ASX Announcement

17 June 2019

Amended Form 10 lodged with Securities Exchange Commission

Attached is the Amendment No.1 to the Form 10 lodged with the U.S. Securities and Exchange Commission (SEC) providing further information relating to the original Form 10. This Amendment also updates the Form 10 for Q1 results for the period ending March 31, 2019.

Ben Pentelow
General Counsel – Australia and Assistant Company Secretary

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– Ends –

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June 14, 2019

VIA EDGAR

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100 F Street, NE
Washington, D.C. 20549

RE: Coronado Global Resources Inc.
Registration Statement on Form 10-12G
Filed: April 29, 2019
File No. 000-56044

Ladies and Gentlemen:

Coronado Global Resources Inc., a Delaware corporation (the "Company," "we," "us," or "our"), is in receipt of the comments of the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") set forth in the Commission's letter dated May 24, 2019 (the "Comment Letter"), with respect to the Company's Form 10 (the "Form 10"). We are concurrently filing an amended Form 10 ("Amendment No. 1") that includes changes in response to the Staff's comments.

For your convenience, the italicized numbered responses set forth below correspond with the comments contained in the Comment Letter. Page references in the text of this response letter correspond to page numbers in Amendment No. 1 unless otherwise noted. Capitalized terms used in this letter but otherwise not defined herein shall have the meaning ascribed to such term in Amendment No. 1. We are also sending, under separate cover, four copies of Amendment No. 1 marked to show changes from the Form 10 as initially submitted.

Registration Statement on Form 10-12G

Customers, page 8

1. *We note your two material customers, Xcoal Energy and Tata Steel. Please discuss any contracts you have with these material customers.*

Response: In response to the Staff's comment, included below is a brief discussion of our contracts with Xcoal Energy & Resources, LLC ("Xcoal") and Tata Steel Limited (Tata Steel").

100 BILL BAKER WAY • BECKLEY, WV 25801
PHONE (681) 207-7263 • FAX (681) 207-7251

Xcoal Agreements

As disclosed in Amendment No. 1, we sell a portion of our coal through intermediaries, including brokers such as Xcoal. We have entered into, and intend to enter into, coal sales arrangements with Xcoal, primarily on an ad hoc (shipment-by-shipment) basis pursuant to individual purchase orders. During 2018, we entered into a one-year agreement with Xcoal for the sale of metallurgical coal from our Logan mine, which agreement terminated in March 2019.

Although our business with Xcoal is important in the aggregate, no single purchase order with Xcoal is individually of material significance to our company, either quantitatively or qualitatively. Each purchase order includes certain transaction-specific product specifications, such as product type, quantity, delivery period, quality (including moisture, ash and sulfur content) and price, as well as standard terms and conditions with respect to acceptance, delivery, transportation, inspection, assignment, taxes and performance failure. Xcoal typically takes ownership of coal upon loading into the rail car and is responsible for handling transportation logistics to the port and beyond. The purchase orders include pricing terms based in reference to a benchmark index, and, given the strength of the metallurgical coal market, we would expect the material terms of purchase orders with other third-party providers, or with direct purchasers in the spot market, if applicable, to be materially consistent with the terms of our purchase orders with Xcoal.

Although each purchase order includes such product specifications, the particular product specifications for each purchase order are established on an order-by-order basis, and we have the ability to accept or reject terms presented by Xcoal and utilize other third-party providers as warranted.

During 2018, we entered into a one-year agreement with Xcoal for the sale of metallurgical coal from our Logan mine, which agreement terminated in March 2019. The material terms of this agreement were substantially similar to our individual purchase orders with Xcoal, although the agreement was for a one-year term (April 2018 through March 2019). Sales under this agreement represented approximately 0.72% of our total coal revenue for 2018.

In response to the Staff's comment, we respectfully advise the Staff that we have revised our disclosure regarding the Xcoal agreements on pages 9, 33 and 147 to clarify that purchase orders with Xcoal are entered into primarily on an ad hoc (shipment-by-shipment) basis.

Tata Steel Agreements

As disclosed in Amendment No. 1, we sell a portion of our coal directly to steel producers, such as Tata Steel. In August 2017, Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd) entered into a Long Term Coal Sale and Purchase Agreement with a subsidiary of Tata Steel with a term ending in March 2022 (the "Tata Steel Long Term Agreement"). We assumed the Tata Steel Long Term Agreement when we acquired Wesfarmers Curragh Pty Ltd in March 2018.

The Tata Steel Long Term Agreement provides for the sale of a minimum of 2.0 MMt of coal per contract year, consisting of certain specific quantities of Curragh Hard Coking Coal, Bedford Coking Coal, Bluff Coking Coal and Curragh PCI Coal. Pricing is re-negotiated each quarter, with pricing being materially consistent with the terms of our purchase orders from other customers (*i.e.*, priced in reference to benchmark indices). If the parties fail to agree on a quarterly price, the Tata Steel Long Term Agreement provides for alternative pricing based on historical market prices and the continuance of deliveries until an agreement on pricing can be reached. The coal is sold free on board and payment is due 45 days from the bill of lading. The Tata Steel Long Term Agreement contains industry-standard terms and conditions with respect to delivery, transportation, inspection, assignment, taxes and performance failure.

Coal sale agreements are common throughout our industry and implicit in conducting our operations, and we believe that the Tata Steel Long Term Agreement is of the type that "ordinarily accompanies the kind of business conducted" by our company. Sales under this agreement represented approximately 12% of our total consolidated revenue for 2018, which we do not consider, either quantitatively or qualitatively, to represent the sale of the "major part" of our coal production. Given the current and expected future demand for our coal, if this agreement were terminated or expired without replacement, or if we experienced the nonpayment or nonperformance by Tata Steel, we expect that we would readily generate replacement sales to existing or new customers either under contractual arrangements or in the spot market at comparable market prices. In addition, because of current and anticipated market conditions, the quality of the metallurgical coal products produced at our Curragh location and the demand for our coal products we do not believe that our company is "substantially dependent" on the Tata Steel Long Term Agreement.

<u>U.S. Sales and Marketing, page 9</u>

2. *We note your U.S. coal sales are typically priced in reference to an export metallurgical coal bench mark index. Please modify your filing to provide a chart or graph*

presenting the appropriate historical industry price index for your salable products for the last 5 years. See Item 303(a)(3)(ii) of Regulation S-K.

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised our disclosure on page 10 to provide a chart presenting, for the last five years, the appropriate historical industry price indexes used as reference benchmarks for a portion of our U.S. coal sales.

Management's Discussion and Analysis of Financial Condition and Results of Operations Coal Revenues, page 69

3. *We note your disclosure that U.S. sales volumes were reduced due to low availability of third-party raw coal for purchase, processing, and resale by your mine operators. Please disclose the tonnage, cost, and revenues of your third party coal purchases separate from that of your operating mines.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we do not believe disclosing the tonnage, cost, and revenues of our third-party coal purchases separate from that of our operating mines would be of significance to investors as the total cost and revenues are not material and do not relate to our core business or operating activities.

