | Nine months ended | |
|---|---|---|---|---|---|
| | Q3 | Q2 | Q3 | 2014 | 2013 |
| Consulting engineering | $ 30,690 | $ 134,850 | $ - | $ 165,540 | $ - |
| Permits, assay and testing | - | 136,612 | - | 136,612 | - |
| Net expenditures in period | $ 30,690 | $ 271,462 | $ - | $ 302,152 | $ - |

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

Initial efforts of the Company will be focused on consultation with landowners and all stakeholders along with analyzing all existing data and conducting the necessary geological and economic modelling to determine the potential of any commercial mineral deposits within these permits.

The consulting engineering and related costs of $165,540 represent the expenditure capitalized in the nine months for consultation, planning, preparing and submitting five successful Platinum Bid Proposals. The permit, assay and testing expenditure of $136,612 is comprised of the annual fees for the five Mineral Exploration Permits awarded.

## FINANCIAL RESULTS OF OPERATIONS

### Summary of Quarterly Results

| | Three Months Ended | | | |
|---|---|---|---|---|
| | November 30, 2014 | August 31, 2014 | May 31, 2014 | February 28, 2014 |
| Sales | $ 1,259,871 | $1,497,072 | $1,451,337 | $ 1,074,600 |
| Gross profit | $ 97,767 | $ 344,376 | $ 172,199 | $ 168,117 |
| (Loss) income for the period | $ (347,597) | $ (230,135) | $ (275,322) | $ 56,250 |
| (Loss) income per share | $ (0.03) | $ (0.02) | $ (0.02) | $ 0.00 |

| | Three Months Ended | | | |
|---|---|---|---|---|
| | November 30, 2013 | August 31, 2013 | May 31, 2013 | February 28, 2013 |
| Sales | $ 540,961 | $ - | $ - | $ - |
| Gross profit | $ 128,147 | $ - | $ - | $ - |
| (Loss) income for the period | $ 1,037,227 | $ (329,324) | $ (152,571) | $ (80,291) |
| (Loss) income per share | $ 0.10 | $ (0.03) | $ (0.02) | $ (0.01) |

## RESULTS FOR THE QUARTER

### Sales

| | **2014** | | **2013** | **Nine months ended** | |
|---|---|---|---|---|---|
| | **Q3** | **Q2** | **Q3** | **2014** | **2013** |
| Electricity Generation and Retail Power | $1,259,871 | $1,497,072 | $540,961 | $4,208,280 | $540,961 |
| Mining Exploration and Development | - | - | - | - | - |
| | $1,259,871 | $1,497,072 | $540,961 | $4,208,280 | $540,961 |

Sales for the three months ended November 30, 2014, increased by $718,910 over the sales from the same period in the previous year but were down $237,201 from the previous month. The increase from the previous year was partly due to the same period in the previous year only having two months of sales and by an increase in commercial customers. The decrease from the previous quarter resulted from the lower seasonal demand by our industrial customers which account for 50% of sales in the quarter. There is an overall upward trend in commercial portion of sales and we anticipate greater growth in the coming quarter as we ramp up our sales effort and increase our sales staff.

### Gross Profit

| | **2014** | | **2013** | **Nine months ended** | |
|---|---|---|---|---|---|
| | **Q3** | **Q2** | **Q3** | **2014** | **2013** |
| Electricity Generation and Retail Power | $ 97,767 | $ 344,376 | $128,147 | $614,342 | $128,147 |
| Mining Exploration and Development | - | - | - | - | - |
| | $ 97,767 | $ 344,376 | $128,147 | $614,342 | $128,147 |

The gross profit for the three months ended November 30, 2014 was down $30,380 from the same quarter in the previous year and down $246,609 from the previous month. Gross profit percentage will fluctuate on a monthly basis depending on the various market and environmental conditions that impact the wholesale price for power.

