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Coronado Resources Limited

ACN 149 318 749

Financial Report 2015

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Directors' Report

Directors' Report

Your directors of the Company present their report on Coronado Resources Limited ("CRL" "Company") for the financial year 1 July 2014 to 30 June 2015 ("financial year").

Directors

The names of the directors in office at any time during or since the end of the financial year are:-

Ananda Kathiravelu
Philip Alexander Rodionoff (resigned 1 May 2015)
Hersh Solomon Majteles
Daniel Moore (appointed 31 March 2015)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year.

Damon Sweeny

Principal Activities

The Company has remained largely inactive since its incorporation on 15 February 2011 to the end of this financial year. Activity has been restricted to administration and capital raising costs.

There were no changes in the nature of the Company's principal activities during the financial year.

Operating Results

The operating loss after income tax amounted to \$87,269 (2014:\$92,372).

Dividends Paid or Recommended

No dividends were paid or are payable for the financial year.

Review of Operations

The Company has remained largely inactive since its incorporation on 15 February 2011 to the end of this financial year. Activity has been restricted to administration and capital raising costs.

31 March 2015 - appointment of Daniel Moore as new director

1 May 2015 – resignation of Philip Rodionoff.

7 May 2015 – entered an option agreement to acquire 100% of the issued capital in Update Pharma Inc. (a company incorporated in the USA) which owns patents on a cancer drug called Bisantrone; a Phase II/III drug with 44 clinical studies behind it and already approved in France for one cancer (AML). The Company has paid an option facilitation fee of \$25,000 and exercised the option on 24 June 2015.

4 June 2015 – the directors resolved to make a call on all outstanding partly paid capital to raise \$330,000. At the date of this report \$73,600 has been paid up, with \$256,400 remaining to be paid on the call. The Company has also received application funds for shares not yet allotted totalling \$175,000 to the date of this report.

22 June 2015 – granted a secured short term loan with a balance of \$90,000 at an interest rate of 1% per month to a related party (having two directors in common).

Financial Position

The net assets of the Company at 30 June 2015 was \$5,687 (2014: deficiency \$70,244)

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Directors' Report

After Balance Date Events

On the 25th of October 2015, a revised heads of agreement was entered into between Update Pharma Inc. and Coronado Resources Ltd where the two parties agreed to vary the terms of the acquisition to acquire the intellectual property of Update Pharma Inc rather than the equity in the Company itself.

To the date of this financial report \$73,600 in called up capital relating to partly paid shares has been received with a further \$175,000 received in application funds for shares not yet allotted.

Apart from as disclosed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as no such developments are apparent.

INFORMATION ON DIRECTORS

	Special Responsibilities	Directors' Meetings	
		Number eligible to attend*	Number attended
Ananda Kathiravelu	Director	-	-
Philip Alexander Rodionoff	Director (resigned 1 May 2015)	-	-
Hersh Solomon Majteles	Director	-	-
Daniel Moore	Director (appointed 31 March 2015)	-	-

**The Directors managed the Company via electronic means in accordance with section 248a of the Corporations Act*

Ananda Kathiravelu	—	Director & Company Secretary
Qualifications	—	Mr Kathiravelu holds a Bachelor of Business and a Graduate Diploma of Applied Finance and Investment, and is an associate of the Securities Institute of Australia.
Experience	—	Ananda Kathiravelu has been in the financial services funds management and stockbroking industries for over 18 years. Mr Kathiravelu is the managing director of corporate advisory firm Armada Capital Pty Ltd. His areas of expertise include corporate advice, capital raising, mergers and acquisitions. His focus is in the small cap and resource sectors.
Interest in Shares and Options	—	Has an interest directly and/or indirectly in 1,000,001 fully paid ordinary shares.
Directorships held in listed entities	—	Ananda Kathiravelu is the non-executive chairman of Potash Minerals Ltd (Appointed 10 August 2006), executive director of Promesa Limited and non-executive director of Radar Iron Ltd.
Philip Alexander Rodionoff	—	Director (resigned 1 May 2015)
Qualifications	—	Dr Rodionoff holds tertiary qualifications in medicine, science, education, religion, management, applied finance and financial services. He is a graduate member of the Australian Institute of Company Directors and a fellow of the Financial Services Institute of Australasia.
Experience	—	As well as his Board experience, Dr Rodionoff's extensive tertiary qualifications means he will bring to the Company his own, independent thought process and ability to critically analyse potential projects of the Company.
Interest in Shares and Options	—	Has an interest directly and/or indirectly in 1,000,000 fully paid ordinary shares and 700,000 partly paid 10 cent shares.
Directorships held in listed entities	—	None.