As a general matter, we purchase third-party raw coal only when necessary to supplement the coal we produce from our operating mining properties in order to provide steel-making customers their required mix of low-, mid- and high-volatile metallurgical coal. On a consolidated basis, purchases of third-party raw coal for processing and resale represent an insignificant portion of our total consolidated coal revenues. For the years ended December 31, 2018, 2017 and 2016, sales of coal purchased from third parties represented 0.72%, 4.78% and 2.07% of our total consolidated coal revenues, respectively. The following table shows our total coal revenue from sales of coal purchased from third parties, total cost of purchases and sales volumes of such coal for the years presented:

(In US$'000, except volume data)	Year Ended December 31, 2018(1)	2017	2016
Coal revenue from sales of coal purchased from third parties	**$ 14,090**	**$ 36,160**	**$ 8,991**
Total consolidated coal revenue	$ 1,945,600	$ 756,385	$ 433,966
% of total consolidated coal revenues	0.72%	4.78%	2.07%
Total cost of purchases of coal from third parties	**$ 14,296**	**$ 30,716**	**$ 7,777**
Total consolidated cost of coal revenues	$ 991,994	$ 463,638	$ 290,725
% of total consolidated cost of coal revenues	1.44%	6.62%	2.68%
Sales volumes (metric tons)	**197,385**	**517,126**	**140,904**

(1) Includes Australian Operations.

Therefore, we respectfully advise the Staff that we do not believe that disclosure of the tonnage, cost and revenues of our third-party coal purchases separate from that of our operating mines is necessary.

Supplemental Segment Financial Data, page 78

4. *Please reconcile the numerators used for average realized price per Mt sold and cost per Mt sold here and elsewhere throughout the filing to information in your financial statements for each period presented. Also, if you are excluding freight expense, Stanwell rebate, other royalty expenses and/or depreciation, depletion and amortization from cost per Mt sold, please so state and disclose why they are not included.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised the tabular disclosures on pages 82 and 85 to include the following:

- a revised table that discloses coal revenues by segment, which is the numerator used to compute average realized price per Mt sold; and
- a revised table that discloses total cost of coal revenues by segment, which is the numerator used to compute cost per Mt sold.

Additionally, we respectfully advise the Staff that we have excluded freight expense, Stanwell rebate, other royalty expenses and depreciation, depletion and amortization from cost per Mt sold and have included disclosure of this fact on page 71.

Reconciliation of Non-GAAP Financial Measures, page 81

5. *Your disclosures of EBITDA and Pro forma EBITDA reflect adjustments not typically included in EBITDA, as commonly defined. Accordingly, please retitle these measures to reflect this difference. Refer to Question 103.01 of the Compliance and Disclosure Interpretations related to Non-GAAP Financial Measures*.

Response: In response to the Staff's comment, we respectfully advise the Staff that we have amended all references to EBITDA and Pro forma EBITDA by retitling these measures "Adjusted EBITDA" and "Pro forma Adjusted EBITDA," respectively, throughout Management's Discussion and Analysis of Financial Condition and Results of Operations in Amendment No. 1.

Liquidity and Capital Resources Financial Covenants, page 84

6. *Please clarify whether you were in compliance with your debt covenants during the periods presented. Also, disclose the actual ratios/amounts for your material financial covenants for each period presented and show how the actual covenant ratios/amounts are computed for each period presented by reconciling them to GAAP amounts. Refer to Items 303(a)(1) and (2) of Regulation S-K and Question 102.09 of the Compliance and Disclosure Interpretations related to Non-GAAP Financial Measures.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we closely monitor our compliance with debt covenants and were in full compliance with all applicable debt covenants for each applicable period presented. In accordance with the guidance in Sections I.D and IV.C of the Commission's Interpretive Release No. 33-8350 and Section 9210.5 of the Division of Corporation Finance's Financial Reporting Manual, we determined that there was no need for additional disclosure regarding our debt covenants during the periods presented as we were not in breach of any such debt covenants during such periods and it is not reasonably likely that we will be in breach of any applicable debt covenants in the foreseeable future.

In the event that we determine it is reasonably likely that we would not be able to meet our debt covenants, or that compliance with such debt covenants would impact our ability to obtain necessary debt or equity financing to a material extent, we will disclose these circumstances in our periodic or other filings with the Commission.

We note the guidance provided by the Commission does not require any affirmative statements that we are in compliance with debt covenants for a given reporting period; however, based on the Staff's comment, we have revised our disclosure on page 92 to provide an affirmative statement to that effect.

Historical Cash Flows and Free Cash Flow, page 85

7. *Please retitle the operating cash flow non-GAAP measure, so it is not confused with being a GAAP measure. Refer to Item 10(e)(1)(ii)(E) of Regulation S-K. Also, provide the disclosures required by Item 10(e) of Regulation S-K for this non-GAAP measure.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised Amendment No. 1 to exclude references to Operating Cash Flow and Free Cash Flow and have removed these non-GAAP measures from the tabular disclosure on page 94 to avoid confusion with GAAP measures which are used to monitor the liquidity and capital resources of the Company without adjustment.

Properties, page 94

8. *Proven and probable reserves are disclosed for your Curragh, Buchanan, Logan, Greenbrier operating mines and your Pangburn-Shaner-Fallowfield, Amonate, and Russell County coal projects. Please forward to our engineer as supplemental information and not as part of your filing, the information that establishes the legal, technical, and economic feasibility of your materials designated as reserves, as required by Industry Guide 7(c).*

To minimize the transfer of paper, please provide the requested information on a CD or a flash drive, formatted as Adobe PDF files and provide the name and phone number for a technical person our engineer may call, if he has technical questions about your reserves.

In the event your company desires the return of this supplemental material, please make a written request with the letter of transmittal and include a pre-paid, pre-addressed shipping label to facilitate the return of the supplemental information. Please note that you may request the return of this information pursuant to the provisions of Rule 12b-4 of the Exchange Act.

If there are any questions concerning the above request, please phone Mr. George K. Schuler, Mining Engineer at (202) 551-3718.

Response: In response to the Staff's comment, we respectfully advise the Staff that we have provided the supplemental information requested by this Comment 8 to the Staff under separate cover on a supplemental basis pursuant to Rule 12b-4 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"). In accordance with such rule, we request that such material be returned promptly following completion of the Staff's review.

9. *We note your two development mining properties and one idle mining property.*

Please expand your disclosure concerning your exploration plans for these properties to address the following points.

- *Disclose a brief geological justification for each of the exploration projects written in non-technical language.*
- *Give a breakdown of the exploration timetable and budget, including estimated amounts that will be required for each exploration activity, such as geophysics, geochemistry, surface sampling, drilling, etc. for each prospect.*
- *If there is a phased program planned, briefly outline all phases.*
- *If there are no current detailed plans to conduct exploration on the property, disclose this prominently.*
- *Disclose how the exploration program will be funded.*
- *Identify who will be conducting any proposed exploration work, and discuss their qualifications.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised our disclosure on pages 108 and 109 to include disclosure concerning our exploration plans for our development and idle mining properties, addressing the items listed in the Staff's comment above.

