

## **CORONADO RESOURCES LTD.**

**Consolidated Financial Statements  
February 28, 2009 and February 29, 2008**

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## 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 19, 2009

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF CORONADO RESOURCES LTD.

We have audited the consolidated balance sheets of Coronado Resources Ltd. as at February 28, 2009 and February 29, 2008 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 28, 2009 and February 29, 2008 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 19, 2009

**CORONADO RESOURCES LTD.**  
**Consolidated Balance Sheets**

	February 28, 2009	February 29, 2008
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 29,596	\$ 40,440
Short-term investments	-	807,850
Accounts receivable	535,848	160,143
Prepaid expenses	1,247	4,722
	566,691	1,013,155
<b>Property and Equipment, net (note 4)</b>	668,373	738,915
<b>Mineral Property Interests (note 5)</b>	5,290,941	4,433,029
<b>Prepaid Expenses</b>	-	57,000
<b>Deposits for Reclamation</b>	50,700	50,700
	\$ 6,576,705	\$ 6,292,799
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 155,022	\$ 88,818
Advances payable (note 14)	258,241	-
Loans payable (note 14)	160,000	-
	573,263	88,818
<b>Shareholders' Equity</b>		
<b>Capital Stock (note 6)</b>	8,683,365	8,503,365
<b>Contributed Surplus (note 6(b))</b>	1,675,578	981,494
<b>Deficit</b>	(4,355,501)	(3,280,878)
	6,003,442	6,203,981
	\$ 6,576,705	\$ 6,292,799

Nature of Operations and Going Concern (note 1)  
Subsequent Events (note 14)

On behalf of 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 28, 2009	February 29, 2008
		(note 13)
<b>General and Administrative Expenses</b>		
Stock-based compensation (note 6(e))	\$ 694,084	\$ -
Management fees	64,500	74,240
Consulting fees	50,400	66,260
Office rent and administration	33,900	36,000
Audit and accounting	27,611	31,857
Business development	20,685	21,232
Wages and benefits	17,485	-
Listing and regulatory fees	16,109	18,001
Legal	14,579	11,406
Office and sundry	14,489	17,037
Insurance	10,000	-
Telephone	3,672	4,287
Travel	2,598	3,452
Printing and shareholder information	2,421	31,104
Interest and bank charges, net	(6,392)	(54,546)
<b>Loss Before Other Items</b>	966,141	260,330
<b>Other Items</b>		
Court judgment (note 8)	64,849	97,267
Foreign exchange loss	43,633	797
Write-off of mineral property interest (note 5(c))	-	6,117
<b>Net Loss and Comprehensive Loss for Year</b>	1,074,623	364,511
<b>Deficit, Beginning of Year</b>	3,280,878	2,916,367
<b>Deficit, End of Year</b>	\$ 4,355,501	\$ 3,280,878
<b>Loss Per Share, Basic and Diluted</b>	\$ 0.05	\$ 0.02
<b>Weighted Average Number of Common Shares Outstanding</b>	21,640,007	20,442,881

**CORONADO RESOURCES LTD.**  
**Consolidated Statements of Cash Flows**  
**Years Ended**

	February 28, 2009	February 29, 2008
<b>Operating Activities</b>		
Net loss	\$ (1,074,623)	\$ (364,511)
Items not involving cash		
Write-off of mineral property interest	-	6,117
Stock-based compensation	694,084	-
	(380,539)	(358,394)
Changes in non-cash working capital		
Accounts receivable	(2,768)	(149,399)
Prepaid expenses	60,475	122,929
Accounts payable and accrued liabilities	9,278	16,664
Loans payable	160,000	-
	226,985	(9,806)
<b>Cash Used in Operating Activities</b>	<b>(153,554)</b>	<b>(368,200)</b>
<b>Financing Activity</b>		
Issuance of common shares	-	1,665,950
<b>Investing Activities</b>		
Mineral property interests expenditures, net	(650,698)	(2,019,585)
Purchase of property and equipment	(14,442)	(413,967)
Acquisition of short-term investments	-	(3,022,850)
Proceeds from short-term investments	807,850	2,215,000
Reclamation bonds	-	(11,960)
<b>Cash Provided by (Used in) Investing Activities</b>	<b>142,710</b>	<b>(3,253,362)</b>
<b>Outflow of Cash</b>	<b>(10,844)</b>	<b>(1,955,612)</b>
<b>Cash, Beginning of Year</b>	<b>40,440</b>	<b>1,996,052</b>
<b>Cash, End of Year</b>	<b>\$ 29,596</b>	<b>\$ 40,440</b>
<b>Supplemental Cash Flow Information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Shares issued for mineral property interest and finder's fee	\$ 180,000	\$ 400,000
Accounts payable included in mineral property interests	\$ 109,462	\$ 52,536
Advances payable included in mineral property interests	\$ 258,241	\$ -
Accounts receivable included in mineral property interests	\$ 525,902	\$ 152,965