During the quarter the wholesale spot market prices for power were increasing which contributed to a lower gross profit. The higher pricing will reverse over the next two quarters. Our sales contracts are based on a fixed price for power but our purchase of power is fluctuating with the wholesale price for power. Management prepares customer usage profiles to predict consumption and will enter the hedge market to purchase forward contracts to mitigate price swings and maintain gross profit.

**Income (Loss) for the Period**

| | 2014 | | 2013 | Nine months ended | |
|---|---|---|---|---|---|
| | Q3 | Q2 | Q3 | 2014 | 2013 |
| Electricity Generation and Retail Power | $ (88,621) | $ (21,362) | $ 48,918 | $ (133,517) | $ 48,918 |
| Mining Exploration and Development | (258,976) | (208,773) | (237,570) | (719,537) | (719,465) |
| | $(347,597) | $(230,135) | $(188,652) | $(853,054) | $(670,547) |

The Company's operations for the three months ended November 30, 2014 produced a loss of $347,597 compared to loss of $188,652 for the same quarter in the previous year. The current quarter showed a loss of $88,621 from the electricity generating and retail power segment while the mining exploration and development segment recorded a loss of $258,976.

The current loss for the power generation and retailing sector resulted from recording the change in the market value of the hedge contracts at the balance sheet date. The cyclical nature of the purchase price of power on the spot market creates periods of increasing costs and then decreasing cost and then repeats. We were in a period of increasing costs for the three month ended November 30, 2014, but it also resulted in higher sales value for our peaking generators.

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

The $258,976 mining exploration and development loss includes the operational costs of maintaining the Madison mines site and the costs of maintaining the corporate operations of the Company. Included in the period were management fees of $174,507 incurred for services provided by TAG. These services are provided as needed on a cost plus basis for operational support in assisting OHL and in further advances and evaluating mining exploration opportunities and activities.

## LIQUIDITY AND CAPITAL RESOURCES

| | 2014 | | 2013 | Nine months ended | |
|---|---|---|---|---|---|
| | Q3 | Q2 | Q3 | 2014 | 2013 |
| Cash and cash equivalents | $3,568,780 | $3,964,608 | $6,311,811 | $3,568,780 | $6,311,811 |
| Working capital | $3,113,850 | $3,912,237 | $6,359,482 | $3,113,850 | $6,359,482 |

As at the date of this report the Company has adequate cash and working capital to fund its operations and planned capital expenditures for the next twelve months based on the current development plan for OHL and the projected mine maintenance and mineral exploration programs.

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

| | 2014 | | 2013 | Nine months ended |
|---|---|---|---|---|

| | Q3 | Q2 | Q3 | 2014 | 2013 |
|---|---|---|---|---|---|
| Issued and outstanding shares(1) | 11,324,727 | 11,324,727 | 11,324,727 | 11,324,727 | 11,324,727 |
| Issued and outstanding shares, fully diluted(1) | 11,324,727 | 11,324,727 | 11,337,942 | 11,324,727 | 11,337,942 |

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

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

During the period ended November 30, 2014, the Company did not issue any common shares and did not issue or grant any stock options.

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

**RELATED PARTY TRANSACTIONS**

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

| | 2014 | | 2013 | Nine months ended | |
|---|---|---|---|---|---|
| | Q3 | Q2 | Q3 | 2014 | 2013 |
| Consulting fees | $9,000 | $9,000 | $9,000 | $27,000 | $27,000 |
| Management fees | 16,500 | 16,500 | 15,000 | 49,500 | 45,000 |
| | $25,500 | $25,500 | $24,000 | $76,500 | $72,000 |

During the nine month period ended November 30, 2014, the Company recorded sales in the amount of $646,878 (2013 - $ 166,938) from related companies with significant influence over the Company of which $164,764 (2013 - $ 85,274) was outstanding in accounts receivable at period end. For the three month period ended November 30, 2014, the Company recorded $200,048 (2013 - $30,667) in purchases from related companies with significant influence over the company of which $36,119 (2013 - $12,866) were outstanding in accounts payable and accrued liabilities at the year end.

