

# **CORONADO RESOURCES LTD.**

Condensed Consolidated Interim Financial Statements

First Quarter ended May 31, 2018

Unaudited

(Expressed in Canadian dollars)

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

	May 31, 2018	February 28, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,335,878	\$ 1,479,901
Amounts receivable	54,614	4,082
Marketable securities (Note 3)	22,770	56,375
Prepaid expenses	2,667	4,667
Shares receivable (Note 4)	55,694	54,812
	1,471,623	1,599,837
Restricted cash	34,648	34,585
	\$ 1,506,271	\$ 1,634,422
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 26,306	\$ 27,231
	26,306	27,231
<b>Shareholders' equity</b>		
Capital stock (Note 5(b))	20,277,801	20,277,801
Contributed surplus (Note 5(d))	1,657,109	1,657,109
Deficit	(20,454,945)	(20,327,719)
	1,479,965	1,607,191
	\$ 1,506,271	\$ 1,634,422

Nature of operations and going concern (Note 1)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on July 16, 2018.

"Giuseppe (Pino) Perone"

.....Director

Giuseppe (Pino) Perone

"Ashley Garnot"

.....Director

Ashley Garnot

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

<b>For the three months ended May 31,</b>	<b>2018</b>	<b>2017</b>
<b>General and administrative expenses</b>		
Audit and accounting	\$ 3,000	\$ 3,000
Bank charges	54	84
Business development	75,176	-
Consulting and director fees	250	-
Insurance	2,000	2,000
Legal	2,006	1,124
Management fees	7,933	13,031
Office and administration	1,052	27
Shareholder relations	30,386	-
Transfer and filing fees	5,821	2,819
	<b>(127,678)</b>	<b>(22,085)</b>
<b>Other items</b>		
Foreign exchange gain	837	2,093
Interest and accretion income	4,025	3,812
Loss on sales of marketable securities	(4,410)	-
	<b>452</b>	<b>5,905</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (127,226)</b>	<b>\$ (16,180)</b>
<b>Loss per share, basic and diluted</b>	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>3,231,411</b>	<b>2,831,411</b>

See accompanying notes.

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

<b>For the three months ended May 31,</b>	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Net loss for the period	\$ (127,226)	\$ (16,180)
Items not involving cash:		
Loss on sales of marketable securities	4,410	-
Interest and accretion	(945)	(1,729)
	(123,761)	(17,909)
Changes non-cash working capital:		
Amounts receivable	(50,532)	9,574
Prepaid expenses	2,000	2,000
Accounts payable and accrued liabilities	(925)	(24,740)
	(49,457)	(13,166)
<b>Cash used in operating activities</b>	<b>(173,218)</b>	<b>(31,075)</b>
<b>Investing activity</b>		
Proceeds on sale of marketable securities	29,195	-
<b>Cash provided by investing activity</b>	<b>29,195</b>	<b>-</b>
<b>Net outflow of cash and cash equivalents</b>	<b>(144,023)</b>	<b>(31,075)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>1,479,901</b>	<b>1,463,241</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,335,878</b>	<b>\$ 1,432,166</b>
<b>Supplemental cash flow information</b>		
Interest received	\$ 3,080	\$ 2,083
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 184,905	\$ 291,668
Short-term deposits	1,150,973	1,140,498
	<b>\$ 1,335,878</b>	<b>\$ 1,432,166</b>

See accompanying notes.

**CORONADO RESOURCES LTD.**

Condensed Consolidated Interim Statements of Changes in Equity  
(Expressed in Canadian Dollars)

	<b>Common Shares</b>				<b>Total</b>
	<b>Number</b>	<b>Amount</b>	<b>Contributed surplus</b>	<b>Deficit</b>	
<b>Balance, March 1, 2018</b>	3,231,411	\$20,277,801	\$1,657,109	\$ (20,327,719)	\$ 1,607,191
Net loss for period	-	-	-	(127,226)	(127,226)
<b>Balance, May 31, 2018</b>	3,231,411	\$20,277,801	\$1,657,109	\$ (20,454,945)	\$ 1,479,965
<b>Balance, March 1, 2017</b>	2,831,411	\$20,127,801	\$1,657,109	\$ (20,237,040)	\$ 1,547,870
Net loss for period	-	-	-	(16,180)	(16,180)
<b>Balance, May 31, 2017</b>	2,831,411	\$20,127,801	\$1,657,109	\$ (20,253,220)	\$ 1,531,690

See accompanying notes.

## CORONADO RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Month Period Ended May 31, 2018  
(Unaudited - Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Coronado Resources Ltd. (the “Company” or “Coronado”) is incorporated under the *Business Corporations Act* (British Columbia). The Company’s corporate office is located at 885 West Georgia Street, Suite 2040, Vancouver, B.C., V6C 3E8, and its common shares commenced trading on the NEX as of March 1, 2017, which is a separate board of the TSX Venture Exchange, under the symbol “CRD.H” and on the OTC Pink Sheet market under the symbol “CRDAF”. During the year ended February 28, 2017, the Company through its wholly owned subsidiary, Coronado Resources USA LLC (“Coronado USA”), sold its copper and gold mining property located in Silverstar, Montana and related assets (the “Madison Property”) (see Note 4). Management is currently considering alternatives for the future of the company, including various business and investment opportunities.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended February 28, 2018, which have been prepared in accordance with IFRS issued by the IASB.

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended February 28, 2018.

