CORONADO RESOURCES LTD.

Consolidated Financial Statements
February 29, 2008 and February 28, 2007

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Coronado Resources Ltd. are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"Eugene Larabie"
.... President
Eugene Larabie

Vancouver, British Columbia
June 17, 2008

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CORONADO RESOURCES LTD.

We have audited the consolidated balance sheets of Coronado Resources Ltd. as at February 29, 2008 and February 28, 2007 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2008 and February 28, 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
June 17, 2008

7th Floor, Marine Building
355 Burrard Street, Vancouver, BC
Canada V6C 2G8

Fax: 604.688.4675
Telephone: 604.687.1231
Web: SmytheRatcliffe.com

A Member of PKF International

CORONADO RESOURCES LTD.
Consolidated Balance Sheets

		February 29, 2008		February 28, 2007
Assets				
Current				
Cash	$	40,440	$	1,996,052
Short-term investment (note 2(c))		807,850		0
Accounts receivable		160,143		10,744
Prepaid expenses		4,722		184,651
		1,013,155		2,191,447
Property and Equipment, net (note 4)		738,915		377,629
Mineral Property Interests (note 5)		4,433,029		1,966,678
Prepaid Expenses		57,000		0
Deposits for Reclamation		50,700		38,740
	$	6,292,799	$	4,574,494
Liabilities				
Current				
Accounts payable and accrued liabilities	$	88,818	$	71,952
Shareholders' Equity				
Capital Stock (note 6)		8,503,365		6,422,411
Contributed Surplus (note 7)		981,494		996,498
Deficit		(3,280,878)		(2,916,367)
		6,203,981		4,502,542
	$	6,292,799	$	4,574,494

Nature of Operations and Going-Concern (note 1)
Contingencies (notes 9 and 11)
Subsequent Events (note 12)

Approved by the Board:

"Brian Welch"
.... Director
Brian Welch

"Miles Desharnais"
.... Director
Miles Desharnais

See notes to consolidated financial statements.

CORONADO RESOURCES LTD.
Consolidated Statements of Operations and Deficit
Years Ended

	February 29, 2008	February 28, 2007
		(note 14)
General and Administrative Expenses		
Audit and accounting	$ 103,857	$ 108,440
Wages and benefits	66,260	54,344
Legal	11,406	38,899
Office rent and administration	36,000	36,000
Printing and shareholder information	31,104	9,812
Business development	21,232	8,043
Listing and regulatory fees	18,001	53,190
Office and sundry	17,037	13,387
Telephone	4,287	4,566
Travel	3,452	2,335
Management fees	2,240	0
Stock-based compensation (note 6(e))	0	919,570
Interest and bank charges, net	(54,546)	(79,991)
Loss Before Other Items	260,330	1,168,595
Other Items		
Court judgment (note 9)	97,267	18,734
Write-off of mineral property interest (note 5(c))	6,117	0
Foreign exchange loss	797	0
Net Loss and Comprehensive Loss for Year	364,511	1,187,329
Deficit, Beginning of Year	2,916,367	1,729,038
Deficit, End of Year	$ 3,280,878	$ 2,916,367
Loss Per Share	$ 0.02	$ 0.08
Weighted Average Number of Common Shares Outstanding	20,442,881	14,038,156

See notes to consolidated financial statements.