Directors' Report

Hersh Solomon Majteles	—	Director (appointed 31 March 2015)
Qualifications	—	Mr Majteles has been in private legal practice since 1972 and has over 35 years experience in business, corporate, property and commercial law and practise. He is a Fellow of the Australian Institute of Company Directors, a member of the Property Council of Australia and has been a member of the Law Society/REIWA General Conditions for Sale of Land Permanent Committee since 1990.
Experience	—	Mr Majteles' legal experience will assist the Company in documenting and negotiating the terms of any future acquisition agreements as well as structuring the agreements necessary to give rise to future transactions. In addition, his experience over many years with companies that have been engaged in the commercialisation of biotechnology, the acquisition and exploration of prospects for oil and gas, gold, nickel, coal, uranium and base metals, will place him in good stead to assist the Board in evaluating potential investment opportunities.
Interest in Shares and Options	—	Has an interest directly and/or indirectly in 1,450,000 fully paid ordinary shares and 645,000 partly paid 10 cent shares.
Directorships held in listed entities	—	Non executive chairman of Promesa Limited and Metals Australia Limited and a Non executive director of Power Resources Limited, Prime Minerals Limited and Blaze International Limited.

Daniel Moore	—	Director
Qualifications	—	Mr Moore holds a Bachelor of Economics and Law.
Experience	—	Mr Moore has spent the last 10 years working as a Financial Advisor for Wilson HTM. His main focus in that time was emerging companies and equity capital markets. Before that he worked for Morgan Stanley in London for 4 years.
Interest in Shares and Options	—	NIL.
Directorships held in listed entities	—	Non executive director of Stratum Metals Limited,

Damon Sweeny	—	Company Secretary appointed 21 January 2014
Qualifications	—	Mr Sweeny holds an MBA from Curtin University Australia, and a Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia.
Experience	—	Damon has 29 years' experience in the mining, accounting and governance fields. Damon has held directorships or company secretarial positions in a number of private and ASX-listed entities for over 14 years. Damon has a strong financial and management reporting background.
Interest in Shares and Options	—	Nil.
Directorships held in other listed entities	—	None.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Directors' Report

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Options

At the date of this report, no options were on issue by the Company.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the year ended 30 June 2015.

This report is signed in accordance with a resolution of the Board of Directors.



Ananda Kathiravelu
Director

DATED at PERTH this 31st day of October 2015

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To The Board of Directors

**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001**

As lead audit director for the audit of the financial statements of Coronado Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 31st day of October 2015



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- Accountants
- Auditors
- Advisors

Statement of Profit or Loss & Other Comprehensive Income

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue		-	-
Interest received		494	2,841
Gain on disposal of financial assets		2,974	-
Administrative expenses		(37,722)	(7,240)
Accounting and audit fees	10	(13,000)	(8,000)
Corporate advice expenses		(10,000)	(79,973)
Interest expenses		(15)	-
Option facilitation fee		(25,000)	-
Other expenses		(5,000)	-
Loss from ordinary activities before income tax expense		(87,269)	(92,372)
Income tax expense relating to ordinary activities	13	-	-
Loss from ordinary activities after income tax expense		(87,269)	(92,372)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to members of the Company		(87,269)	(92,372)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Statement of Financial Position

as at 30 June 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	21,288	48,278
Trade and other receivables	4	12,739	13,524
Financial Assets	4	90,440	-
TOTAL CURRENT ASSETS		<u>124,467</u>	<u>61,802</u>
TOTAL ASSETS		<u>124,467</u>	<u>61,802</u>
CURRENT LIABILITIES			
Trade and other payables	5	118,780	132,046
TOTAL CURRENT LIABILITIES		<u>118,780</u>	<u>132,046</u>
TOTAL LIABILITIES		<u>118,780</u>	<u>132,046</u>
NET ASSETS / (LIABILITIES)		<u>5,687</u>	<u>(70,244)</u>
EQUITY			
Issued and unissued capital	6	273,200	110,000
Accumulated losses		(267,513)	(180,244)
TOTAL EQUITY		<u>5,687</u>	<u>(70,244)</u>