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

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

#### (c) Basis of Consolidation

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

The Company’s subsidiaries are:

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Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Coronado Resources USA LLC	USA	100%	Holding Company
Lynx Clean Power Corp.	Canada	100%	Holding Company
Lynx Gold Corp.	Canada	100%	Holding Company
Lynx Petroleum Ltd.	Canada	100%	Holding Company

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## CORONADO RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Month Period Ended May 31, 2018  
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### 2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### (d) Significant accounting policies

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended February 28, 2018. The disclosure contained in these interim financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements. Accordingly, these interim financial statements should be read in conjunction with the Company's financial statements for the year ended February 28, 2018.

There are no other IFRS or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are not yet effective that are expected to have a material impact on the Company.

### 3. MARKETABLE SECURITIES

	May 31, 2018		February 28, 2018	
	Number of Shares Held	Market Value	Number of Shares Held	Market Value
Balance, end of the period	126,500	\$ 22,770	275,000	\$ 56,375

During the three month period ended May 31, 2018, the Company sold marketable securities with an original cost at acquisition of \$16,968 (2017 – \$nil) for total net proceeds of \$29,195.

### 4. EXPLORATION AND EVALUATION ASSETS

#### Madison Property, Montana

In April 2005, the Company entered into an agreement to purchase the Madison Property. The acquisition was completed in 2010 and subsequently increased and consolidated its claims since the original acquisition.

On October 13, 2016, the Company and Coronado USA completed the asset purchase and sale agreement with Broadway Gold Mining Ltd. (formerly Carolina Capital Corp.) ("Broadway"), pursuant to which Coronado USA sold the Madison Property, in exchange for the following:

- 1) \$250,000 on the closing date (received);
- 2) 1,000,000 common shares of Broadway as follows:
  - i. 500,000 shares upon the first anniversary of the closing date (received); and
  - ii. 500,000 shares upon the second anniversary of the closing date (accrued); and
- 3) the sum of \$100,000, within 30 days of the commencement of commercial production.

In addition to the \$250,000 received, the Company estimated and initially recorded gross proceeds of \$104,832 for the 1,000,000 shares of Broadway to be received. The fair value of the Broadway shares was used and discounted to estimate the value, which has since been adjusted as necessary on a quarterly basis.

As a result of the Madison Property sale, the Company recognized a loss of \$4,561,624 during the year ended February 28, 2017.

## **CORONADO RESOURCES LTD.**

Notes to the Condensed Consolidated Interim Financial Statements  
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### **5. CAPITAL STOCK**

#### **(a) Authorized**

Unlimited number of common shares without par value.

#### **(b) Issued and outstanding**

*During the period ended May 31, 2018:*

No common shares were issued.

*During the year ended February 28, 2018:*

On January 18, 2018, the Company issued 400,000 units ("Units"), at a price of \$0.375 per Unit, for proceeds of \$150,000 in a non-brokered private placement. Each Unit consists of one common share and one common share purchase warrant allowing the holder to purchase an additional common share of the Company at a price of \$0.50 per common share for a period of one year from the date of closing.

#### **(c) Stock options**

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. Unless otherwise specified by the Board of Directors at the time of granting an option, and subject to other term limits on option grants set out in the Plan, 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.

There were no stock options outstanding as of May 31, 2018 and February 28, 2018.

#### **(d) Share-based compensation**

There were no stock options issued during the three months ended May 31, 2018 and the year ended February 28, 2018.



## CORONADO RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
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### 5. CAPITAL STOCK (Continued)

#### (e) Share Purchase Warrants

Details of the status of the Company's share purchase warrants are as follows:

	2018		2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, as at March 31	400,000	\$ 0.50	-	\$ -
Granted	-	-	-	-
Outstanding, as at May 31	400,000*	\$ 0.50	-	\$ -

\* Expires January 18, 2019

### 6. RELATED PARTY TRANSACTIONS

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

	May 31, 2018	May 31, 2017
Director fees	\$ 250	\$ -
Management fees	-	6,000
	\$ 250	\$ 6,000

During the three month period ended May 31, 2018, the Company was charged \$7,933 (2017 - \$7,031) by a Canadian related company with similar key management personnel for management fees. At May 31, 2018, \$11,408 (2017 - \$5,327) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities.

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.

### 7. FINANCIAL INSTRUMENTS RISK

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

#### *Credit Risk*

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

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

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at May 31, 2018, there were no significant amounts past due or impaired.

## **CORONADO RESOURCES LTD.**

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### **7. FINANCIAL INSTRUMENTS RISK** *(Continued)*

#### *Market Risk*

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

#### *Liquidity Risk*

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

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

#### *Foreign Exchange Risk*

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars will be limited.

#### *Interest Rate Risk*

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

#### *Fair Value of Financial Instruments*

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

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

## CORONADO RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements  
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(Unaudited - Expressed in Canadian Dollars)

### 7. FINANCIAL INSTRUMENTS RISK (Continued)

The fair value classification of the Company's financial instruments are as follows:

	Fair Value Level	May 31, 2018		February 28, 2018	
		Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost
		\$	\$	\$	\$
<i>Financial assets:</i>					
Cash and cash equivalents	1	1,335,878	-	1,479,901	-
Amounts receivable		-	50,000	-	-
Marketable securities		22,770	-	56,375	-
Restricted cash		-	34,648	-	34,585
Shares receivable		-	55,694	-	54,812
		1,358,648	140,342	1,536,276	89,397
<i>Financial liability:</i>					
Accounts payable and accrued liabilities		-	26,306	-	27,231
		-	26,306	-	27,231

The Company's cash and cash equivalents are classified as level 1. During the three month period ended May 31, 2018 and the year ended February 28, 2018, there were no transfers between level 1, level 2 and level 3.

### 8. CAPITAL MANAGEMENT

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements or restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. The Company may require equity issues to cover administrative and operating cost.