Certain Relationships and Related Transactions, page 134

10. *Please add disclosure regarding the note receivable with JEP VIE and the WICET agreement, as set forth in footnote 25 to your financial statements on page F-56.*

Response: In response to the Staff's comment, we respectfully advise the Staff that no related person within the meaning of Item 404 (a) of Regulation S-K had or will have a direct or indirect material interest in either the note receivable in respect of the JEP Mining LLC ("JEP") Variable Interest Entity or the Wiggins Island Coal Export Terminal Pty Ltd. ("WICET") agreement. Accordingly, neither the note receivable in respect of the JEP Variable Interest Entity nor the WICET agreement are required to be disclosed pursuant to Item 7 of Form 10.

With respect to the JEP Variable Interest Entity, the Company issued the note receivable to its co-venturer, SYR Energy Partners LP, and no director or executive officer of the Company, or beneficial owner of more than five percent of any class of the Company's voting securities, had or will have a direct or indirect material interest therein.

With respect to the WICET agreement, although Garold Spindler, our Managing Director and Chief Executive Officer, is a member of the board of directors of WICET, Instruction 6.a.i. to Item 404(a) of Regulation S-K provides that "[a] person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the registrant shall not be deemed to have an indirect material interest within the meaning of paragraph (a) of this Item where … the interest arises only … from such person's position as a director of another corporation or organization that is a party to the transaction…." As a result, Mr. Spindler did not and will not have a direct or indirect material interest within the meaning of Item 404(a) of Regulation S-K.

Choice of Forum, page 147

11. *We note that your forum selection provision set forth in your Amended and Restated By- Laws filed as Exhibit 3.2 identifies a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) as the exclusive forum for certain litigation, including any "derivative action." However, your disclosure on page 147 identifies the Court of Chancery of the State of Delaware as the exclusive forum for such claims. Please revise to ensure that your disclosure on page 147, and your disclosure in your related risk factor on page 61, is consistent with your exclusive forum provision.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised our disclosures on pages 62 and 160 to conform the disclosure with our exclusive forum provision.

12. *We also note your disclosure on page 147 that the choice of forum provision does not apply to any actions arising under the Securities Act or Exchange Act. Please ensure that the exclusive forum provision in your Amended and Restated By-Laws states this clearly, or tell us how you will ensure that investors and shareholders will be informed in future filings that the provision does not apply to any actions arising under the Securities Act or Exchange Act.*

Response: In response to the Staff's comment, we respectfully advise the Staff that we have revised our disclosures on pages 62 and 160 to conform with our exclusive forum provision and to clarify that such exclusive forum provision does not apply to any actions arising under the Securities Act or the Exchange Act. We respectfully advise the Staff that we will include the revised disclosure in future filings, to the extent applicable, to ensure that investors and shareholders will be informed in future filings that the provision does not apply to any actions arising under the Securities Act or the Exchange Act.

Item 13. Financial Statements and Supplementary Data, page 149

13. *Please provide the quarterly financial data required by Item 302(a) of Regulation S-K.*

Response: In response to the Staff's comment, we respectfully refer the Staff to Item 302(a)(5) of Regulation S-K which states that paragraph (a) applies to any registrant "that has securities registered pursuant to sections 12(b)…or 12(g) of the Exchange Act." We are filing the Form 10 in order to register our common stock under Section 12(g) of the Exchange Act. Since we do not presently have any securities registered under Section 12(b) or 12(g) of the Exchange Act, we are not required to present selected quarterly financial data in the Form 10 pursuant to Item 302(a) of Regulation S-K. This conclusion is consistent with the guidance set forth in Topic 1620 "Selected Quarterly Financial Data Not Required" of the Division of Corporation Finance's Financial Reporting Manual, which provides that "[a] company is not required to furnish selected quarterly financial data pursuant to S-K 302(a) in its initial registration statement under the Securities Act if it does not have any securities registered under Section 12(b) or 12(g) of the Exchange Act." Further, the Note to Section 1620 provides, "[t]he exclusion from the requirement to furnish selected quarterly financial data noted in this section also applies to Exchange Act initial registration statements." Following the registration of our common stock under Section 12(g) of the Exchange Act, we will present selected quarterly financial data in future periodic reports filed under the Exchange Act to the extent required by applicable rules, including Item 302(a) of Regulation S-K.

Consolidated Statements of Stockholders' Equity/Members' Capital, page F-5

14. *As a part of the reorganization transactions, please reclassify to additional paid-in capital your retained earnings as of the date you converted from a LLC to a C corporation. Refer to SAB Topic 4:B.*

Response: We have considered the Staff's comment and we respectfully advise the Staff that we believe the current presentation of our Consolidated Statements of Stockholders' Equity/Members' Capital most accurately reflects the reorganization transactions based on our unique set of facts and circumstances and is the result of our careful consideration of the expectations of our investors, the basis of presentation of the consolidated financial statements, taken as a whole, and jurisdictional statutory laws and regulations. There are three primary reasons why we have chosen this presentation:

1. <u>The current presentation of our financial statements provides more meaningful and transparent disclosure to our investors</u>.

Prior to the reorganization transactions, the historical financial statements of Coronado Group LLC were presented to reflect total members' capital separately from retained earnings so that the members could clearly differentiate between the current and historical financial performance of the business (*i.e.*, between the total retained profits of Coronado Group LLC and the original capital contributions made by the members), while also being able to retain transparency over the members capital investment. As such, we have utilized a presentation which remains consistent with the historical structure of the consolidated financial statements which we believe is consistent with the expectations of our investors.

As disclosed in our consolidated financial statements, the reorganization transactions were enacted to effect the Australian IPO, and the consolidated financial statements have been presented to reflect a continuation of the ongoing business operations. Accordingly, we have utilized a presentation that remains consistent with the historical presentation of the consolidated financial statements, which we believe is consistent with the expectations of our investors.

We carefully considered this presentation when we prepared our financial statements. We note that our presentation provides more information to the reader than would be available had we reclassified the retained earnings as of the date of the conversion. We believe that our financial statements have been fairly presented in all material respects in conformity with the financial reporting framework and disclosure requirements outlined by the SEC and U.S. GAAP.

2. <u>There were no entities within our corporate structure that elected to be taxed as S corporations before or after the reorganization transactions, nor did the reorganization transactions result in a termination of a tax election</u>.

SAB Topic 4:B addresses the treatment and classification of undistributed earnings when an entity's S corporation election has been terminated. We respectfully advise the Staff that none of the entities within our corporate structure has elected to be taxed as an S corporation; however, we do understand, based on the Staff's comment, that this concept could be applied by analogy to a change in the tax status of a limited liability company ("LLC") due to its similar "pass-through" structure.

In consideration of this concept, the Company respectfully advises the Staff that the reorganization transactions were enacted to effect the Australian IPO, and, as it relates to the applicability of SAB Topic 4:B, there were two stages of the reorganization transactions that were carefully considered:

In the first stage of the reorganization transactions, Coronado HoldCo LLC was converted into Coronado Global Resources Inc. (a C corporation), which we considered as a standalone, voluntary change in tax status. At the time of the conversion, Coronado Global Resources Inc.'s wholly—owned foreign subsidiaries were considered taxable corporations in Australia and the United States by virtue of being disregarded entities, and there were no undistributed earnings in Coronado Global Resources Inc. It is, therefore, our belief that there should be no reclassification of retained earnings in respect of this stage of the reorganization transactions as there were no undistributed earnings at the time of conversion.