CORONADO RESOURCES LTD.
Consolidated Statements of Cash Flows
Years Ended

		February 29, 2008		February 28, 2007
Operating Activities				
Net loss	$	(364,511)	$	(1,187,329)
Items not involving cash				
Write-off of mineral property		6,117		0
Stock-based compensation		0		919,570
		(358,394)		(267,759)
Changes in non-cash working capital				
Accounts receivable		(149,399)		(6,778)
Prepaid expenses		122,929		(182,926)
Accounts payable and accrued liabilities		16,664		(21,492)
		(9,806)		(211,196)
Cash Used in Operating Activities		(368,200)		(478,955)
Financing Activity				
Issuance of common shares		1,665,950		3,467,327
Investing Activities				
Mineral property expenditures		(2,019,585)		(1,113,160)
Purchase of property and equipment		(413,967)		(383,897)
Acquisition of short-term investments		(3,022,850)		0
Proceeds from short-term investments		2,215,000		540,000
Reclamation bonds		(11,960)		(32,901)
Cash Used in Investing Activities		(3,253,362)		(989,958)
Inflow (Outflow) of Cash		(1,955,612)		1,998,414
Cash (Bank Indebtedness), Beginning of Year		1,996,052		(2,362)
Cash, End of Year	$	40,440	$	1,996,052
Supplemental Cash Flow Information				
Interest paid	$	0	$	0
Income taxes paid	$	0	$	0
Shares issued for mineral property interest and finder's fee	$	400,000	$	305,000
Accounts payable included in mineral property interests	$	52,536	$	52,334

1. NATURE OF OPERATIONS AND GOING-CONCERN

The Company is an exploration stage company incorporated under the *Business Corporations Act* of Yukon on March 1, 1999, engaged in the exploration and development of mineral property interests. On September 22, 2005, the Company changed its name to Coronado Resources Ltd. and now trades on the TSX Venture Exchange under the symbol "CRD".

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

At February 29, 2008, the Company reported working capital of $924,337 (February 28, 2007 - $2,119,495), which is sufficient to achieve minimum levels of planned exploration, corporate and administrative costs. The Company has and an accumulated deficit of $3,280,878 (February 28, 2007 - $2,916,367). The Company will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral property interests. Future operations of the Company are dependent upon its ability to raise financing, acquire new business ventures and attain profitable operations. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles and are stated in Canadian dollars. The consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiary, Coronado Resources USA LLC. All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) Mineral Property Interests

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

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

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

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

(b) **Mineral Property Interests** (continued)

The Company is still in the exploration stage and commercial production has not yet commenced. Hence, amortization has not been charged in these financial statements. Commercial production occurs when an asset or property is substantially complete and ready for its intended use.

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

(c) **Short-Term Investment**

Short-term investment consists of a guaranteed investment certificate which bears interest at a rate equal to the stated bank prime lending rate less 2.1%, and matures June 15, 2008.

(d) **Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the collectability of accounts receivable, the rates of amortization for property and equipment, obligations for asset retirement obligations, the recovery of mineral property interests, valuation of accrued liabilities, assumptions used in the determination of the fair value of stock-based compensation and determination of the valuation allowance for future income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(e) **Stock-Based Compensation**

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this method, stock-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to contributed surplus. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to capital stock.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment of Long-Lived Assets

Long-lived assets of the Company are reviewed annually or when changes in circumstances suggest their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

(g) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is more likely than not to be realized.

(h) Loss Per Share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive.

(i) Amortization

Hydro and mining equipment and trailer are recorded at cost and amortized using a declining-balance method at a rate of 20% annually. Additions during the year are amortized at one-half the annual rate.

(j) Comprehensive Income

Effective March 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants' ("CICA") Handbook Section 1530, "Comprehensive Income", which establishes standards for presentation and disclosure of comprehensive income (loss). Comprehensive income (loss) is the overall change in net assets of the Company for a period, other than changes attributable to transactions with shareholders. The historical make up of net income (loss) has not changed. Comprehensive income (loss) includes gains or losses, which generally accepted accounting principles requires to be recognized in a period but are excluded from net income (loss) for that period.

The adoption of this section had no impact on the Company's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Asset Retirement Obligation

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at February 29, 2008, the Company did not have any asset retirement obligations.

(l) Foreign Currency Translation

The functional currency of the Company is the Canadian dollar. Amounts recorded in foreign currency are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;

(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

(iii) Interest income and expenses (excluding amortization, which is translated at the same rate as the related asset), at the average rate of exchange by quarter.