See notes to consolidated financial statements.

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

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**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 28, 2009, the Company reported a working capital deficiency of \$6,572 (February 29, 2008 - working capital of \$924,337). The Company has an accumulated deficit of \$4,355,501 (February 29, 2008 - \$3,280,878).

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral properties, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management will be required to curtail the Company's operations.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral interests. The recoverability of amounts shown for mineral property interests 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 mineral properties. The carrying value of the Company's mineral property interests does not reflect current or future values.

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.

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

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

**(b) Property and Equipment**

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. Amortization expenses have been included in mineral property interests during the exploration stage.

**(c) 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 will be amortized using the unit-of-production method over the estimated life of the ore body based upon recoverable ounces to be mined from estimated proven and probable reserves.

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.



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

**(d) 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 28, 2009, the Company did not have any asset retirement obligations.

**(e) 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.

**(f) 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.

**(g) Stock-Based Compensation**

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete or the date the performance commitment is reached, or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. For directors, employees and non-employees, the fair value of the options is accrued and charged either to operations or mineral property interests, with the offset credit to contributed surplus, over the vesting period. If and when the stock options are exercised, the applicable amounts are transferred from contributed surplus to capital stock.

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

**(h) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated allowances and excludes sales related taxes.

- (i) Revenue from the sale of copper and gold ore is recognized on the transfer of ownership, which coincides with the time of shipment from the processing plant and later adjusted for change in value at time of receipt by the purchaser. It is included as recovery costs in mineral property interests while the Company is in the exploration stage.
- (ii) Interest income is accrued on a time-apportioned basis by reference to the carrying value using the effective interest method.

**(i) Basic and Diluted Loss Per Share**

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

**(j) Foreign Currency Translation**

The functional and reporting 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) 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.

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

**(k) 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.

**(l) Financial Instruments**

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net income (loss). Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value.

Comprehensive income or loss is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income or loss calculated in accordance with Canadian generally accepted accounting principles.

**3. CHANGES IN ACCOUNTING POLICIES**

Effective March 1, 2008, the Company adopted, prospectively, the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") under the following Handbook guidelines.

**Going Concern**

The CICA amended Section 1400, "General Standards of Financial Statement Presentation", which requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. The adoption did not have a material impact on the consolidated financial statements for any of the periods presented.

**3. CHANGES IN ACCOUNTING POLICIES (Continued)**

**Capital Disclosures**

The CICA issued Section 1535, "Capital Disclosures", which required the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and procedures for managing capital. This information is disclosed in note 11. The adoption of this section has made no impact on the Company's consolidated financial statements.

**Financial Instruments**

Sections 3862 and 3863 replace Section 3861, "Financial Instruments – Disclosures and Presentation", revising its disclosure requirements, and carrying forward its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Section 3862 specifies disclosures that enable users to evaluate: (i) the significance of financial instruments for the entity's financial position and performance; and (ii) the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

As a result of the adoption of these standards, additional disclosures on the risks of certain financial instruments have been included in note 10.

**Future Accounting Changes**

*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 the Company's fiscal years beginning on or after March 1, 2011. The effective date of March 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending February 28, 2011. 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.