In the second stage of the reorganization transactions, Coronado Group LLC contributed the membership interests in the US LLCs to Coronado Global Resources Inc., the receiving entity. This was accounted for as a combination of entities under common control in which the assets and liabilities were recorded at the carrying value of the transferring entity, Coronado Group LLC. This represented a continuation of the ongoing business and, accordingly, the financial statements of the receiving entity have been adjusted retrospectively. Prior to the reorganization transactions, the US LLCs were treated as disregarded entities for U.S. income tax purposes with earnings passed through to, and taxed at, the member level. Following the reorganization transactions, the US LLCs continue to be treated as disregarded entities; however, because the membership interests in these entities were contributed to a C corporation, which is taxed at the entity level, the Company recognized deferred taxes arising from the excess of book basis over tax basis of the membership interests in the contributed entities, which was a direct result of the common control transaction, as opposed to a standalone change in tax status.

Because there has been no change or termination of the election of the tax status of the US LLCs, we respectfully advise the Staff that we believe that our current presentation of the consolidated financial statements and related disclosures have been fairly presented in all material respects in conformity with the financial reporting framework and disclosure requirements outlined by the SEC and US GAAP.

3. The current presentation demonstrates compliance with Australian tax law.

Coronado Global Resources Inc. is a U.S.-domiciled entity incorporated in the State of Delaware. For tax purposes, it is considered a tax resident in both the United States and Australia (a “dual tax resident”) and, as such, is subject to tax regulation in both jurisdictions. Under Division 197 of the Australian Income Tax Assessment Act 1997 (“Australian tax law”), there are specific provisions that are intended to regulate the integrity of a company’s share capital account and are designed to prevent a company from transferring profits into a share capital account and ultimately from distributing profits to shareholders disguised as non-assessable capital distributions. These rules, collectively, are referred to as “share capital account tainting rules” and are applicable to Coronado Global Resources Inc. as a standalone entity. If retained earnings were reclassified into additional paid-in capital, this could potentially result in tainting of the share capital account. If distributions are illegally paid out of tainted share capital, there are adverse consequences for both the Company and for its shareholders.

We respectfully advise the Staff that the presentation of our Consolidated Statements of Stockholders’ Equity/Members Capital has been prepared with careful consideration of these provisions of Australian tax law. We have therefore determined that additional paid-in capital should be presented separately from retained earnings, including those retained earnings which were generated prior to the reorganization transactions, so it clearly demonstrates that our share capital account has not been comingled or combined with any other account which could possibly taint our share capital account.

We believe that our current presentation plays a critical part in our ability to demonstrate compliance with the statutory tax requirements of Australia and ensure that any distributions made to shareholders are made legally and in full compliance with all relevant laws and regulations. We note that our presentation provides additional information to the reader which helps us show compliance with these Australian tax requirements.

Unaudited Pro Forma Combined Financial Information, page F-103

15. *Please revise to include adjustments to convert Curragh’s IFRS financial statements to US GAAP with a US GAAP subtotal for Curragh appearing before pro forma adjustments. Refer to Rule 11-02 of Regulation S-X.*

Response: In response to the Staff’s comment, we respectfully advise the Staff that we have revised our disclosure on page F-126 regarding our Unaudited Pro Forma Combined Financial Information to include adjustments to convert Curragh’s IFRS financial statements to US GAAP with a US GAAP subtotal for Curragh appearing before pro forma adjustments.

Exhibits

16. *Please file your agreements with Stanwell Corporation Limited, your mining services contract with Thiess Pty Ltd., your rail haulage agreements, your coal sales agreements with Xcoal and the office sharing agreement, or provide your analysis as to why such agreements are not required to be filed. Refer to Item 601(b)(10) of Regulation S-K.*

Response: In response to the Staff's comment, we have filed the following agreements with Stanwell Corporation Limited: (i) Amended Coal Supply Agreement, dated as of November 6, 2009, by and between Stanwell Corporation Limited and Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd), (ii) Deed of Amendment to the Amended Coal Supply Agreement, dated as of November 21, 2018, by and between Stanwell Corporation Limited and Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd), and (iii) Curragh Mine New Coal Supply Deed, dated August 14, 2018, by and between Stanwell Corporation Limited and Coronado Curragh Pty Ltd, as exhibits to Amendment No. 1. We respectfully advise the Staff that we do not believe that our mining services contract with Thiess Pty Ltd., our rail haulage agreements, our coal sales agreements with Xcoal or the office sharing agreement are required to be filed as material agreements pursuant to Item 601(b)(10) of Regulation S-K.

Item 601(b)(10)(i) of Regulation S-K defines a material contract, in relevant part, as a "contract not made in the ordinary course of business which is material to the registrant . . . ." Item 601(b)(10)(ii) of Regulation S-K states that a contract that "ordinarily accompanies the kind of business conducted by the registrant and its subsidiaries" shall be deemed to have been made "in the ordinary course," unless it falls within one of several categories. A contract that falls within any such category must be filed as a material contract except where it is "immaterial in amount or significance." To these points, our ordinary course of business involves the production, marketing, and export of metallurgical and thermal coal. As such, and as further described below, the following agreements ordinarily accompany our business and do not meet any of the relevant criteria to require filing under Item 601(b)(10) of Regulation S-K.

Thiess Pty. Ltd. Agreements ("Thiess")

As disclosed in Amendment No. 1, Thiess provides services to our Australian operations related to overburden removal and general fleet maintenance (the "Part A Services"), and fleet relocation, maintenance, and ultra-class truck services (the "Part B Services"). Soil removal and fleet maintenance contracts are common throughout our industry and implicit in conducting our operations. Thus, we believe that these agreements are ones that "ordinarily accompan[y] the kind business conducted" by our company under Item 601(b)(10)(ii) of Regulation S-K.

Furthermore, we do not believe that our business is "substantially dependent" on the mining services contracts with Thiess for the following reasons:

- we utilize several third-party service providers for our mining operations, including Thiess, none of which are individually significant to our operations;
- we believe that in the event of a disruption with any of our service providers, we could contract replacement service providers without significant expense or delay;
- as disclosed in Amendment No. 1, the Part A Services are set to continue only until June 30, 2019, and the Part B Services are terminable at will; and
- as disclosed in Amendment No. 1, we are currently in the process of evaluating bids for a new contracts to replace our current contracts with Thiess.

Therefore, we do not believe that we are required to file our mining services contracts with Thiess as material agreements pursuant to Item 601(b)(10) of Regulation S-K.

Rail Haulage Agreements

Rail haulage agreements for the shipment of coal are common throughout the coal mining industry and implicit in our business model as a coal company. Thus, we believe that these agreements are ones that “ordinarily accompan[y] the kind business conducted” by our company under Item 601(b)(10)(ii) of Regulation S-K.