Gains and losses arising from the translation of foreign currency are included in net loss for the year.

(m) Future Accounting Pronouncements

(i) The CICA has issued the following new Handbook sections that will become effective for the Company on March 1, 2008:

- Section 3862, "Financial Instruments - Disclosures"
- Section 3863, "Financial Instruments - Presentation"
- Section 1535, "Capital Disclosures".

Section 3862 modifies the disclosure requirements for Section 3861, "Financial Instruments – Disclosure and Presentation", including required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance, and of the extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. Section 3863 carries forward the presentation requirements of Section 3861. The Company is currently evaluating the impact of the adoption of these new sections.

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The entity's disclosure should include information about its objectives, policies and procedures for managing capital and disclose whether it has complied with any capital requirements to which it is subject and the consequences of non-compliance. The Company is currently evaluating the impact of adoption of this new section.

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

(m) **Future Accounting Pronouncements** (continued)

(ii) International Financial Reporting Standards ("IFRS")

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 generally accepted accounting principles 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 generally accepted accounting principles. 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 December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(iii) Going-Concern

In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of the Company's ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the Company is not considered a going-concern. The new section is effective for the Company for years beginning on or after March 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

3. **FINANCIAL INSTRUMENTS**

Effective March 1, 2007, the Company adopted the CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement", which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The Company classifies its debt and investments into held-to-maturity, held-for-trading or available-for-sale categories. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available-for-sale. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on the contractual maturity date and are stated at amortized cost. Investments that are bought and held principally for the purpose of selling them in the near term are classified as held-for-trading and are reported at fair value, with unrealized gains and losses recognized in earnings. Debt and investments not classified as held-to-maturity or as held-for-trading are classified as available-for-sale and carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income (loss).

On the date of adoption, the Company re-measured its financial assets and liabilities as appropriate. The Company has designated its cash and short-term investment as held-for-trading; accounts and interest receivable as loans and receivable; and accounts payable and accrued liabilities as other liabilities.

3. **FINANCIAL INSTRUMENTS** (continued)

(a) **Fair Value**

The carrying values of cash, short-term investment, accounts receivable, and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

(b) **Credit Risk**

The Company has placed the majority of its cash with a major Canadian commercial bank. Accounts receivable, with the exception of Goods and Services Tax receivable from the government, are subject to credit risk exposure; however, all accounts receivable are due from one customer, who is a sizeable and established corporation. As such, accounts receivable are subject to normal industry credit risks. The Company mitigates this risk by closely monitoring the customer that it currently has.

(c) **Currency Risk**

The Company is exposed to foreign currency fluctuations to the extent expenditures incurred are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

4. **PROPERTY AND EQUIPMENT**

		2008	
	Cost	Accumulated Amortization	Net
Land	$ 321,213	$ 0	$ 321,213
Hydro equipment	198,531	19,853	178,678
Mining equipment	187,788	18,779	169,009
Trailer	90,332	20,317	70,015
	$ 797,864	$ 58,949	$ 738,915

		2007	
	Cost	Accumulated Amortization	Net
Land	$ 321,213	$ 0	$ 321,213
Trailer	62,684	6,268	56,416
	$ 383,897	$ 6,268	$ 377,629

5. MINERAL PROPERTY INTERESTS

The Company's mineral property interests are comprised of properties located in Quebec, Canada, and Montana, USA. Capitalized expenditures are as follows:

	True North Property, Quebec	Madison Property, Montana	Goodrich Gulch, Montana	Total
Balance, February 28, 2006	$ 120,350	$ 369,566	$ 0	$ 489,916
Acquisition costs	0	310,914	0	310,914
Expenditures during year	0			
Camp costs	0	42,106	0	42,106
Survey and reports	0	24,335	0	24,335
Drilling and contracting	0	241,067	0	241,067
Surface contracting	0	325,247	0	325,247
Underground work	0	330,314	0	330,314
Fieldwork and wages	0	48,581	0	48,581
Consulting and engineering	0	120,439	0	120,439
Assessment and taxes	0	4,621	0	4,621
Travel	0	22,870	0	22,870
Amortization	0	6,268	0	6,268
	0	1,165,848	0	1,165,848
Balance, February 28, 2007	120,350	1,846,328	0	1,966,678
Acquisition costs	0	458,000	4,580	462,580
Expenditures during year				
Camp costs	0	54,376	0	54,376
Survey and reports	0	28,115	487	28,602
Drilling and contracting	0	109,760	0	109,760
Surface contracting	0	272,983	0	272,983
Underground work	0	1,406,931	0	1,406,931
Fieldwork and wages	0	120,232	0	120,232
Consulting and engineering	0	157,616	1,050	158,666
Assessment and taxes	0	4,343	0	4,343
Travel	0	15,161	0	15,161
Permits, licensing and tests	0	58,155	0	58,155
Trucking and transport	0	25,665	0	25,665
Miscellaneous	0	6,256	0	6,256
Cost recovery	0	(303,923)	0	(303,923)
Amortization	0	52,681	0	52,681
	0	2,008,351	1,537	2,009,888
Write-off of mineral properties	0	0	(6,117)	(6,117)
Balance, February 29, 2008	$ 120,350	$ 4,312,679	$ 0	$ 4,433,029

5. **MINERAL PROPERTY INTERESTS** (Continued)

(a) **True North Property, Raglan Mine District, Ungava Region, Quebec**

During the year ended February 28, 2005, the Company entered into an agreement with NovaWest Resources Inc. ("NovaWest"). NovaWest can earn a 70% interest in the property by expending $40,000, $140,000 and $440,000 cumulative in development expenditures over each of the next three years, respectively. The expenditure requirements were extended to five years by a subsequent agreement. The Company issued 405,000 pre-consolidation common shares at a deemed value of $28,350 in respect of a finder's fee for introducing NovaWest to the Company. The vendor retained a 1% net smelter return royalty, which the Company has the right to purchase one-half of the royalty in consideration of $1,000,000.

(b) **Madison Property, Montana**

In April 2005, the Company entered into an agreement to purchase a 100% interest in seven patented and 12 unpatented mineral claims situated in Madison County, Montana. The Company has made payments totaling US $125,000 and issued 1,300,000 common shares as part of the option to purchase the property. As part of the agreement, the Company is committed to further payments, share issuances and exploration expenditures as follows:

Due date	Issuance of Common Shares	Cash Payment (US $)	Incur Cumulative Exploration Expenditures (Cdn $)
April 1, 2008	600,000	$ 75,000	$ 500,000
April 1, 2009	800,000	100,000	$ 1,000,000
	1,400,000	$ 175,000	

During the year ended February 28, 2007, the Company staked eight additional claims in proximity to the other 19 claims.

As ore is extracted as a by-product of exploration and development tunnels, the cost recovery is offset against the exploration and development costs capitalized.

(c) **Goodrich Gulch Property, Montana**

In March 2007, the Company signed an option agreement to purchase a 100% interest in seven claims and two fractions located approximately 20 miles south of the Madison Property. The Company paid US $4,000 to secure the option.

5. MINERAL PROPERTY INTERESTS (Continued)

(c) Goodrich Gulch Property, Montana (Continued)

The agreement does not involve the issuance of any Company shares and terms are as follows (US $):

Due date		Cash Payment (US $)		Incur Cumulative Exploration Expenditures (Cdn $)
March 31, 2008	$	6,000	$	0
March 31, 2009		30,000	$	50,000
March 31, 2010		60,000	$	100,000
March 31, 2011		100,000	$	250,000
March 31, 2012		200,000		
	$	396,000		

A total of $1,200 in assessment work is required on or before August 15th of each year to maintain the claims in good standing.