**3. CHANGES IN ACCOUNTING POLICIES (Continued)**

**Future Accounting Changes (Continued)**

*Business Combinations, Consolidated Financial Statements and Non-Controlling Interest*

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008).

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements (January 2008).

Sections 1601 and 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after March 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

**4. PROPERTY AND EQUIPMENT**

<b>2009</b>				
	Cost		Accumulated Amortization	Net
Land	\$ 321,213	\$ -	\$	321,213
Mining equipment	202,230	54,025		148,205
Hydro equipment	198,531	55,588		142,943
Buildings	90,332	34,320		56,012
	\$ 812,306	\$ 143,933	\$	668,373
<b>2008</b>				
	Cost		Accumulated Amortization	Net
Land	\$ 321,213	\$ -	\$	321,213
Hydro equipment	198,531	19,853		178,678
Mining equipment	187,788	18,779		169,009
Buildings	90,332	20,317		70,015
	\$ 797,864	\$ 58,949	\$	738,915

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

**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, 2007	\$ 120,350	\$ 1,846,328	\$ -	\$ 1,966,678
Acquisition costs	-	458,000	4,580	462,580
Expenditures during year				
Camp costs	-	54,376	-	54,376
Survey and reports	-	28,115	487	28,602
Drilling and contracting	-	109,760	-	109,760
Surface contracting	-	272,983	-	272,983
Underground work	-	1,406,931	-	1,406,931
Fieldwork and wages	-	120,232	-	120,232
Consulting and engineering	-	157,616	1,050	158,666
Assessment and taxes	-	4,343	-	4,343
Travel	-	15,161	-	15,161
Permits, licensing and tests	-	58,155	-	58,155
Trucking and transport	-	25,665	-	25,665
Miscellaneous	-	6,256	-	6,256
Mineral recoveries	-	(303,923)	-	(303,923)
Amortization	-	52,681	-	52,681
	-	2,008,351	1,537	2,009,888
Write-off of mineral properties	-	-	(6,117)	(6,117)
Balance, February 29, 2008	120,350	4,312,679	-	4,433,029
Acquisition costs	-	256,500	-	256,500
Expenditures during year				
Camp costs	-	38,465	-	38,465
Survey and reports	-	65,854	-	65,854
Surface contracting	-	55,675	-	55,675
Underground work	-	644,294	-	644,294
Fieldwork and wages	-	120,611	-	120,611
Consulting and engineering	-	100,507	-	100,507
Assessment and taxes	-	3,818	-	3,818
Travel	-	7,959	-	7,959
Permits, licensing and assay	-	49,029	-	49,029
Trucking and transport	-	108,443	-	108,443
Crushing and tests	-	101,799	-	101,799
Mineral recoveries	-	(780,026)	-	(780,026)
Amortization	-	84,984	-	84,984
	-	601,412	-	601,412
Balance, February 28, 2009	\$ 120,350	\$ 5,170,591	\$ -	\$ 5,290,941

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

**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 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 7 patented and 12 unpatented mineral claims situated in Madison County, Montana. The Company has made payments totaling US \$200,000 and issued 1,900,000 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, 2009	800,000	\$ 100,000	\$ 1,000,000

During the year ended February 28, 2007, the Company staked 8 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 twenty miles south of the Madison Property. The Company paid US \$4,000 to secure the option.

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



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

**(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.

**(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.

**CORONADO RESOURCES LTD.**  
**Notes to Consolidated Financial Statements**  
**Years Ended February 28, 2009 and February 29, 2008**

**6. CAPITAL STOCK**

**(a) Authorized**

Unlimited number of common shares without par value

**(b) Issued and Outstanding**

	Number of Common Shares	Amount	Contributed Surplus
Balance, February 28, 2007	18,870,048	\$ 6,422,411	\$ 996,498
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 interest (note 5(b))	500,000	400,000	-
Transfer from contributed surplus upon exercise of stock options	-	15,004	(15,004)
Balance, February 29, 2008	21,349,048	8,503,365	981,494
Issued during the year			
For mineral property interest (note 5(b))	600,000	180,000	-
Stock-based compensation for stock options granted	-	-	694,084
Balance, February 28, 2009	21,949,048	\$ 8,683,365	\$ 1,675,578

**(c) Stock Options**

As at February 28, 2009 and February 29, 2008, 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.

