

CORONADO RESOURCES LTD
ACN 149 318 749

HALF-YEAR FINANCIAL REPORT

31 December 2015

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DIRECTORS' REPORT

Your directors present the financial report of the Company for the half-year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

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

Ananda Kathiravelu (resigned 28 April 2016)
Solomon Majteles (resigned 22 April 2016)
Daniel Moore
Brendan de Kauwe (appointed 22 April 2016)
Chris Ntoumenopoulos (appointed 28 April 2016)

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

REVIEW OF OPERATIONS

The Company has remained largely inactive since its incorporation on 15 February 2011 to the end of this financial period. Activity has been restricted to administration and corporate advisory costs as the Company continues to assess new opportunities. There were no changes in the nature of the Company's principal activities during the financial period.

The net loss for the period was \$200,127 (31 December 2014: \$6,466).

REVIEW OF FINANCIAL CONDITION

Capital Structure

The Company has net liabilities at 31 December 2015 of \$97,179 (30 June 2015: net assets \$5,687).

Treasury Policy

The Board has not considered it necessary to establish a separate treasury function because of the size and scope of the Company's activities.

Liquidity and Funding

The Company has cash resources of \$827 at 31 December 2015 (30 June 2015: \$21,288), together with current receivables of \$138,024 (30 June 2015: \$103,180) combined.

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for half-year period ended 31 December 2015.

Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



D Moore
Director
PERTH, Western Australia
Dated: 6 May 2016

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**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

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 half year financial report of Coronado Resources Limited for the six month period ended 31 December 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

CHRIS NICOLOFF CA
Director

Dated at Perth this 6th day of May 2016



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- Accountants
- Auditors
- Advisors

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015	31 December 2014
	\$	\$
	Note	
Interest received – other	5,498	-
Accounting & Audit Fees	(48,019)	(3,000)
Administrative expenses	(5,126)	(1,716)
Corporate advice expenses	(81,829)	-
Option facilitation fee	(37,450)	
Other expenses	(33,201)	(1,750)
Loss before income tax expense	(200,127)	(6,466)
Income tax expense	-	-
Loss after income tax for the period	(200,127)	(6,466)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
	-	-
<i>Items that may subsequently be reclassified to profit or loss:</i>		
	-	-
Other comprehensive loss, net of tax	-	-
Total comprehensive loss for the period	(200,127)	(6,466)

The accompanying notes form part of these condensed financial statements

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Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	31 December 2015 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents		827	21,288
Trade and other receivables	3	42,184	12,739
Financial Assets	3	95,840	90,440
Total Current Assets		138,851	124,467
Total Assets		138,851	124,467
LIABILITIES			
Current Liabilities			
Trade and other payables	4	236,030	118,780
Total Current Liabilities		236,030	118,780
Total Liabilities		236,030	118,780
Net Assets		(97,179)	5,687
EQUITY			
Issued capital	2	370,461	273,200
Accumulated losses		(467,640)	(267,513)
Total Equity		(97,179)	5,687

The accompanying notes form part of these condensed financial statements

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Issued and Unissued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2015		273,200	(267,513)	5,687
Loss attributable to members		-	(200,127)	(200,127)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		273,200	(467,640)	(194,440)
Transactions with owners, in their capacity as owners and other transfers				
Called up capital on partly paid shares received	2	24,000	-	24,000
Shares issued during the year	2	74,600	-	74,600
Share issue costs	2	(1,339)	-	(1,339)
Dividends paid or provided for		-	-	-
BALANCE AT 31 DECEMBER 2015		370,461	(467,640)	(97,179)

	Note	Issued and Unissued Capital \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014	2	110,000	(180,244)	(70,244)
Loss attributable to members		-	(6,466)	(6,466)
SUB-TOTAL		110,000	(186,710)	(76,710)
Dividends paid or provided for		-	-	-
BALANCE AT 31 DECEMBER 2014		110,000	(186,710)	(76,710)

The accompanying notes form part of these condensed financial statements

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	(117,820)	(33,928)
Interest received	98	-
Net cash outflows from operating activities	<u>(117,722)</u>	<u>(33,928)</u>
Cash flows from investing activities		
Payments for financial assets	-	(10,000)
Receipts from financial assets	-	700
Loans to related entities	-	-
Net cash outflows from investing activities	<u>-</u>	<u>(9,300)</u>
Cash flows from financing activities		
Proceeds from issue of securities	98,600	-
Payment of share issue costs	(1,339)	-
Net cash outflows from operating activities	<u>97,261</u>	<u>-</u>
Net increase/(decrease) in cash held	(20,461)	(43,228)
Cash and cash equivalents at beginning of the period	<u>21,288</u>	<u>48,278</u>
Cash and cash equivalents at end of the period	<u><u>827</u></u>	<u><u>5,051</u></u>

The accompanying notes form part of these condensed financial statements

Coronado Resources Ltd

Notes for the half-year ended 31 December 2015

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Coronado Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

b) Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period. The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period.

c) Significant accounting judgements and key estimates

The preparation of half-year financial statements requires Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by Directors in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2015.

d) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

e) Comparatives

Comparative information has been represented so that it is also in conformity with current classifications.

f) 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 period of \$200,127 (December 2014: \$6,466) and net cash outflows of \$117,722 (December 2014: \$33,928).