Furthermore, we do not believe that our business is “substantially dependent” on any single rail haulage agreement. There is no bright line test under Item 601(b)(10)(ii)(B) to determine whether a company is substantially dependent on a particular contract or agreement. Although rail transportation is necessary for the shipment of our coal and important to our business in the aggregate, no single shipping arrangement is individually of material significance to our company either quantitatively or qualitatively.

Additionally, our rail haulage agreements contain market-based pricing and other industry-standard provisions. As such, in the event of contract termination, we believe that we would be able to secure transportation for our coal on substantially similar economic terms.

Therefore, we do not believe that we are required to file our rail haulage agreements as material agreements pursuant to Item 601(b)(10) of Regulation S-K.

Xcoal Agreements

In addition to the following, we refer the Staff to our response to the Staff’s comment 1 above.

As disclosed in Amendment No. 1, we sell a portion of our coal through intermediaries, including brokers such as Xcoal. We have entered into, and intend to enter into, coal sales arrangements with Xcoal, primarily on an ad hoc (shipment-by-shipment) basis pursuant to individual purchase orders. During 2018, we entered into a one-year agreement with Xcoal for the sale of metallurgical coal from our Logan mine, which agreement terminated in March 2019. One of our directors, Ernie Thrasher, is the founder, Chief Executive Officer and Chief Marketing Officer of Xcoal.

Coal sale agreements with brokers, such as Xcoal, are common throughout our industry and implicit in conducting our operations. Thus, we believe that these agreements are ones that "ordinarily accompan[y] the kind business conducted" by our company under Item 601(b)(10)(ii) of Regulation S-K.

As noted above, we primarily sell coal to Xcoal on an ad hoc (shipment-by-shipment) basis pursuant to individual purchase orders. Although there is no bright line test under Item 601(b)(10)(ii)(B) of Regulation S-K to determine whether a company is substantially dependent on a particular contract or agreement, we do not consider any one purchase order with Xcoal to cover the sale of the "major part" of our coal production. Accordingly, we do not believe that our business is "substantially dependent" on any individual purchase order with Xcoal for the following reasons:

- our sales to Xcoal are primarily on an ad hoc (shipment-by-shipment) basis pursuant to individual purchase orders, and, although our business with Xcoal is important in the aggregate, no single purchase order is individually of material significance to our company either quantitatively or qualitatively;
- although each purchase order includes product specifications for the particular shipment, the product specifications for each purchase order are established on an order-by-order basis and we have the ability to accept or reject terms presented by Xcoal and utilize other third-party providers as warranted; and
- each purchase order includes pricing terms based in reference to a benchmark index, and, given the strength of the metallurgical coal market, we would expect the material terms of purchase orders with other third-party providers, or with direct purchasers in the spot market, if applicable, to be materially consistent with the terms of our purchase orders with Xcoal.

We further advise the Staff that each purchase order includes certain transaction-specific product specifications, such as product type, quantity, delivery period, quality (including moisture, ash and sulfur content) and price, as well as standard terms and conditions with respect to acceptance, delivery, transportation, inspection, assignment, taxes and performance failure. As noted above, although each purchase order includes such product specifications, the particular product specifications for each purchase order are established on an order-by-order basis, and we have the ability to accept or reject terms presented by Xcoal and utilize other third-party providers as warranted.

As noted above, during 2018, we entered into a one-year agreement with Xcoal for the sale of metallurgical coal from our Logan mine, which agreement terminated in March 2019. The material terms of this agreement were substantially similar to our individual purchase orders with Xcoal, although the agreement was for a one-year term (April 2018 through March 2019). Sales under this agreement represented approximately 0.72% of our total coal revenue for 2018. Accordingly, we do not consider such agreement to cover the sale of the "major part" of our coal production, and we do not believe that our business is "substantially dependent" on such agreement.

As disclosed in Amendment No. 1, one of our directors, Ernie Thrasher, is the founder, Chief Executive Officer and Chief Marketing Officer of Xcoal. Item 601(b)(10)(ii) of Regulation S-K provides, in part, that "[a]ny contract to which directors . . . are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price" . . . "shall be filed except where immaterial in amount or significance." As noted above, the individual purchase orders with Xcoal include pricing terms based in reference to a benchmark index. Furthermore, as noted above, our sales to Xcoal are primarily on an ad hoc (shipment-by-shipment) basis pursuant to individual purchase orders, and no single purchase order is individually of material significance to our company either quantitatively or qualitatively.

Due to the reasons set forth above, we do not believe that we are required to file any individual purchase orders or coal purchase agreements with Xcoal as material agreements pursuant to Item 601(b)(10) of Regulation S-K.

Office Sharing Agreement with Imagin Minerals, Inc. ("Imagin")

As disclosed in Amendment No. 1, we are a party to an oral office sharing arrangement with Imagin whereby we have the right to utilize Imagin's premises and to jointly utilize office resources, including office personnel. As disclosed in Amendment No. 1, Imagin is wholly-owned by Mr. Garold Spindler, our Managing Director and Chief Executive Officer.

Arranging for office space and personnel is necessary for our business to function. Thus, we believe that this arrangement is one that “ordinarily accompanies the kind business conducted” by our company under Item 601(b)(10)(ii) of Regulation S-K. Furthermore, Item 601(b)(10)(ii) of Regulation S-K provides, in part, that “[a]ny contract to which directors [or officers] . . . are parties other than contracts involving only the purchase or sale of current assets having a determinable market price, at such market price” . . . “shall be filed except where immaterial in amount or significance.” The office sharing agreement with Imagin is immaterial in both amount and significance. Our expenses incurred under this arrangement for the years ended December 31, 2018, 2017 and 2016 totaled $0.1 million, $0.1 million and $0.0 million, respectively. This represents approximately 0.006%, 0.016%, and 0% of our total operating expenses in each period. Further, we would be readily able to locate alternative office space at comparable pricing levels if this arrangement was terminated.

Due to the reasons set forth above, we do not believe that we are required to file the office sharing agreement with Imagin pursuant to Item 601(b)(10) of Regulation S-K. Further, we respectfully advise the Staff that we have revised our disclosure on page 147 to clarify that this is an oral arrangement.

In connection with the above responses, the Company acknowledges that the Company is responsible for the adequacy and accuracy of the disclosure in its filings.

If you have any questions regarding these matters, please do not hesitate to contact the undersigned at (681) 207-7268.