**CORONADO RESOURCES LTD.**  
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**6. CAPITAL STOCK (Continued)**

**(c) Stock Options (continued)**

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

	<b>February 28, 2009</b>		<b>February 29, 2008</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	1,080,000	\$ 0.84	1,180,000	\$ 0.81
Cancelled	(40,000)	\$0.30	(20,000)	\$ 0.84
Expired	(1,080,000)	\$ 0.84	-	\$ 0.00
Granted	2,090,000	\$ 0.52	-	\$ 0.00
Exercised	-	\$ 0.00	(80,000)	\$ 0.24
Outstanding and exercisable, end of year	2,050,000	\$ 0.44	1,080,000	\$ 0.84

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

Expiry Date	Exercise Price	<b>February 28, 2009</b>	<b>February 29, 2008</b>
May 8, 2008	\$ 0.84	-	800,000
July 19, 2008	\$ 0.84	-	200,000
February 15, 2009	\$ 0.84	-	80,000
March 7, 2011	\$ 0.67	30,000	-
May 27, 2011	\$ 0.51	1,300,000	-
September 23, 2011	\$ 0.30	720,000	-
Outstanding, end of year		2,050,000	1,080,000
Weighted average outstanding life of options		2.35 years	0.28 years

**(d) Share Purchase Warrants**

Details of the status of the Company's share purchase warrants as at February 28, 2009 and February 29, 2008 and changes during the years then ended are as follows:

	<b>February 28, 2009</b>		<b>February 29, 2008</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-	\$ 0.00	4,246,600	\$ 0.95
Expired	-	\$ 0.00	(2,347,600)	\$ 1.02
Issued	-	\$ 0.00	-	\$ 0.00
Exercised	-	\$ 0.00	(1,899,000)	\$ 0.86
Outstanding, end of year	-	\$ 0.00	-	\$ 0.00

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**6. CAPITAL STOCK (continued)**

**(e) Stock-Based Compensation**

During the year ended February 28, 2009, the Company granted 2,090,000 (2008 – Nil) stock options with a fair value of \$694,084 (2008 - \$Nil) or weighted average fair value of \$0.33 per option, calculated using the Black-Scholes option pricing model. The stock-based compensation consisted of \$464,764 (2008 - \$Nil) management fees; \$219,562 (2008 - \$Nil) consulting fees; and \$9,758 (2008 - \$Nil) wages and benefits.

The following assumptions were used for the Black-Scholes option pricing model calculations:

	<b>February 28, 2009</b>	<b>February 29, 2008</b>
Risk-free interest rate	2.63% - 3.02%	0.00%
Expected dividend yield	0	0
Expected stock price volatility	79% - 110%	0%
Expected option life in years	2 – 3 years	0

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. INCOME TAXES**

The Company has accumulated losses for Canadian tax purposes of approximately \$1,442,000 that expire in various years to 2029 as follows:

	<b>2009</b>
2009	\$ -
2010	112,000
2011	74,500
2015	132,000
2026	158,000
2027	293,000
2028	381,500
2029	291,000
	<b>\$ 1,442,000</b>

**CORONADO RESOURCES LTD.**  
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**7. INCOME TAXES (Continued)**

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:

	February 28, 2009	February 29, 2008 (note 13)
Net loss for the year	\$ (1,074,623)	\$ (364,511)
Income tax benefit computed at Canadian statutory rates	(331,343)	(122,476)
Amounts not deductible for tax purposes:		
Non-deductible stock-based compensation	214,009	-
Foreign exploration expenditures	292,427	(17,996)
Effect of foreign tax rates	(25,641)	(79,799)
Other	(7,315)	1,242
Effect on change in tax rate	8,676	88,406
Effect of unrecognized future income tax assets	(150,813)	130,623
	\$ -	\$ -