Statement of Changes in Equity

for the year ended 30 June 2015

	Note	Issued and Unissued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014		110,000	(180,244)	(70,244)
Loss attributable to members		-	(87,269)	(87,269)
Other Comprehensive income for the year		-	-	-
Total Comprehensive income for the year		-	(87,269)	(87,269)
Transactions with owners, in their capacity as owners, and other transfers				
Called up capital on partly paid shares received	6	13,200	-	13,200
Shares applied for but unissued	6	150,000	-	150,000
BALANCE AT 30 JUNE 2015		273,200	(267,513)	5,687

	Note	Issued and Unissued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013		110,000	(87,872)	22,128
Loss attributable to members		-	(92,372)	(92,372)
Other Comprehensive income for the year		-	-	-
Total Comprehensive income for the year		-	(92,372)	(92,372)
Transactions with owners, in their capacity as owners, and other transfers				
Issue of share capital	6	20,000	-	20,000
Shares applied for but unissued	6	(20,000)	-	(20,000)
BALANCE AT 30 JUNE 2014		110,000	(180,244)	(70,244)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		54	2,841
Interest paid		(15)	-
Payments to suppliers		(103,729)	(42,402)
Net Cash Used in Operating Activities	7(b)	<u>(103,690)</u>	<u>(39,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to related entities		(110,000)	(149,893)
Loans repaid from related entities		20,000	133,542
Payments to acquire financial assets		(41,300)	-
Receipts on sale of financial assets		44,800	-
Net Cash Provided by Investing Activities		<u>(86,500)</u>	<u>(16,351)</u>
CASH FLOWS FROM FINANCING ACITIVITIES			
Proceeds from called up capital		13,200	-
Proceeds from application for shares to be allotted		150,000	-
Net Cash from Financing Activities		<u>163,200</u>	<u>-</u>
Net increase / (decrease) in cash held		(26,990)	(55,912)
Cash at beginning of the year		48,278	104,190
Cash at end of the year	7(a)	<u>21,288</u>	<u>48,278</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

for the year ended 30 June 2015

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Coronado Resources Limited. Coronado Resources Limited is a public company, incorporated and domiciled in Australia.

The financial report of Coronado Resources Limited complies with all International Financial Reporting Standards ("IFRS") in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The presentation currency of the financial report is Australian dollars.

a. Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the year of \$87,269 (2014: \$92,372) and net cash outflows of \$26,990 (2014: \$55,912).

As at 30 June 2015, the Company has a working capital surplus of \$5,687 (2014: deficiency \$70,244).

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

In May 2015, the Company entered into a heads of agreement granting an option to acquire 100% of the issued capital of Update Pharma Inc paying an option facilitation fee of \$25,000. Other significant terms of the agreement are:

- the Company will raise up to \$750,000 for working capital for Update
- CRL seeking quotation on the ASX and undertaking a capital raising of at least \$5,000,000
- issue of 15,000,000 consideration shares to the shareholders of Update
- the issue of 10,000,000 performance shares on terms acceptable to the ASX.

On the 25th of October 2015, a revised heads of agreement was entered into between Update Pharma Inc. and Coronado Resources Ltd where the two parties agreed to vary the terms of the acquisition to acquire the intellectual property of Update Pharma Inc rather than the equity in the Company itself.

In October 2015 the Company received a letter of support from Ananda Kathiravelu confirming he will continue to support the company to enable it to pay its debts as and when they fall due for the next twelve months from the date of signing this report or until sufficient funding has been obtained.