Sincerely,

/s/ Richard Rose

Richard Rose
Vice President, Chief Legal Officer and Secretary

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As filed with the Securities and Exchange Commission on June 14, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 1
to

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934

Coronado Global Resources Inc.
(Exact name of registrant as specified in its charter)

Delaware	**83-1780608**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 Bill Baker Way
Beckley, West Virginia 25801
(Address of principal executive offices) (Zip Code)

(681) 207-7263
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:
None

Securities to be registered pursuant to Section 12(g) of the Act:

Common Stock, par value $0.01 per share
(Title of class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial standards provided pursuant to Section 13(a) of the Exchange Act ☐

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EXPLANATORY NOTE

Pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, we are filing this General Form for Registration of Securities on Form 10, or this registration statement, to register our common stock, par value $0.01 per share, or common stock. The common stock is publicly traded on the Australian Securities Exchange, or the ASX, under the ticker "CRN" in the form of CHESS Depositary Interests, or CDIs. CDIs are units of beneficial ownership in shares of our common stock held by CHESS Depositary Nominees Pty Limited, or CDN, a subsidiary of ASX Limited, the company that operates the ASX. The CDIs entitle holders to dividends, if any, and other rights economically equivalent to shares of our common stock on a 10-for-1 basis, including the right to attend stockholders' meetings. The CDIs are also convertible at the option of the holders into shares of our common stock on a 10-for-1 basis, such that for every ten CDIs converted, a holder will receive one share of common stock. CDN, as the stockholder of record, will vote the underlying shares in accordance with the directions of the CDI holders.

This registration statement will become effective automatically by lapse of time 60 days from the date of the original filing pursuant to Section 12(g)(1) of the Exchange Act or within such shorter period as the Securities and Exchange Commission, or the SEC, may direct. As of the effective date, we will be subject to the requirements of Regulation 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

Unless otherwise noted, references in this registration statement to "we," "us," "our," "Company," or "Coronado" refer to the Coronado Group (as described below) prior to the Reorganization Transaction (as described below) and Coronado Global Resources Inc., a Delaware corporation, and its consolidated subsidiaries after the Reorganization Transaction.

All production and reserves amounts contained in this registration statement are expressed in metric tons, or Mt, millions of metric tons, or MMt, or millions of metric tons per annum, or MMtpa, except where otherwise stated. One Mt (1,000 kilograms) is equal to 2,204.62 pounds and is equivalent to 1.10231 short tons. In addition, all dollar amounts contained herein are expressed in United States dollars, or US$, except where otherwise stated. References to "A$" are references to Australian dollars, the lawful currency of the Commonwealth of Australia. Some numerical figures included in this registration statement have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not equal the sum of the figures that precede them.

MARKET AND INDUSTRY DATA

This registration statement contains statistics, data and other information (including forecasts and projections) relating to the industries, segments and end markets in which we operate. Such information includes, but is not limited to, statements, statistics and data relating to product segment and market share, estimated historical and forecast market growth, market sizes and trends, and our estimated market share and our industry position. We have obtained significant portions of such information from databases and research prepared by third parties. Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Although we are responsible for all of the disclosure contained in this registration statement, and we believe the industry and market data to be reliable as of the date of this registration statement, this information could prove to be inaccurate.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This registration statement contains "forward-looking statements" concerning our business, operations, financial performance and condition, the coal, steel and other industries, as well as our

plans, objectives and expectations for our business, operations, financial performance and condition. Forward-looking statements may be identified by words such as "may," "could," "believes," "estimates," "expects," "intends," "considers" and other similar words.

Any forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in these statements, many of which are beyond our control. Such forward-looking statements are based on an assessment of present economic and operating conditions on a number of best estimate assumptions regarding future events and actions. These factors are difficult to accurately predict and may be beyond our control. Factors that could affect our results or an investment in our securities include, but are not limited to:

- the prices we receive for our coal;
- the demand for steel products, which impacts the demand for our metallurgical coals;
- risks inherent to mining;
- the loss of, or significant reduction in, purchases by our largest customers;
- our ability to collect payments from our customers depending on their creditworthiness, contractual performance or otherwise;
- our ability to continue acquiring and developing coal reserves that are economically recoverable;
- uncertainties in estimating our economically recoverable coal reserves;
- transportation for our coal becoming unavailable or uneconomic for our customers;
- the risk that we may be required to pay for unused capacity pursuant to the terms of our take-or-pay arrangements with rail and port operators;
- our ability to retain key personnel and attract qualified personnel;
- any failure to maintain satisfactory labor relations;
- our ability to obtain, renew or maintain permits and consents necessary for our operations;
- potential costs or liability under applicable environmental laws and regulations, including with respect to any exposure to hazardous substances caused by our operations, as well as any environmental contamination our properties may have or our operations may cause;
- extensive regulation of our mining operations and future regulations and developments;
- our ability to provide appropriate financial assurances for our obligations under applicable laws and regulations;
- assumptions underlying our asset retirement obligations for reclamation and mine closures;
- concerns about the environmental impacts of coal combustion, including perceived impacts on global climate issues, which could result in increased regulation of coal combustion in many jurisdictions and divestment efforts affecting the investment community;
- the extensive forms of taxation that our mining operations are subject to, and future tax regulations and developments;

- risks unique to international mining and trading operations;

- any cyber-attacks or other security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us, our customers or other third parties;
- a decrease in the availability or increase in costs of key supplies, capital equipment or commodities, such as diesel fuel, steel, explosives and tires;
- unfavorable economic and financial market conditions;
- the risk that we may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets;
- risks related to divestitures and acquisitions;
- our indebtedness and ability to comply with the covenants under the agreements governing such indebtedness;
- our ability to generate sufficient cash to service all of our indebtedness or other obligations;
- the risk that diversity in interpretation and application of accounting principles in the mining industry may impact our reported financial results; and
- other risks and uncertainties described in Item 1A. "Risk Factors."

We make many of our forward-looking statements based on our operating budgets and forecasts, which are based upon detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

See Item 1A. "Risk Factors" and elsewhere in this registration statement for a more complete discussion of the risks and uncertainties mentioned above and for discussion of other risks and uncertainties we face that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements, as well as others made in this registration statement and hereafter in our other filings with the SEC and public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

We caution you that the risks and uncertainties identified by us may not be all of the factors that are important to you. Furthermore, the forward-looking statements included in this registration statement are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by applicable law.

ITEM 1. BUSINESS.

Overview

We are a global producer, marketer and exporter of a full range of metallurgical coals. We own a portfolio of operating mines and development projects in Queensland in Australia and Virginia, West Virginia and Pennsylvania in the United States.

Our operations in Australia, or our Australian Operations, consist of the 100%-owned Curragh producing mining property located in the Bowen Basin of Australia. Our operations in the United States, or our U.S. Operations, comprise three producing mining properties (Buchanan, Logan and Greenbrier), two development mining properties (Pangburn-Shaner-Fallowfield and Russell County) and one idle mining property (Amonate), primarily located in the Central Appalachian region of the United States, or CAPP, all of which are 100%-owned. Our U.S. Operations and Australian Operations include eleven actively producing mines that are strategically located for access to transportation infrastructure. In addition to metallurgical coal, our Australian Operations sell thermal coal, which is used to generate electricity, to Stanwell Corporation Limited, or Stanwell, a Queensland government-owned entity and the operator of the Stanwell Power Station located near Rockhampton, Queensland. Our U.S. Operations also produce and sell some thermal coal that is extracted in the process of mining metallurgical coal.

Our business profile primarily focuses on the production of metallurgical coal for the North American and seaborne export markets. Metallurgical coal and thermal coal sales represented approximately 79% and 21%, respectively, of our total volume of coal sold for the year ended December 31, 2018. In 2018, we were the fifth largest metallurgical coal producer globally by export volume and the largest metallurgical coal producer in the United States by production volume. In addition, export sales as a percentage of our total sales for the year ended December 31, 2018 were approximately 69%.