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

	February 28, 2009	February 29, 2008 (note 13)
Future income tax rates	26%	28%
Non-capital loss carry forwards	\$ 486,844	\$ 442,726
Mineral property interests	(303,630)	(61,430)
Share issuance costs	15,028	24,276
Property and equipment	5,846	(1,019)
	204,088	404,553
Valuation allowance	(204,088)	(404,553)
	\$ -	\$ -

**8. 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. In October 2007, the Court ordered that the plaintiff recover \$43,250 plus interest from the Company. For the year ended February 29, 2008, the Company paid a total of \$97,267, including legal fees and settlement fees for this lawsuit. The Company appealed and the judgment was reduced to \$15,750 in December 2008. The total recovery as a result of the appeal, net of related legal expenses, was \$3,655 for the year ended February 28, 2009.

An action was brought by two individuals regarding the use and widening of a road accessing the Company's property in Madison County, Montana. In February 2009, the action was dismissed by the Company acquiring an easement on the road for US \$10,000. All outstanding court issues were resolved by year-end. The total expenses, including the easement and all legal expenses related to the lawsuit, totaled \$68,504.

**9. RELATED PARTY TRANSACTIONS**

During the year ended February 28, 2009, the Company paid \$33,900 (February 29, 2008 - \$36,000) for rent and administrative services and \$39,800 (February 29, 2008 - \$44,000) 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.

**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company classifies its cash and short-term investments as held-for-trading; accounts receivable as loans and receivables, deposits for reclamation as held-to-maturity; accounts payable and accrued liabilities, advances payable and loans payable as other financial liabilities.

The carrying values of cash, short-term investments, accounts receivable, deposits for reclamation, accounts payable and accrued liabilities, advances payable and loans payable approximate their fair values due to the expected maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

**(a) Credit Risk**

The Company manages credit risk in respect of cash and short-term investments by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution in accordance with the Company's investment policy. In regards to the accounts receivable, the Company is exposed to significant credit risk as the majority are third party purchasers.

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**10. RISK MANAGEMENT (Continued)**

**(a) Credit Risk (continued)**

Concentration of credit risk exists with respect to the Company's cash and short-term investments as the majority of amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	<b>February 28, 2009</b>	<b>February 29, 2008</b>
Cash	\$ 29,596	\$ 40,440
Term deposits	\$ -	\$ 807,850
Accounts receivable	\$ 525,902	\$ 152,965
	<b>\$ 555,498</b>	<b>\$ 1,001,255</b>

The credit risk associated with cash and cash equivalents is minimized by ensuring that these financial assets are placed with major Canadian financial institutions with strong investment-grade ratings by a primary rating agency. The Company is exposed to credit risk with respect to its accounts receivable as substantially all is due from one party related to gold sales.

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company normally maintains sufficient cash and short-term investments to meet the Company's business requirements. However, at February 28, 2009 the cash balance of \$29,596 is insufficient to meet the Company's general administrative, property and exploration requirements for the coming year. Therefore, the Company will likely be required to raise additional capital or sell one or more mineral properties in order to fund its operations in 2010. At February 28, 2009, the Company had accounts payable and accrued liabilities of \$155,022 (February 29, 2008 - \$88,818); advances payable of \$258,241 (February 29, 2008 - \$Nil); and loans payable of \$160,000 (February 29, 2008 - \$Nil). Accounts payable are due within three months. Accrued liabilities and advances payable are due within six months. Advances payable are to be repaid by applying future revenue from sale of ore to the balance due. Loans payable are due within one year and are to be repaid when the Company receives payment from gold shipments provided such payments total at least \$290,000.