During the nine month period ended November 30, 2014, the Company was charged by a Canadian related company with significant influence $500,469 (2013 - $ Nil) for management fees. Also included in accounts payable and accrued liabilities is $582,730 (2013 - $ Nil) due to a related company with significant influence over the Company.

At November 30, 2014, OHL had a credit facility of NZ$900,000 that provides security to the New Zealand Electrical Clearing Manager to guarantee payments for electricity purchases, which a related company with significant influence over the Company has guaranteed.

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

**SHARE CAPITAL**

The Company's outstanding share position as at January 29, 2015, is 11,324,727 common shares, and the Company has no shares purchase warrants and incentive stock options currently outstanding.

## SUBSEQUENT EVENTS

On December 17, 2014, New Zealand Petroleum and Minerals granted Coronado's 100% owned subsidiary, Lynx Platinum Limited, an additional permit, MEP 56391.

## 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 nine months ended November 30, 2014. 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 involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that Coronado will be able to secure the funds necessary to continue to explore its gold, copper and platinum mineral properties, or, even if the funds are available, will continue with the exploration of its mineral properties. There is also no assurance that any of Coronado's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.
Following the completion of the OHL Acquisition, Coronado changed the focus of its business from a junior mining company to a power generation and retailing company in New Zealand. Some of the additional risks that 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 since completion of the OHL Acquisition, and Coronado’s overall strategic plan including statements pertaining to the Company’s proposed business plans that include the operation and development of its power generation and retail business and the operation of its gold, copper, and platinum mining properties for the near and mid-term range. In making the forward-looking statements in this MD&A, Coronado has applied certain factors and assumptions that are based on information currently available to Coronado as well as Coronado’s current beliefs and assumptions made by Coronado, including that Coronado will maintain its current operations, and that a business plan for the near and mid-term range can be fulfilled. Although Coronado considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that Coronado’s operations will not continue at their current levels, and that Coronado will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading “*Risks*”. The factors identified above and in the “*Risks*” section of this MD&A are not intended to represent a complete list of the factors that could affect Coronado. Although Coronado has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Coronado does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

# CORONADO RESOURCES LTD.

Condensed Consolidated Interim Financial Statements

Third Quarter ended November 30, 2014

Unaudited

(Expressed in Canadian dollars)

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

| | November 30, 2014 | February 28, 2014 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 3,568,780 | $ 6,646,234 |
| Amounts receivable | 923,106 | 800,730 |
| Prepaid expenses | 10,075 | 27,549 |
| | 4,501,961 | 7,474,513 |
| Electricity derivative (Note 4) | 27,553 | 248,565 |
| Property and equipment, net (Note 5) | 7,439,205 | 5,174,956 |
| Exploration and evaluation assets (Note 6) | 4,662,241 | 4,136,949 |
| Reclamation deposits, restricted cash and other | 166,154 | 163,746 |
| | $ 16,797,114 | $ 17,198,729 |
| **Liabilities and Equity** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | $ 1,388,111 | $ 627,096 |
| Deferred tax liability | 69,042 | 69,559 |
| | 1,457,153 | 696,655 |
| **Shareholders' equity** | | |
| Capital stock (Note 7(b)) | 20,127,801 | 20,127,801 |
| Contributed surplus (Note 7(b)) | 1,657,109 | 1,657,109 |
| Foreign currency translation | 145,978 | 455,037 |
| Deficit | (6,590,927) | (5,737,873) |
| | 15,339,961 | 16,502,074 |
| | $ 16,797,114 | $ 17,198,729 |

Nature of operations and going concern (Note 1)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on January 29, 2015.