A sliding net smelter return on any individual shipment is also payable as follows:

(i) 1% for shipments grading up to 0.25 ounces of gold per ton;
(ii) 2% for shipments grading from 0.25 ounces of gold to 0.50 ounces of gold per ton; and
(iii) 3% for shipments grading over 0.50 ounces of gold per ton.

During 2008, the property was abandoned and, accordingly, $6,117 in acquisition and exploration expenditures were written off.

(d) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties 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.

(e) Realization of Assets

The investment in and expenditures on mineral property interests 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, 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.

5. **MINERAL PROPERTY INTERESTS** (Continued)

(f) **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 mineral properties, 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 mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

6. CAPITAL STOCK

(a) **Authorized**

Unlimited number of common shares without par value

(b) **Issued and Outstanding**

On September 20, 2006, the Company subdivided its capital stock on a two-for-one basis, whereby shareholders received one additional common share for each share held. The common shares included in these consolidated financial statements have been retroactively adjusted to reflect these changes unless otherwise noted.

	Number of Common Shares	Amount
Balance, February 28, 2006	5,560,324	$ 2,565,910
Issued during the year		
For cash, private placement	2,084,000	3,234,368
For finder's fee	100,000	25,000
Share issuance costs	0	(144,501)
Exercise of stock options, pre share split	325,000	98,750
Exercise of share purchase warrants, pre share split	270,000	278,710
For mineral property	200,000	280,000
Share split (2:1)	8,539,324	0
Exercise of stock options, post share split	10,000	
Exercise of share purchase warrants, post share plit	1,781,400	
Transfer from contributed surplus upon exercise of stock options	0	84,174
Balance, February 28, 2007	18,870,048	6,422,411
Issued during the year		
Exercise of stock options	80,000	18,800
Exercise of share purchase warrants	1,899,000	1,647,150
For mineral property	500,000	400,000
Transfer from contributed surplus upon exercise of stock options	0	15,004
Balance, February 29, 2008	21,349,048	$ 8,503,365

On June 14, 2006, the Company completed a non-brokered private placement of 1,250,400 units (pre-split) at a price of $1.44 per unit. Each unit consists of one common share and one share purchase warrant, each warrant entitling the holder to purchase one common share of the Company at a price of $1.80 per share (pre-split) on or before June 14, 2007.

An additional private placement was completed in which the Company issued 833,600 units (pre-split) at $1.72 per unit with each unit consisting of one share and one share purchase warrant entitling the holder to purchase an additional common share at $2.15 (pre-split) on or before June 14, 2007.

Gross proceeds for the two placements were $3,234,368. Costs and commissions paid in respect to the private placements were $144,501. Net proceeds for the two placements were $3,089,867.

6. CAPITAL STOCK (Continued)

(c) Stock Options

As at February 29, 2008 and February 28, 2007, the Company had 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 subsidiaries 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 as at February 29, 2008 and February 28, 2007 and changes during the years then ended are as follows:

	February 29, 2008		**February 28, 2007**	
	Number of Common Shares	Weighted Average Exercise Price	Number of Common Shares	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	1,180,000	$ 0.81	740,000	$ 0.16
Cancelled	(20,000)	$ 0.84	0	$ 0.00
Granted	0	$ 0.00	1,100,000	$ 0.84
Exercised	(80,000)	$ 0.24	(660,000)	$ 0.15
Outstanding and exercisable, end of year	1,080,000	$ 0.84	1,180,000	$ 0.81

All stock options issued vested immediately. Stock options outstanding (post-split) are as follows:

Expiry Date	Exercise Price	**February 29, 2008**	**February 28, 2007**
January 12, 2008	$ 0.24	0	80,000
May 8, 2008	$ 0.84	800,000*	800,000
July 19, 2008	$ 0.84	200,000	200,000
February 15, 2009	$ 0.84	80,000	100,000
Outstanding, end of year		1,080,000	1,180,000
Weighted average outstanding life of options		0.28 years	1.27 years

*Expired unexercised subsequent to February 29, 2008.