In June 2015 the directors resolved to call all remaining unpaid capital in the Company to raise \$330,000. To the date of this financial report \$73,600 in called up capital relating to partly paid shares has been received with a further \$175,000 received in application funds for shares not yet allotted.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the expected investor interest in the Company's anticipated acquisition of the intellectual property of Update Pharma Inc, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Notes to the Financial Statements

for the year ended 30 June 2015

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

b. Trading

The company has remained largely inactive since its incorporation on 15 February 2011 to the end of this financial year. Activity has been restricted to administration and capital raising costs.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant tax authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Notes to the Financial Statements

for the year ended 30 June 2015

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

(i) *Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the year in which they arise.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year. (All other loans and receivables are classified as non-current assets.)

(iii) *Held-to-maturity investments*

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting year. (All other investments are classified as current assets.)

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting year. (All other financial assets are classified as current assets.)

(v) *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(vi) *Derivative instruments*

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the statement of comprehensive income unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Notes to the Financial Statements

for the year ended 30 June 2015

Impairment

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

f. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

g. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

h. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

NOTE 2. KEY MANAGEMENT COMPENSATION

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Termination Benefits	Share based Payment	Total
	\$	\$	\$	\$	\$	\$
2015						
Total compensation	-	-	-	-	-	-
2014						
Total compensation	-	-	-	-	-	-

No compensation was paid to management during the year, although some payments were made to entities associated with management as set out in Note 14

Notes to the Financial Statements

for the year ended 30 June 2015

	2015 \$	2014 \$
NOTE 3. CASH AND CASH EQUIVALENTS		
Cash on hand	21,288	48,278

	2015 \$	2014 \$
NOTE 4. TRADE AND OTHER RECEIVABLES		
Other receivables	12,739	13,524
Amount receivable from related party ⁽ⁱ⁾	90,440	-
	103,179	13,524

- i. During the year the company lent Promesa Limited (a company of which Messrs Kathiravelu and Majteles are Directors) \$90,000. The loan is secured over Promesa Limited's assets, attracts an interest rate of 1% per month and is payable at the earlier of 7 days following a liquidity event of greater than \$1 million or 31 December 2015. The ability of Promesa Limited to repay the loan is principally dependent on its ability to complete its acquisition of Thredit Limit which includes a capital raising of a minimum of \$5 million under a prospectus to be lodged with the ASX. This condition indicates a material uncertainty that may cast significant doubt about the ability of the Company to recover the loan of \$90,440 from Promesa Limited.

a. Credit Risk

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2015							
Trade and term receivables	90,440	-	-	-	-	-	90,440
Other receivables	12,739	-	-	-	-	-	12,739
Total	103,179	-	-	-	-	-	103,179
2014							
Trade and term receivables	-	-	-	-	-	-	-
Other receivables	13,524	-	-	-	-	-	13,524
Total	13,524	-	-	-	-	-	13,524

b. Financial Assets Classified as Loans and Receivables

	2015 \$	2014 \$
Trade and other receivables:		
– total current	90,440	-
– total non-current	-	-
Financial assets as trade and other receivables	90,440	-

Notes to the Financial Statements

for the year ended 30 June 2015

NOTE 5. TRADE AND OTHER PAYABLES

Trade creditors	118,780	132,046
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NOTE 6. ISSUED AND UNISSUED CAPITAL

Issued Capital	110,000	90,000
Shares issued during the year	-	20,000
Called up capital on partly paid shares received	13,200	-
Shares applied for but unissued	150,000	-
	273,200	110,000

NOTE 6. ISSUED AND UNISSUED CAPITAL (Continued)

2015 **2014**

The Company has issued share capital amounting to 11,000,001 ordinary shares of no par value and the Company does not have a limited amount of authorised capital.

a. Ordinary shares (No. of shares)

At beginning of year	11,000,001	10,000,001
Shares issued during the year	-	1,000,000
At end of the year	11,000,001	11,000,001

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Shares applied for but unissued - 10 cent Partly Paid shares (No. of shares)

At beginning of year	-	1,000,000
Partly paid shares at 10 cents applied for during the year, paid to 2 cents	750,000	(1,000,000)
Partly paid shares at 10 cents paid up during the year	-	-
At end of the year	750,000	-

c. Shares applied for but unissued - 16 cent Party Paid shares (No. of shares)

At beginning of year	-	-
Partly paid shares at 16 cents applied for during the year, payable to 4 cents	468,750	-
Partly paid shares at 16 cents paid up during the year	-	-
At end of the year	468,750	-

d. Capital management

The Company has remained largely inactive since its incorporation on 15 February 2011 to the end of this financial year. Activity has been restricted to administration and capital raising costs.