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

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

**CORONADO RESOURCES LTD.**

Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | **November 30, 2014** | **November 30, 2013** | **November 30, 2014** | **November 30, 2013** |
| **Revenues** | | | | |
| Electricity sales | $ 1,259,871 | $ 540,961 | $ 4,208,280 | $ 540,961 |
| Cost of sales | (1,162,104) | (412,814) | (3,593,938) | (412,814) |
| | 97,767 | 128,147 | 614,342 | 128,147 |
| **General and administrative expenses** | | | | |
| Amortization | 43,574 | 11,478 | 122,279 | 14,088 |
| Audit and accounting | 27,851 | 19,170 | 40,630 | 19,612 |
| Bank charges | 8,564 | 3,783 | 26,345 | 5,265 |
| Consulting fees | 15,584 | 84,856 | 51,185 | 137,320 |
| Directors fees | 500 | 500 | 1,750 | 2,000 |
| Insurance | 15,233 | 5,374 | 31,582 | 10,624 |
| Legal | 11,712 | 79,579 | 28,285 | 267,928 |
| Management fees | 197,363 | 15,000 | 549,969 | 45,000 |
| Office and administration | 17,064 | 6,831 | 42,434 | 16,989 |
| Office rent | 12,704 | 11,174 | 38,578 | 26,416 |
| Salaries and wages | 85,743 | 44,998 | 265,011 | 44,998 |
| Shareholder relations and communication | 36,043 | 5,412 | 68,616 | 20,627 |
| Transfer and filing fees | 26,789 | 39,751 | 59,865 | 245,254 |
| Travel | 3,170 | 3,871 | 12,427 | 9,705 |
| | (501,894) | (331,777) | (1,338,956) | (865,826) |
| **Other items** | | | | |
| Foreign exchange gain | 29,662 | (7,113) | 16,883 | 7,624 |
| Interest income | 36,016 | 22,091 | 72,652 | 59,508 |
| Loss on hedge mark to market | (9,148) | - | (217,975) | - |
| Bargain purchase gain | - | 1,225,879 | - | 1,225,879 |
| | 56,530 | 1,240,857 | (128,440) | 1,293,011 |
| **Net (loss) income for the period** | (347,597) | 1,037,227 | (853,054) | 555,332 |
| **Other comprehensive loss** | | | | |
| Cumulative translation adjustment | (238,920) | 52,549 | (309,059) | 52,549 |
| **Comprehensive (loss) income for the period** | $ (586,517) | $ 1,089,776 | $ (1,162,113) | $ 607,881 |
| **(Loss) income per share, basic and diluted** | $ (0.03) | $ 0.10 | $ (0.08) | $ 0.06 |
| **Weighted average number of common shares outstanding** | 11,324,727 | 10,711,757 | 11,324,727 | 9,739,589 |

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, 2014 | November 30, 2013 |
|---|---|---|
| **Operating activities** | | |
| Net (loss) income for the period | $ (853,054) | $ 555,332 |
| Items not involving cash: | | |
| Amortization | 122,279 | 14,088 |
| Bargain purchase gain | - | (1,225,879) |
| Loss on hedge mark to market | 217,975 | - |
| Interest on reclamation deposit and restricted cash | (8,790) | (254) |
| Foreign exchange | (8,720) | (1,819) |
| | (530,310) | (658,532) |
| Changes non-cash working capital: | | |
| Amounts receivable | (122,376) | 13,056 |
| Prepaid expenses | 19,714 | (3,747) |
| Accounts payable and accrued liabilities | 599,078 | (241,569) |
| | 496,416 | (232,260) |
| **Cash used in operating activities** | (33,894) | (890,792) |
| **Financing activities** | | |
| Repayment of advances | - | (20,000) |
| Redemption of restricted term deposit | - | 8,050 |
| Share issue costs | - | (4,929) |
| **Cash used in financing activities** | - | (16,879) |
| **Investing activities** | | |
| Cash on acquisition of subsidiary | - | 1,604,399 |
| Equipment additions | (2,584,722) | (275,632) |
| Exploration and evaluation asset expenditures | (487,908) | (566,673) |
| Exploration and evaluation asset recoveries | 29,070 | 40,876 |
| **Cash (used in) provided by investing activities** | (3,043,560) | 802,970 |
| **Net outflow of cash** | (3,077,454) | (104,701) |
| **Cash and cash equivalents, beginning of period** | 6,646,234 | 6,416,512 |
| **Cash and cash equivalents, end of period** | $ 3,568,780 | $ 6,311,811 |
| **Supplemental cash flow information** | | |
| Accounts payable included in equipment acquisitions | $ 152,966 | $ - |
| Accounts payable included in exploration and evaluation assets | $ 14,489 | $ 7,872 |
| Interest received | $ 36,016 | $ 59,508 |
| **Cash and cash equivalents consist of:** | | |
| Cash | $ 1,002,872 | $ 1,332,629 |
| Short-term deposits | 2,565,908 | 4,979,182 |
| | $ 3,568,780 | $ 6,311,811 |