As at 31 December 2015, the Company has a working capital deficit of \$97,179 (June 2015: surplus \$5,687).

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.

Coronado Resources Ltd Financial Report for the half-year ended 31 December 2015

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 ("Update") paying an option facilitation fee of \$25,000.

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. Other significant terms of the agreement are:

- Coronado seeking quotation on the ASX and undertaking a capital raising of at least \$3,300,000
- 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.

It is expected that the company will complete the ASX listing and capital raising by July 2016.

In addition, to the date of this financial report \$228,518 was raised via the issue of 1,676,646 shares.

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.

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.

NOTE 2. ISSUED AND UNISSUED CAPITAL

	Half-year to 31 Dec 15	Year to 30 Jun 15
Issued Capital	273,200	110,000
Called up capital on partly paid shares received	24,000	13,200
Shares applied for but unissued	-	150,000
Shares issued during the year	74,600	-
Less : transaction costs arising from issue of shares	(1,339)	-
Shares issued during the year	370,461	273,200

The Company has issued share capital amounting to 11,711,540 ordinary shares (30 June 2015: 11,000,001 ordinary shares) of no par value and the Company does not have a limited amount of authorised capital.

a. Ordinary shares – Fully Paid

	No. Of shares	
	Half-year to 31 Dec 15	Year to 30 Jun 15
At beginning of year	11,000,001	11,000,001
Shares issued during the period	711,539	-
At end of the year	11,711,540	11,000,001

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

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	
	Half-year to 31 Dec 15	Year to 30 Jun 15
At beginning of period	750,000	-
Partly paid shares applied for during the period	1,500,000	750,000
Partly paid shares at 10 cents paid up during the period	(1,541,539)	-
At end of the year	708,461	750,000

Shares applied for but unissued - 16 cent Partly Paid shares

	No. of shares	
	Half-year to 31 Dec 15	Year to 30 Jun 15
At beginning of period	468,750	-
Partly paid shares applied for during the period	781,250	468,750
Partly paid shares at 10 cents paid up during the period	(540,000)	-
At end of the year	710,000	468,750

c. Capital management

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

NOTE 3. FINANCIAL ASSETS

	31.12.15	30.06.15
Other receivables	42,184	12,739
Amounts receivable from related parties(i)	95,840	90,440
	138,024	103,179

- i. In prior period, 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. 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 ASX. This condition indicates a material uncertainty that may cast significant doubt about the ability of the Company to recover the loan of \$95,840 from Promesa Limited.

NOTE 4. TRADE AND OTHER PAYABLES

	31.12.15	30.06.15
CURRENT		
Trade payables	157,930	91,780
Sundry payables and accrued expenses	78,100	27,000
	236,030	118,780

NOTE 5. CONTINGENT LIABILITIES

There are no contingent liabilities.

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

NOTE 6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of trade and other receivables, deposits paid, trade and other payables, and financial liabilities. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

NOTE 7. SUBSEQUENT EVENTS

Since the balance date, the following significant events have occurred;

- Coronado completed a private raising and issued 1,676,464 shares to raise \$228,518; and
- 20 April 2016, A Deed of Release was signed between Coronado and Ananda Kathiravelu and his related companies to forgive a number of debts totalling \$166,558, owed by Coronado for his services and that of the related companies.
- 22 April 2016 Mr Brendan de Kauwe was appointed to the board, and Mr Solomon Majteles subsequently resigned.
- 28 April 2016 Mr Chris Ntoumenopoulos was appointed to the board, and Mr Ananda Kathiravelu subsequently resigned.

No other 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.

Coronado Resources Ltd
Financial Report for the half-year ended 31 December 2015

DIRECTORS' DECLARATION

In the opinion of the directors of Coronado Resources Ltd ('the Company'):

1. The attached half-year financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



D Moore
Director
PERTH, Western Australia
Dated: 6 May 2016

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**Bentleys Audit & Corporate
(WA) Pty Ltd**

London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

Independent Auditor's Review Report

To the Members of Coronado Resources Limited

We have reviewed the accompanying half-year financial report of Coronado Resources Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

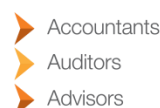
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Independent Auditor's Review Report

To the Members of Coronado Resources Limited (Continued)



Independence

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

Qualified Conclusion

Except for the effects of the matters described in the Basis for Qualified Auditor's Conclusion paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coronado Resources Limited is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphases of Matter

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1(f) in the half year financial report which indicates that the Company incurred a net loss of \$200,127 during the year ended 31 December 2015. This condition, along with other matters as set forth in Note 1(f), 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 half year financial report.

Material Uncertainty Regarding Recoverability of Loan

Without qualifying our conclusion, we draw attention to Note 3 in the half year financial report which indicates that the Company has a loan receivable of \$95,840 as at 31 December 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 3, 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

CHRIS NICOLOFF CA
Director

Dated at Perth this 6th day of May 2016

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