Notes to the Financial Statements

for the year ended 30 June 2015

NOTE 7. CASH FLOW INFORMATION

	2015	2014
	\$	\$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash	21,288	48,278
	<hr/> 21,288	<hr/> 48,278
(b) Reconciliation of Cash Flow from Operations with Operating Loss after Income Tax		
Operating loss after income tax	(87,269)	(92,372)
Add : Non-operating items		
Gain on disposal of financial assets	(2,974)	-
<i>Changes in assets and liabilities</i>		
Decrease / (increase) in receivables	785	(5,361)
Increase/ (decrease) in payables	(14,232)	58,172
	<hr/> (103,690)	<hr/> (39,561)

NOTE 8. EVENTS AFTER THE BALANCE SHEET DATE

On the 25th of October 2015, a revised heads of agreement was entered into between Update Pharma Inc. and Coronado Resources Ltd where the two parties agreed to vary the terms of the acquisition to acquire the intellectual property of Update Pharma Inc rather than the equity in the Company itself.

To the date of this financial report \$73,600 in called up capital relating to partly paid shares has been received with a further \$175,000 received in application funds for shares not yet allotted.

Apart from as disclosed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 9. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Financial Risks

The main risk the Company is exposed to through its financial instruments is interest rate risk. The Company is not exposed to any other significant financial risk.

Notes to the Financial Statements

for the year ended 30 June 2015

(b) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	Floating Interest Rate		Fixed Interest Rate				Non-Interest Bearing		Total	Weight Effective Interest Rate		
	2015	2014	1 Year or Less		1 to 5 Years		2015	2014		2015	2014	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
FINANCIAL ASSETS												
Cash	21,288	48,278	-	-	-	-	-	-	21,288	48,278	-	-
Trade and other receivables	-	-	90,000	-	-	-	12,740	13,524	102,740	13,524	10.5%	-
Total Financial Assets	21,288	48,278	90,000	-	-	-	12,740	13,524	124,028	61,802	-	-
FINANCIAL LIABILITIES												
Other loan/creditors	-	-	-	-	-	-	118,780	132,046	118,780	132,046	-	-
Total Financial Liabilities	-	-	-	-	-	-	118,780	132,046	118,780	132,046	-	-

The carrying value of the Company's financial instruments equate to their fair value.

NOTE 9. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities.

NOTE 10. AUDITOR REMUNERATION

	2015	2014
	\$	\$
Bentleys Audit & Corporate (WA) Pty Ltd have provided audit services for the year.	13,000	8,000
At no time has the company provided any non-audit services.		

NOTE 11. SEGMENT REPORTING

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report is the same information that is reviewed by the directors'.

The Company is currently operative in one geographic region being Western Australia. The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

NOTE 12. COMMITMENTS

At the date of this report there are no leasing or capital commitments.

Notes to the Financial Statements

for the year ended 30 June 2015

NOTE 13. TAX	2015	2014
	\$	\$
(a) Prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at	(26,180)	(27,712)
Add:		
Tax effect of:		
Other non-allowable items	-	-
Less:		
Tax effect of:		
Temporary differences	300	300
Non-recognition of tax losses	25,880	27,412
	<u>-</u>	<u>-</u>
The applicable weighted average effective tax rate are as follows:	0%	0%
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1c. occur:		
- temporary differences	450	450
- tax losses: operating losses	79,503	53,623
	<u>-</u>	<u>-</u>

NOTE 14. RELATED PARTY TRANSACTIONS

2015	2014
\$	\$

Related Parties

(a) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

i. Key management personnel:

\$10,000 was paid for advisory services provided by Armada Capital Ltd, and \$17,000 was accrued for Ampere Pty Ltd; entities associated with the director Ananda Kathiravelu.