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, 2014 | 79,273,092 | $20,127,801 | $ 1,657,109 | $455,037 | $ (5,737,873) | $ 16,502,074 |
| Share consolidation | (67,948,365) | - | - | - | - | - |
| Currency translation adjustment | - | - | - | (309,059) | - | (309,059) |
| Net loss for period | - | - | - | - | (853,054) | (853,054) |
| **Balance, November 30, 2014** | 11,324,727 | $20,127,801 | $ 1,657,109 | $145,978 | $ (6,590,927) | $ 15,339,961 |
| | | | | | | |
| **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 |

See accompanying notes.

1. **NATURE OF OPERATIONS AND GOING CONCERN**

The Company is incorporated under the *Business Corporations Act* (British Columbia) and is an electrical generation and sales company and also is engaged in the exploration and development of exploration and evaluation assets. The Company trades on the TSX Venture Exchange under the symbol “CRD”, on the OTCQX International under the symbol CRDAF and on the Canadian Stock Exchange under the symbol “CRD”. 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% 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, 2014, the Company has working capital of $3,113,850 (February 28, 2014: $6,847,417). At November 30, 2014, the Company also has an accumulated deficit of $6,590,927 (February 28, 2014: $5,737,873). 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.

(Unaudited - Expressed in Canadian Dollars)

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 28, 2014, which have been prepared in accordance with IFRS issued by the IASB.

### (b) Basis of Consolidation

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

The Company's subsidiaries are:

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

### (c) Significant accounting judgments, estimates and assumptions

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

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

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:

- 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.

**(d) Significant accounting policies**

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Company for the year ended February 28, 2014. The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in IAS 1 *Presentation of Financial Statements* ("IAS 1"). Accordingly these interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended February 28, 2014.

The accounting policies below have been applied consistently to all periods presented in these interim condensed consolidated financial statements.

**(e) New accounting standards and recent pronouncements**

*New and amended standards adopted by the Group*

Effective March 1, 2014, the Group adopted the following new and revised IFRS that were issued by the IASB:
- Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10, IFRS 12 and IAS 27, Investment Entities
- Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 39, Novation of Derivatives and Contiuation of Hedge Accounting
- IFRIC 21, Levies

The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

*New standards, amendments and interpretations to existing standards not yet effective*

Effective for annual reporting periods beginning on or after January 1, 2016:
- Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortization

Effective for annual reporting periods beginning on or after January 1, 2018 (tentative date):
- IFRS 9, Financial Instruments, Classification and Measurement

The Group has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the Group's financial statements.