6. **CAPITAL STOCK** (Continued)

(d) **Share Purchase Warrants**

Details of the status of the Company's share purchase warrants as at February 29, 2008 and February 28, 2007 and changes during the years then ended are as follows:

	February 29, 2008		February 28, 2007	
	Number of Common Shares	Weighted Average Exercise Price	Number of Common Shares	Weighted Average Exercise Price
Outstanding, beginning of year	4,246,600	$ 0.95	2,400,000	$ 0.1125
Expired	(2,347,600)	$ 1.02	0	$ 0.0000
Issued	0	$ 0.00	4,168,000	$ 0.9700
Exercised	(1,899,000)	$ 0.86	(2,321,400)	$ 0.1200
Outstanding, end of year	0	$ 0.00	4,246,600	$ 0.9500

At February 29, 2008, the Company has no outstanding share purchase warrants to acquire common shares as follows:

Expiry Date	Exercise Price	February 29, 2008	February 28, 2007
November 13, 2007	$ 0.1125	0	100,000
June 14, 2007	$ 0.9000	0	2,483,400
June 14, 2007	$ 1.0750	0	1,663,200
Outstanding, end of year		0	4,246,600
Weighted average outstanding life of warrants		0 years	0.3 years

(e) **Stock-Based Compensation**

Pursuant to CICA Handbook Section 3870 of accounting for stock-based compensation, the fair value of stock options granted to directors and employees for the year ended February 29, 2008 in the amount of $nil (February 28, 2007 - $919,570) has been recorded as an expense in the period. The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes option pricing model with the following assumptions:

	February 29, 2008	February 28, 2007
Risk-free interest rate	0.00%	4.07% - 4.75%
Expected dividend yield	0	0
Expected stock price volatility	0%	173% - 187%
Expected option life in years	0	2

6. **CAPITAL STOCK** (Continued)

(e) **Stock-based Compensation** (continued)

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

7. **CONTRIBUTED SURPLUS**

	February 29, 2008	February 28, 2007
Balance, beginning of year	$ 996,498	$ 161,102
Stock-based compensation		
Options granted	0	919,570
Options exercised	(15,004)	(84,174)
Balance, end of year	$ 981,494	$ 996,498

8. **INCOME TAXES**

The Company has accumulated losses for Canadian tax purposes of approximately $1,328,000 that expire in various years to 2028 as follows:

2009	$ 177,000
2010	112,000
2011	74,500
2015	132,000
2026	158,000
2027	293,000
2028	381,500
	$ 1,328,000

Future income tax assets and liabilities are recognized for temporary differences between the carrying amounts of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized.

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2008	2007
Income tax benefit computed at Canadian statutory rates	$ (124,371)	$ (405,116)
Temporary differences	(9,498)	(9,520)
Non-deductible stock-based compensation expense	0	313,757
Tax rate variation	(3,278)	0
Unrecognized tax losses	137,147	100,879
	$ 0	$ 0

8. INCOME TAXES (continued)

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		2008		2007
Future income tax assets				
Temporary differences on assets	$	48,298	$	58,854
Share issuance costs		24,276		39,443
Losses carried forward		371,840		371,737
		444,414		470,034
Valuation allowance		(444,414)		(470,034)
Future income tax assets, net	$	0	$	0

9. COURT JUDGMENT

An action was commenced against the Company by a firm that was to be retained for investor relations services. The plaintiff claimed that certain stock options were granted to the plaintiff, and that such stock options were outstanding. The Company claimed that no stock options were granted to the plaintiff and are vigorously defending that position.

In October 2007, the Supreme Court of British Columbia ordered that the plaintiff recover $43,250 plus interest from the Company. The amount paid, including interest, was $47,033. The Company is appealing this judgment.

10. RELATED PARTY TRANSACTIONS

During the year ended February 29, 2008, the Company paid $36,000 (February 28, 2007 - $36,000) for rent and administrative services and $44,000 (February 28, 2007 - $38,000) for consulting services to private companies controlled by directors.