**10. RISK MANAGEMENT (Continued)**

**(c) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

**(i) Interest rate risk**

The Company's cash and short-term investments consists of cash held in bank accounts and GIC (2008) that earn interest at a rate equal to the stated bank prime lending rate less 2.1% and maturity date of June 13, 2008. These were redeemed during the year. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2009. Future cash flows from interest income on cash and short-term investments will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

**(ii) Foreign currency risk**

The Company is exposed to foreign currency risk as accounts receivable of \$525,902 and advances payable of \$258,241 are denominated in US dollars. The Company considers the Canadian dollar to be its functional currency and translates the results of foreign operations into Canadian currency using approximately the average exchange rate for the year. The exchange rate may vary from time to time. The Company has not entered into any foreign currency contracts to mitigate this risk. Management has concluded that due to the short-term maturity of these financial instruments, the effect of any exchange rate fluctuations to be immaterial.

**(iii) Other price risk**

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign exchange risk. The Company's investments are carried at market value, and are therefore directly affected by fluctuations in the market value of the underlying securities. The Company is not exposed to significant other price risk.

**11. 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.



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**11. CAPITAL MANAGEMENT (Continued)**

The Company currently has source of revenues from incidental sale of copper and gold, but there is no long-term contract in place; as such, the Company is dependent upon external financing or the sale of assets (or an interest therein) to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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.

**12. SEGMENTED INFORMATION**

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

	<b>February 28,</b>		<b>February 29,</b>	
	<b>2009</b>		<b>2008</b>	
Assets				
Canada	\$	40,319	\$	952,777
United States		6,536,386		5,340,022
	\$	6,576,705	\$	6,292,799

**13. COMPARATIVE FIGURES**

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

**14. SUBSEQUENT EVENTS**

The Company shipped copper mineralization in April and May 2009 to a smelter in China. Expected net proceeds of approximately \$380,000 are to be used to clear up advances payable to the metals broker at year-end of \$258,241 with the excess to be used for continuing development of the Madison Property.

During 2009, two arm's length individuals loaned the Company an aggregate of \$160,000 to fund the Company's Montana mining operations. The loans are repayable, without interest if paid on or before June 30, 2009 and the repayment will be made by the Company upon the Company's receipt of payment for shipment of gold provided such payments total at least \$290,000. If the loan is not repaid by June 30, 2009, interest on the outstanding principal will accrue from July 1, 2009 at an annual rate equal to 8%. Subsequent to 2009, the Company agreed to pay, as consideration for making the loans, a 20% bonus to each lender, payable in common shares in the capital of the Company at \$0.10 per share, with 160,000 bonus shares to be issued to each lender for an aggregate of 320,000 bonus shares. The shares were subsequently issued with a market value of \$0.08 per share.

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**June 26, 2009**

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 28, 2009 and to the date of this report. The MD&A supplements do not form part of the audited financial statements of the Company and the notes thereto for the year ended February 28, 2009. Consequently, the following discussion and analysis should be read in conjunction with the audited financial statements for the year ended February 28, 2009 and 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 28, 2009 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 (\$175,000 paid), share issuances of 2,700,000 shares to be issued in stages (1,900,000 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](http://www.sedar.com) or by visiting the Company's website at [www.coronadoresourcesltd.com](http://www.coronadoresourcesltd.com).

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**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 1500 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 Golden Sunlight Mine allowing oxide gold mineralization to be shipped for processing. Oxide gold mineralization totalling 2280 tons with grades varying from 0.183 to 0.694 oz/ton was shipped for recovery proceeds of \$303,923 to February 28, 2008. Gold and copper mineralization is being brought to surface as it is being encountered in the continuing underground development.

In 2008 the underground development reached its planned destination below the high grade copper zone which had an intercept of 27 feet of 42% copper from previous drilling. In June 2008 a contract was secured with a metals broker in New York for copper mineralization to be delivered by container to a west coast port for shipment to a smelter in China. The first three shipments totalling 1310 dry short tons grading 17% to 24% copper were made in the fall of 2008. The Company is paid full settlement the second month after arrival at the destination port, less freight, brokerage and smelter costs. The Company was advanced \$395,840 towards settlement due in October and December, 2008 and January, 2009. Recovery proceeds are dependent on commodity prices at settlement dates. Due to the dramatic downturn in commodity prices, only \$137,599 was received for settlement of these shipments leaving advances payable of \$258,241 due to the metals broker at year end.