(Unaudited - Expressed in Canadian Dollars)

## 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 |

## 4. ELECTRICTY DERIVATIVE

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

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

(Unaudited - Expressed in Canadian Dollars)

## 5. PROPERTY AND EQUIPMENT

| | Land | Mining equipment | Hydro equipment | Generation equipment | IT Dev. in Progress | Office equipment | Buildings | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| February 28, 2013 | $ 321,213 | $ 667,005 | $ 198,531 | $ - | $ - | $ 35,472 | $ 90,332 | $ 1,312,553 |
| Additions | - | - | 733,555 | 4,069,215 | - | 4,450 | - | 4,807,220 |
| February 28, 2014 | 321,213 | 667,005 | 932,086 | 4,069,215 | - | 39,922 | 90,332 | 6,119,773 |
| Additions | - | - | 51,782 | 1,519,053 | 1,072,181 | 30,309 | - | 2,673,325 |
| Foreign exchange movement | - | - | (25,873) | (213,180) | (23,958) | 86 | - | (262,925) |
| November 30, 2014 | $ 321,213 | $ 667,005 | $ 957,995 | $ 5,375,088 | $1,048,223 | $ 70,317 | $ 90,332 | $ 8,530,173 |
| **Accumulated amortization** | | | | | | | | |
| February 28, 2013 | $ - | $ 271,663 | $ 139,981 | $ - | $ - | $ 9,578 | $ 67,389 | $ 488,611 |
| Additions | - | 79,068 | 259,859 | 106,243 | - | 6,447 | 4,589 | 456,206 |
| February 28, 2014 | - | 350,731 | 399,840 | 106,243 | - | 16,025 | 71,978 | 944,817 |
| Additions | - | 47,658 | 41,807 | 67,432 | - | 5,547 | 2,766 | 165,210 |
| Foreign exchange movement | - | - | (17,404) | (1,076) | - | (579) | - | (19,059) |
| November 30, 2014 | $ - | $ 398,389 | $ 424,243 | $ 172,599 | $ - | $ 20,993 | $ 74,744 | $ 1,090,968 |
| **Net book value** | | | | | | | | |
| February 28, 2014 | $ 321,213 | $ 316,274 | $ 532,246 | $ 3,962,972 | $ - | $ 23,897 | $ 18,354 | $ 5,174,956 |
| November 30, 2014 | $ 321,213 | $ 268,616 | $ 533,752 | $ 5,202,489 | $1,048,223 | $ 49,324 | $ 15,588 | $ 7,439,205 |

(Unaudited - Expressed in Canadian Dollars)

## 6. EXPLORATION AND EVALUATION ASSETS

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

| | True North Property, Quebec | Madison Property, Montana | Platinum Property, New Zealand | Total |
|---|---|---|---|---|
| Balance, February 28, 2013 | $ 1 | $ 4,132,167 | $ - | $ 4,132,168 |
| Expenditures during the year | | | | |
| Camp costs | - | 10,753 | - | 10,753 |
| Fieldwork and wages | - | 129,877 | - | 129,877 |
| Consulting engineering | - | 2,869 | - | 2,869 |
| Assessment and taxes | - | 85,645 | - | 85,645 |
| Permits, assay and testing | - | 20,340 | - | 20,340 |
| Trucking and transport | - | 76,787 | - | 76,787 |
| Power utilities | - | 3,968 | - | 3,968 |
| Amortization | - | 95,367 | - | 95,367 |
| Travel exploration | - | 389 | - | 389 |
| Concentrating ore | - | 254,544 | - | 254,544 |
| | - | 680,539 | - | 680,539 |
| Exploration and evaluation asset recoveries in year | - | (675,758) | - | (675,758) |
| Net recoveries in year | - | 4,781 | - | 4,781 |
| Balance, February 28, 2014 | $ 1 | $ 4,136,948 | $ - | $ 4,136,949 |
| Expenditures during the period | | | | |
| Camp costs | - | 4,835 | - | 4,835 |
| Fieldwork and wages | - | 92,574 | - | 92,574 |
| Consulting engineering | - | - | 165,540 | 165,540 |
| Assessment and taxes | - | 81,224 | - | 81,224 |
| Permits, assay and testing | - | 13,226 | 136,612 | 149,838 |
| Power utilities | - | 2,868 | - | 2,868 |
| Amortization | - | 57,483 | - | 57,483 |
| | - | 252,210 | 302,152 | 554,362 |
| Exploration and evaluation asset recoveries in period | - | (29,070) | - | (29,070) |
| Net expenditures in period | - | 223,140 | 302,152 | 525,292 |
| Balance, November 30, 2014 | $ 1 | $ 4,360,088 | $ 302,152 | $ 4,662,241 |