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.

11. CONTINGENCY

An action has been commenced against the Company by two individuals who reside in proximity to the Company's Madison Property. The plaintiffs claim that the Company's widening and use of a road that runs through their property has taken portions of their land, which significantly reduces its value. The plaintiffs are seeking a permanent injunction to prohibit the widening and use of the road, as well as recovery of their costs, expenses, losses and other damages. The Company claims that the road is a "Prescriptive Public Road" and they are permitted to do the widening and make use of the road as they have thus far. The outcome of this matter cannot be determined at this time and, accordingly, will be recorded when the outcome is determined, which may impact future results of operations and cash flows.

12. SUBSEQUENT EVENTS

The Company granted stock options to acquire 500,000 common shares at an exercise price of $0.67 per share and stock options to acquire 1,300,000 common shares at $0.51 per share. All stock options were granted for a term of three years. These options will vest immediately upon issuance.

13. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of resource properties. Geographic information is as follows:

	February 29, 2008	February 28, 2007
Assets		
Canada	$ 952,777	$ 2,251,087
United States	5,340,022	2,323,407
	$ 6,292,799	$ 4,574,494

14. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the presentation adopted in the current year.

CORONADO RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE YEAR ENDED FEBRUARY 29, 2008

June 27, 2008

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 year ended February 29, 2008 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 29, 2008 Consequently, the following discussion and analysis should be read in conjunction with the audited financial statements for the year ended February 29, 2008 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 year ended February 29, 2008 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 additional option payments totaling $275,000 US ($100,000 paid), share issuances of 2,700,000 shares to be issued in stages (1,300,000 issued) and work commitments of $1,000,000 (completed); all to be made by April 1, 2009. A 43–101 Geological Summary Report on the Madison Gold Property was completed recommending continued exploration. An exploration contractor was secured and 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 in the period 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 SEDAR at www.sedar.com or by visiting the Company's website at www.coronadoresourcesltd.com.

Madison Property Activity (Cont'd)

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 1000 feet at a -15° slope. The Company is extracting, 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 Gold Sunlight Mine allowing gold mineralization to be shipped for processing starting in November 2007. Gold mineralization totalling 2280 tons with grades varying from 0.183 to 0.694 oz/ton was shipped by year end for recovery proceeds of $303,923. Gold and copper mineralization is being brought to surface as it is being encountered in the underground development.

In May, 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. This zone is currently being mined and drilling is underway to test its limits on strike.

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 shipment of approximately 1000 to 1500 tons grading 15% to 18% copper is expected to start in July, 2008.

Raglan Properties - 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 $40,000, $140,000 and $440,000 over three years in development expenditures. The expenditure requirements were extended to five years by a subsequent agreement. 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.

Goodrich Gulch Property – Sheridan, Montana

The Company entered into an option agreement March 29, 2007 to earn a 100% interest in nine mineral claims approximately 20 miles southeast of the Madison Property. The Company paid $4,000 US to secure the option and was to make increasing annual option payments and increasing annual work commitments over five years. The Company does not intend to pursue development of this property and, accordingly, has written off $6,117 in acquisition and development costs.

CORONADO RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE YEAR ENDED FEBRUARY 29, 2008

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,		
	2008	**2007**	**2006**
Total revenues (interest & other income)	$ 54,546	$ 79,991	$ -
Loss before write-off/gain on sale of mineral properties	358,394	1,187,329	262,281
Loss for the year	364,511	1,187,329	262,281
Loss for the year per share	0.02	0.08	0.05
Total assets	6,292,799	4,574,494	1,016,446
Total liabilities	88,818	71,952	18,472
Total long-term financial liabilities	0	0	0
Shares outstanding – end year (millions)	21.35	18.87	5.56
Dividends declared	0	0	0