27,000	23,883
--------	--------

(b) Amounts outstanding from related parties:

\$90,000 at an interest rate of 1% per month was loaned to Promesa Limited (A company where **Ananda Kathiravelu** and **Hersh Solomon Majeles** are directors) Interest accrued but unpaid of \$440.

90,440	-
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(c) Amounts payable to related parties:

\$69,325 is outstanding for fees payable to Armada Capital Ltd and \$17,000 is accrued to date for CFO, Company Secretarial, Administrative and Registry services from Ampere Pty Ltd; entities related to Ananda Kathiravelu.

86,325	73,075
--------	--------

There are no other outstanding amounts to related parties.

Notes to the Financial Statements

for the year ended 30 June 2015

NOTE 15. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Standards and Interpretations in issue not yet adopted

A number of new standards, amendments to standards and interpretations are effective for future periods reporting, but have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

(i) New Standard

AASB 9 Financial Instruments

- Replaces AASB 139 for reporting periods beginning on or after 1 January 2018
- Revised guidance on classification and measurement of financial instruments
- New 'expected credit loss' model for calculating impairment on financial assets
- Changes to the conditions required to apply hedge accounting

Apart from changing naming conventions, the Company does not expect to have any impact as the Company does not have any complex financial instruments

AASB 15 Revenue from Contract with Customers

- Replaces AASB 118 Revenue, AASB 111 Construction Contracts and Interpretation 13 Customer Loyalty Programs for reporting periods beginning on or after 1 January 2017
- Establishes a comprehensive framework for determining whether, how much and when revenue is recognised.
- The 5-step process for recognising revenue removes the focus from the transfer of "risk and reward" to identification and completion of "performance obligations."

At this stage the Company has not entered into any contracts with customers and it is therefore difficult to predict what form any future contracts may take. As a result it is impractical to attempt to quantify the potential impact of this standard.

AASB 14 Regulatory Deferral Accounts

- Sets out accounting principles for entities that undertake rate-regulated activities.

None of the Company's operations are subject to a rate regulator, so this standard is not expected to have an impact.

(ii) Changes To Standards AASB 11 Joint Operations

- Changes to accounting for acquisition of Interests in Joint Operations. No impact is expected as Company is not party to any joint operations.

AASB 116 Property, Plant and Equipment

- Clarification of acceptable methods of depreciation. No impact is expected to the Company.

AASB 141 Agriculture: Bearer Plants

No impact is expected as the Company is not involved in the agricultural sector.

d. Changes in Accounting Policies

The Company has consistently applied the accounting policies set out in Note 1 to all periods presented in these financial statements.

NOTE 16. COMPANY DETAILS

The registered office of the Company is:
Suite 8, Level 2
55 Hampden Rd, Nedlands WA 6009

The principal places of business of the Company are:
Suite 8, Level 2
55 Hampden Rd, Nedlands WA 6009

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, set out on pages 6 to 19 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as noted in note 1 to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, made pursuant to section 295(5) of the Corporations Act 2001.



Ananda Kathiravelu
Director

DATED at PERTH this 31st day of October 2015

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Independent Auditor's Report

To the Members of Coronado Resources Limited

We have audited the accompanying financial report of Coronado Resources Limited ("the Company"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Bentleys Audit & Corporate
(WA) Pty Ltd

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Independent Auditor's Report

To the Members of Coronado Resources Limited (*Continued*)



Opinion

In our opinion:

- a. The financial report of Coronado Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphases of Matter

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of \$87,269 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Material Uncertainty Regarding Recoverability of Loan

Without qualifying our opinion, we draw attention to Note 4 in the financial report which indicates that the Company has a loan receivable of \$90,440 as at 30 June 2015. The ability of the Company to recover the debt from the borrower is principally dependent on the borrower to raise sufficient capital. This condition, along with other matters as set forth in Note 4, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to recover the loan receivable.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 31st day of October 2015

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