(Unaudited - Expressed in Canadian Dollars)

## 6. 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. The Company has increased and consolidated its claims since the original acquisition by adding 8 additional claims in the year ended February 28, 2007, and subsequently up to November 30, 2014 it increased its acreage by adding 26 contiguous claims. The 26 new claims replace 7 previous claims that were allowed to lapse, to increase the overall acreage and cover any non-contiguous boundaries.

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

### (b) Platinum Property, New Zealand

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

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

### (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)

## 6. 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.

## 7. CAPITAL STOCK

### (a) Authorized

Unlimited number of common shares without par value

### (b) Issued and outstanding

| | Number of Common Shares | Amount | Contributed Surplus |
|---|---|---|---|
| Balance, February 28, 2013 | 64,811,524 | $ 16,083,491 | $ 1,657,109 |
| Purchase of subsidiary (1) | 14,461,568 | 4,049,239 | - |
| Share issue costs | - | (4,929) | - |
| Balance February 28, 2014 | 79,273,092 | $ 20,127,801 | $ 1,657,109 |
| Share consolidation (2) | (67,948,365) | - | - |
| Balance November 30, 2014 | 11,324,727 | $ 20,127,801 | $ 1,657,109 |

(1) *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.*

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

(Unaudited - Expressed in Canadian Dollars)

## 7. 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, 2014 | | February 28, 2014 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Outstanding and exercisable, beginning of period | 13,214 | $ 2.10 | 14,643 | $ 2.10 |
| Exercised | - | - | - | 2.10 |
| Cancelled/expired | (13,214) | 2.10 | (1,429) | 2.10 |
| Outstanding and exercisable, end of period | - | $ - | 13,214 | $ 2.10 |
| Weighted average outstanding life of options | | 0.00 years | | 0.27 years |

On June 7, 2014, 13,214 stock options expired.

(Unaudited - Expressed in Canadian Dollars)

## 7. CAPITAL STOCK (Continued)

### (d) Share Purchase Warrants

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

| | November 30, 2014 | | February 28, 2014 | |
|---|---|---|---|---|
| | Number of Warrants | Weighted Average Exercise Price | Number of Warrants | Weighted Average Exercise Price |
| Outstanding, beginning of period | - | - | 285,714 | $ 2.52 |
| Expired during the period | - | - | (285,714) | $ 2.52 |
| Outstanding, end of period | - | - | - | - |

### (e) Share-based compensation

There were no stock options issued during the nine months ended November 30, 2014.

## 8. RELATED PARTY TRANSACTIONS

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

| | November 30, 2014 | November 30 2013 |
|---|---|---|
| Consulting fees | $ 27,000 | $ 27,000 |
| Management fees | 49,500 | 45,000 |
| | $ 76,500 | $ 72,000 |

During the nine month period ended November 30, 2014, the Company recorded sales in the amount of $646,878 (2013 - $166,938) from New Zealand related companies with significant influence over the company of which $164,764 (2013 - $85,274) was outstanding in accounts receivable at period end. For the nine month period ended November 30, 2014, the Company recorded $200,048 (2013 - $30,667) in cost of sales from related companies with significant influence over the company of which $36,119 (2013 - $ 12,866) were outstanding in accounts payable and accrued liabilities.

During the nine month period ended November 30, 2014, the Company was charged by a Canadian related company with significant influence $500,469 (2013 - $ Nil) for management fees. At November 30, 2014, $582,730 (2013 - $ Nil) owing to the Canadian related company with significant influence is included in accounts payable and accrued liabilities.