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

**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.

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**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 dropped the option on this property and, accordingly, \$6,117 in acquisition and development costs was written off.

***Board Appointments***

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

***FINANCIAL RESULTS OF OPERATIONS***

***Selected Annual Information***

	<b>For the Years Ended</b>		
	<b>February 28, 2009</b>	<b>February 29, 2008</b>	<b>February 28, 2007</b>
Total revenues (interest & other income)	\$ 6,392	\$ 54,546	\$ 79,991
Loss before write-off/gain on sale of mineral properties	1,074,623	358,394	1,187,329
Loss for the year	1,074,623	364,511	1,187,329
Loss for the year per share	0.05	0.02	0.08
Total assets	6,576,705	6,292,799	4,574,494
Total liabilities	573,263	88,818	71,952
Total long-term financial liabilities	0	0	0
Shares outstanding – end year (millions)	21.95	21.35	18.87
Dividends declared	0	0	0

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*Summary of Quarterly Results*

	<b>For Quarters Ended</b>			
	<b>February 28, 2009</b>	<b>November 30, 2008</b>	<b>August 31, 2008</b>	<b>May 31, 2008</b>
Total revenues (interest & other income)	\$ 476	\$ 1,409	\$ 1,305	\$ 4,333
Loss before write-off/gain on the following:	152,458	145,158	67,848	709,159
Loss (gain) on disposal of : - Mineral properties	-	-	-	-
Loss for the period	152,458	145,158	67,848	709,159
Loss per share	0.01	0.01	0.00	0.03

	<b>For Quarters Ended</b>			
	<b>February 29, 2008</b>	<b>November 30, 2007</b>	<b>August 31, 2007</b>	<b>May 31, 2007</b>
Total revenues	\$ 4,160	\$24,744	\$11,805	\$13,837
Loss before write-off/gain on sale of mineral properties	144,478	71,671	85,135	57,110
Loss (gain) on disposal of: - 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

***Results for the Quarter***

The Company's operations for the quarter ended February 28, 2009 produced a net loss of \$152,458 compared to a loss of \$150,595 for the same three-month period in the previous year. The larger expenditures in the quarter were \$22,096 for legal fees and court costs, \$10,500 for management fees, \$9,049 for salaries and wages, \$7,167 for listing and regulatory fees, and \$10,862 for rent and administration. In the quarter, the Company incurred exploration expenditures of \$333,920. These expenditures were mainly for continuing exploration and development on the Madison Gold Property. The Company expended \$7,240 for surface contracting work, \$88,926 for underground development, \$23,505 for geological field work, \$16,578 for consulting and engineering in the quarter. The Company in the quarter received \$525,902 (\$780,026 in the year) in mineral processing recovery proceeds and paid direct costs of \$128,703 (\$210,242 in the year) for trucking, crushing and testing of the shipments. As the Company does not own any revenue producing mineral properties, no mining revenues have been recorded to date. Mineral processing recoveries are netted to exploration expenditures when they are received.

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***Liquidity and Capital Resources***

Working capital deficiency as at February 28, 2009 was \$6,572 compared to working capital of \$924,337 at February 29, 2008. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations. At February 28, 2009, the Company had 21,949,048 (23,999,048 fully diluted) common shares issued and outstanding compared to 21,349,048 (22,429,048 fully diluted) as at February 29, 2008. In 2007, there were warrants exercised for 1,899,000 shares for proceeds of \$1,635,900 and 80,000 stock options at \$.235 were exercised for proceeds of \$18,800. No capital was raised by share issuances in 2008.

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 \$33,900 for management, rent and administration services and paid \$39,800 in the period 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 of risk and few properties are ultimately developed into producing mines. There is no assurance that Coronado's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

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***Off- Balance Sheet Arrangements***

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

***Financial Instruments***

The Company's financial instruments consist of short-term investments, cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

***Additional Information***

Additional information relating to the Company and results of its exploration program is available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the corporate website at [www.coronadoresourcesltd.com](http://www.coronadoresourcesltd.com).