To support our operations, we have proven and probable coal reserves totaling 710.5 MMt as of December 31, 2018. For more information regarding our coal reserves, see Item 3. "Properties."

History and Australian IPO

We were founded in 2011 by Garold Spindler, James Campbell and a fund affiliated with The Energy & Minerals Group, or EMG, with the intention of evaluating, acquiring and developing metallurgical coal properties. EMG was founded in 2006 by John T. Raymond (co-founding partner and chief executive officer) and John Calvert (co-founding partner and president). EMG focuses on investing across various facets of the global natural resource industry.

Since 2011, Coronado Coal LLC, a Delaware limited liability company, and other affiliated entities, including Coronado Group LLC, a Delaware limited liability company, which we refer to, collectively, as Coronado Group, have grown the scale and platform of our current operations principally from four acquisitions:

- in 2013, Coronado Group acquired Greenbrier from Lehman Brothers;
- in 2014, Coronado Group acquired Logan from Cliffs Natural Resources Inc. (now known as Cleveland-Cliffs Inc.);
- in 2016, Coronado Group acquired Buchanan from CONSOL Energy Inc., or CONSOL Energy; and
- in 2018, Coronado Group acquired Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd), including the Curragh producing mining property, from Wesfarmers Ltd, or Wesfarmers.

Prior to a corporate reorganization in August 2018, or the Reorganization Transaction, Coronado Group HoldCo LLC, a Delaware limited liability company and the holding company of our Australian Operations, was a wholly-owned subsidiary of Coronado Group LLC. In connection with the Reorganization Transaction, (i) Coronado Group HoldCo LLC was converted into Coronado Global Resources Inc., a Delaware corporation, in August 2018 and (ii) Coronado Group LLC contributed all of the equity ownership in the U.S. Operations to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources Inc. Immediately following the Reorganization Transaction, Coronado Global Resources Inc. remained a wholly-owned subsidiary of Coronado Group LLC, which is currently owned by funds managed by EMG, which we refer to, collectively, as the EMG Group, and certain members of our management.

On October 23, 2018, we completed an initial public offering on the ASX, which we refer to as the Australian IPO, pursuant to which the Company issued and sold the equivalent of 16,651,692 shares of common stock in the form of CDIs and the EMG Group, through Coronado Group LLC, sold the equivalent of 2,691,896.4 shares of common stock in the form of CDIs.

Following the Australian IPO, the EMG Group and management beneficially own approximately 80% of the issued and outstanding shares of our common stock through their ownership of Coronado Group LLC, our controlling shareholder. The remaining 20% is owned by public investors in the form of CDIs traded on the ASX. In addition, Coronado Group LLC holds one share of preferred stock Series A, par value $0.01 per share, of the Company, or the Series A Share, which is the only share of preferred stock issued and outstanding. The holder of the Series A Share is permitted to nominate and elect members of our Board of Directors in relation to the level of the holder's aggregate beneficial ownership of shares of our common stock. In connection with the Australian IPO, Coronado Group LLC entered into a voluntary escrow agreement under which it agreed, among other things, to certain restrictions and prohibitions from engaging in transactions involving the shares of our common stock that it holds for a restricted period ending on the first business day after the release of our results for the year ending December 31, 2019, subject to certain exceptions.

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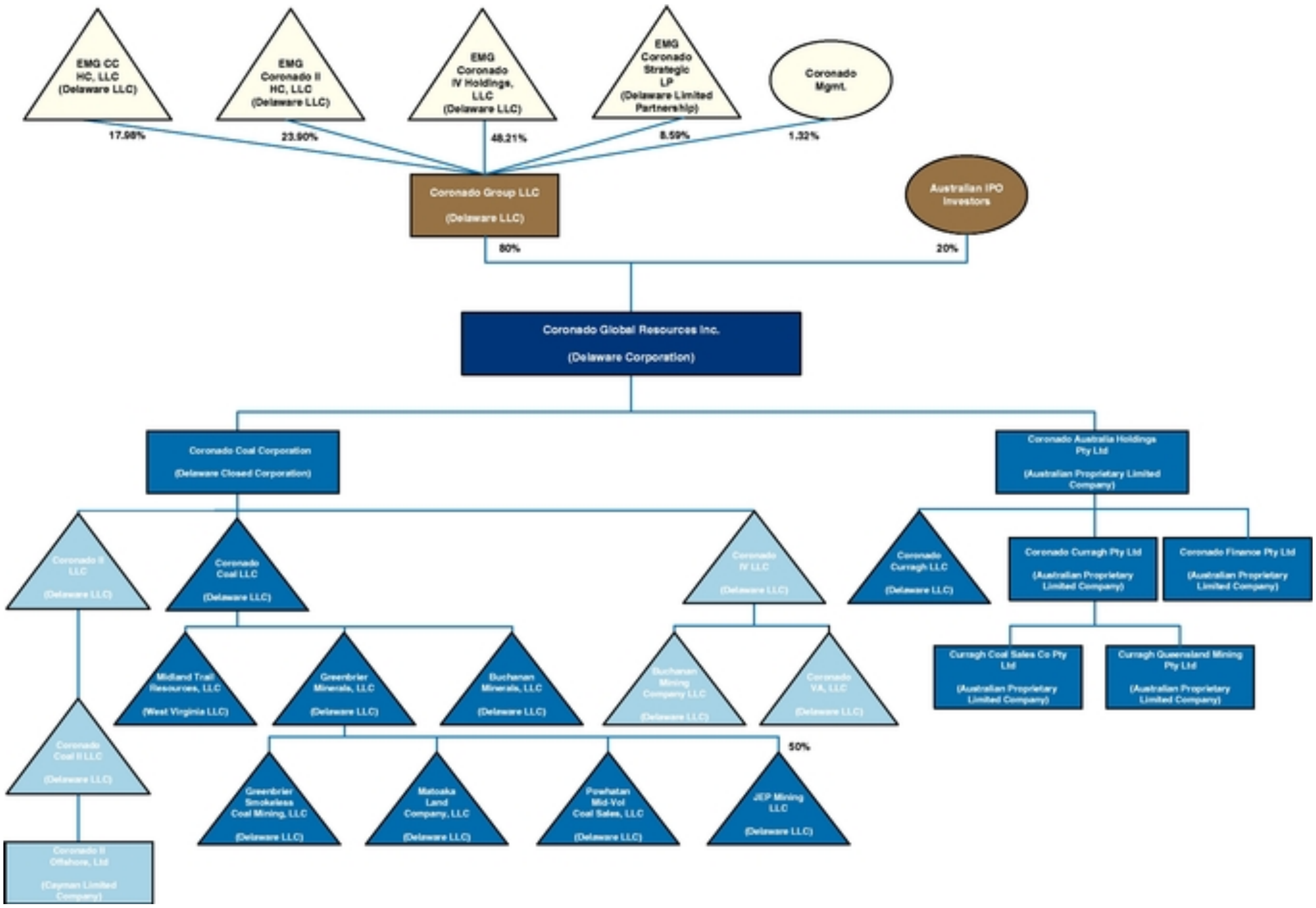
Organizational Structure