At November 30, 2014, OHL had a credit facility of NZ$900,000 that provides security to the New Zealand Electrical Clearing Manager to guarantee payments for electricity purchases, which a related company with significant influence over the Company has guaranteed.

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

## 9. 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, 2014, there were no significant amounts past due or impaired.

*Liquidity Risk*

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

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

Market Risk

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

*Foreign Exchange Risk*

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

## 9. 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 New Zealand and 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, 2014. The impact of $1.00 increase in the purchase price of electricity will increase costs in the amount $32,387 on an annual basis.

*Interest Rate Risk*

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

*Fair Value of Financial Instruments*

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

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

(Unaudited - Expressed in Canadian Dollars)

## 9. FINANCIAL INSTRUMENTS RISK (Continued)

The fair value classification of the Company's financial instruments as at November 30, 2014 and February 28, 2014 are as follows:

| | | November 30, 2014 | | February 28, 2014 | |
|---|---|---|---|---|---|
| | Fair Value Level | Fair value through profit or loss | Loans and receivables and other financial liabilities at amortized cost | Fair value through profit or loss | Loans and receivables and other financial liabilities at amortized cost |
| | | $ | $ | $ | $ |
| *Financial assets:* | | | | | |
| Cash and cash equivalents | 1 | 3,568,780 | - | 6,646,234 | - |
| Electricity derivative | 2 | 27,553 | - | 248,565 | - |
| Reclamation deposits and restricted cash | | - | 166,154 | - | 163,746 |
| | | 3,596,333 | 166,154 | 6,894,799 | 163,746 |
| *Financial liabilities:* | | | | | |
| Accounts payable and accrued liabilities | | - | 1,388,111 | - | 627,096 |
| | | - | 1,388,111 | - | 627,096 |

During the nine month period ended November 30, 2014 and the year ended February 28, 2014, there were no transfers between level 1, level 2 and level 3.

## 10. CAPITAL MANAGEMENT

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

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

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

(Unaudited - Expressed in Canadian Dollars)

## 11. SEGMENTED INFORMATION

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

### Geographic segments

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

| | For the Nine Month Period Ended November 30, 2014 | | | |
|---|---|---|---|---|
| | Canada | United States | New Zealand | Total |
| Sales revenue | $ - | $ - | $ 4,208,280 | $ 4,208,280 |

| | As at November 30, 2014 | | | |
|---|---|---|---|---|
| | Canada | United States | New Zealand | Total |
| Property and equipment | $ 17,592 | $ 645,198 | $ 6,776,415 | $ 7,439,205 |
| Exploration and evaluation assets | - | 4,360,089 | 302,152 | 4,662,241 |
| Reclamation deposits and restricted cash | 11,736 | 68,327 | 86,091 | 166,154 |
| Electricity derivative | - | - | 27,553 | 27,553 |
| | $ 29,328 | $ 5,073,614 | $ 7,192,211 | $12,295,153 |

| | As at February 28, 2014 | | | |
|---|---|---|---|---|
| | Canada | United States | New Zealand | Total |
| Property and equipment | $ 20,715 | $ 702,681 | $ 4,451,560 | $ 5,174,956 |
| Exploration and evaluation assets | - | 4,136,949 | - | 4,136,949 |
| Reclamation deposits and restricted cash | 11,736 | 65,972 | 86,038 | 163,746 |
| Electricity derivative | - | - | 248,565 | 248,565 |
| | $ 32,451 | $ 4,905,602 | $ 4,786,163 | $ 9,724,216 |

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

| | As at November 30, 2014 | | |
|---|---|---|---|
| | Electricity Generation and Retailing | Mining Exploration and Development | Total |
| Sales revenue | $ 4,208,280 | $ - | $ 4,208,280 |
| Loss | (133,517) | $ (719,537) | $ (853,054) |
| Assets | $ 11,290,185 | $ 5,506,929 | $ 16,797,114 |
| Liabilities | $ 1,442,439 | $ 14,714 | $ 1,457,153 |