Summary of Quarterly Results

	For Quarters Ended			
	February 29, 2008	**November 30, 2007**	**August 31, 2007**	**May 31, 2007**
Total revenues (interest & other income)	$ 4,160	$24,744	$11,805	$13,837
Loss before write-off/gain on the following:	144,478	71,671	85,135	57,110
Loss (gain) on disposal of :				
- Marketable securities	-	-	-	-
- Mineral properties	6,117	-	-	-
Loss for the period	150,595	71,671	85,135	57,110
Loss per share	0.01	0.00	0.01	0.00

Summary of Quarterly Results (Cont'd)

	For Quarters Ended			
	February 28, 2007	**November 30, 2006**	**August 31, 2006**	**May 31, 2006**
Total revenues	$ 20,082	$ 35,301	$ 19,572	$ 3,031
Loss before write-off/gain on sale of mineral properties	369,492	65,097	61,942	690,798
Loss (gain) on disposal of:				
- Marketable securities	-	-	-	-
- Mineral properties	-	-	-	-
Loss for the period	369,492	65,097	61,942	690,798
Loss per share	0.01	0.00	0.01	0.06

Results for the Quarter

The Company's operations for the quarter ended February 29, 2008 produced a net loss of $150,595 compared to a loss of $369,492 for the same three-month period in the previous year. The larger expenditures in the quarter were $2,796 for media and website costs, $38,500 for audit and accounting, $12,190 for salaries and wages, $7,790 for listing and regulatory fees, and $9,000 for rent and administration. The Company also expended $97,267 during the year for court judgment and legal defense costs. In the quarter, the Company incurred exploration expenditures of $576,321 and received $303,723 in recovery costs for gold mineralization shipped for processing. These expenditures were mainly for continuing exploration and development on the Madison Gold Property. The Company expended $11,629 for surface contracting work, $343,480 for underground development, $33,486 for geological field work and $32,281 for consulting and engineering in the quarter. As the Company does not own any revenue producing mineral properties, no mining revenues have been recorded to date.

CORONADO RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE YEAR ENDED FEBRUARY 29, 2008

Liquidity and Capital Resources

Working capital as at February 29, 2008 was $924,337 compared to $2,119,495 at February 28, 2007. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations. At February 29, 2008, the Company had 21,349,048 (22,429,048 fully diluted) common shares issued and outstanding compared to 18,870,048 (24,296,648 fully diluted) as at February 28, 2007. The Company closed a non-brokered private placement of 1,250,400 shares at a price of $1.44 per share in June 2006. An additional private placement was also approved in which the Company issued 833,600 shares at $1.72 per share. The securities of both private placements included warrants exercisable until June 14, 2007. Net proceeds for the two placements were $3,089,867. In September 2006, the Company split the share capital on a two for one basis changing the issued share capital from 8,544,324 issued to 17,088,648 issued shares. In June, 2007, there were warrants exercised for 1,899,000 shares for proceeds of $1,635,900. In the quarter, 80,000 stock options at $.235 were exercised for proceeds of $18,800.

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 $36,000 for management, rent and administration services and paid $44,000 in the year for consulting services to private companies controlled by directors.

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 or 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.

Off- Balance Sheet Arrangements

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.

Certification of Annual Filing

Based on their knowledge, the President and Chief Financial Officer of the Company have reviewed the annual filing and certified that the annual consolidated financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows. The President and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company, and they believe:

- the disclosure controls and procedures provide reasonable assurance that material information relating to the Company, including its consolidated subsidiary, are made known to them, particularly during the period in which the annual filings are being prepared; and

- the internal control over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian generally accepted accounting principles.

Due to the small size of the Company, there is a lack of segregation of duties which is an internal control weakness. Management mitigates this risk through direct involvement of senior management in day to day operations. It is unlikely that this weakness can be properly addressed until the Company grows to a significant size. During the year ended February 29, 2008 there were no changes in the Company's internal control over financial reporting that occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

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.