The following chart shows our current organizational structure:



Overview of Operations

Metallurgical coal

Sales of metallurgical coal represented approximately 91% of our revenues in 2018. Most of the metallurgical coal that we produce is sold, directly or indirectly, to steel producers. The steel industry's demand for metallurgical coal is affected by several factors, including the cyclical nature of that industry's business, general economic conditions and demand for steel, tariffs on steel and steel products, technological developments in the steelmaking process and the availability and cost of substitutes for steel, such as aluminum, composites and plastics. We compete based on coal quality and characteristics, price, customer service and support and reliability of supply. Seaborne metallurgical coal import demand can be significantly impacted by the availability of indigenous coal production, particularly in the leading metallurgical coal import countries of China, India and Brazil, among others, and the competitiveness of seaborne metallurgical coal supply, including from the leading metallurgical coal exporting countries of Australia, the United States, Russia, Canada and Mongolia, among others.

Thermal Coal

Sales of thermal coal represented approximately 6% of our revenues in 2018. The thermal coal that we produce is sold, directly or indirectly, to power stations, including Stanwell, as an energy source in the generation of electricity. Demand for our thermal coal products is impacted by economic conditions, environmental regulation, demand for electricity, including

products, and the cost of electricity generation from alternative fuels. Our thermal coal products primarily compete with producers of other forms of electric generation, including natural gas, oil, nuclear, hydro, wind, solar and biomass, that provide an alternative to coal use.

Segments

In accordance with Accounting Standards Codification, or ASC, Topic 280, *Segment Reporting*, we have adopted the following reporting segments:

- Curragh;
- Buchanan;
- Logan; and
- Greenbrier.

In addition, "Corporate and other" is not a reporting segment but is disclosed for the purposes of reconciliation to our consolidated financials.

These segments are grouped based on geography and reflect how we currently monitor and report the results of the business to the Chief Executive Officer who is our chief operating decision maker, or CODM, the Chief Operating Officer and the Chief Financial Officer. Factors affecting and differentiating the financial performance of each of these four reportable segments generally include coal quality, geology, coal marketing opportunities, mining and transportation methods and regulatory issues. We believe this method of segment reporting reflects the way our business segments are currently managed and the way the performance of each segment is evaluated. The four segments consist of similar operating activities as each segment produces similar products.

Overview of Australian Operations—Curragh

Curragh is located in Queensland's Bowen Basin, one of the world's premier metallurgical coal regions. Curragh has been operating since 1983, and in 2018 was the sixth largest metallurgical coal mining property in Australia by production. Curragh produces a variety of high-quality, low-ash metallurgical coal products. Metallurgical coals are primarily used in the manufacture of coke, which is used in the steel-making process, as well as direct injection into a blast furnace as a replacement for coke. These metallurgical coal products are exported globally to a diverse customer base located primarily in Asia. Curragh also produces thermal coal. Thermal coal is used primarily as an energy source in the generation of electricity. The thermal coal produced at Curragh is primarily sold domestically under a long-term contract to Stanwell, with a limited amount being exported. For the year ended December 31, 2018, 74.3% of the total volume of coal sold by our Australian Operations was metallurgical coal and 25.7% of the total volume of coal sold by our Australian Operations was thermal coal. See Item 3. "Properties" for more information regarding Curragh.

Overview of U.S. Operations—Buchanan, Logan and Greenbrier

Our producing mining properties in the United States are located in the CAPP in Virginia and West Virginia, which is a highly-developed, active, coal-producing region. Our three producing mining properties in the United States are Buchanan, Logan and Greenbrier. Coal produced by our U.S. Operations is consumed regionally by North American steel producers or exported by seaborne transportation to steel producers (primarily in Europe, South America and Asia). For the year ended December 31, 2018, 90.0% of the total coal produced by our U.S. Operations was metallurgical coal and 10.0% was thermal coal. See Item 3. "Properties" for more information regarding Buchanan, Logan, Greenbrier and the other material mining properties that compose our U.S. Operations.

Customers

We sell most of our coal to steel producers, either directly or through intermediaries, such as brokers. We also sell thermal coal to electricity generators. Major consumers of our seaborne metallurgical coal in 2018 were located in India, Japan, South Korea, Taiwan, Brazil, China and the European Union. These consumers are all major global steel producers. The majority of our sales are made on a spot basis or under contracts with terms of typically one year. For the year ended December 31, 2018, our top ten customers comprised 70% of our total revenue and our top five customers comprised 51% of our total revenue. For the year ended December 31, 2018, sales to Xcoal Energy & Resources, LLC, or Xcoal, and Tata Steel Limited, or Tata Steel, represented approximately 23% and 12%, respectively, of our total revenue.

Australia Sales and Marketing

Revenues from our Australian Operations represented approximately 59% of our total revenue for the year ended December 31, 2018. Revenues from metallurgical and thermal coal sales represented approximately 91% and 6%, respectively, of total revenues from our Australian Operations for the year ended December 31, 2018.

Curragh metallurgical coal sales are typically made directly to international steel producers. Our Australian Operations sold 6.8 MMt of export metallurgical coal (being 74% of our Australian Operations' total produced coal) into the seaborne coal markets in the period from our acquisition of Curragh on March 29, 2018 to December 31, 2018. The majority of customers purchase multiple grades or products and have purchased Curragh coal continuously through all stages of the coal/commodity pricing cycle. Curragh metallurgical coal sales have typically been entered into on annual contracts negotiated by our Australian Operations' sales managers, with pricing negotiated on a quarterly basis with reference to benchmark indices or bilaterally negotiated term prices and spot indices. Our Australian Operations have maintained a high level of contract coverage against planned production. In 2018, approximately 89% of Curragh's metallurgical coal export sales were made under term contracts (with the balance sold on framework contracts that do not involve a binding commitment to supply, or in the spot market).

Stanwell

We are party to contractual arrangements with Stanwell, including a coal supply agreement, or the CSA, and the Curragh Mine New Coal Supply Deed, dated August 14, 2018, or the Supply Deed.

Under the CSA, we deliver thermal coal from Curragh to Stanwell at an agreed price and quantity. Stanwell may vary its intake of thermal coal each year, and the total quantity to be delivered to Stanwell cannot be precisely forecast. The coal that we supply to Stanwell constitutes the majority of the thermal coal production from Curragh. Our cost of supplying coal to Stanwell was greater than the price paid by Stanwell for the period following our acquisition of Curragh through December 31, 2018. See Item 1A. "Risk Factors—Take-or-pay arrangements within the coal industry could unfavorably affect our profitability."

Under the CSA, we also share part of the revenue earned from export metallurgical coal sales (from particular Tenements (as defined below)) with Stanwell through various rebates. The most material rebate is the export price rebate, which is linked to the realized export coal price for a defined metallurgical coal product, as follows:

- For the first 7.0 MMtpa of export coal sales: when the 12-month trailing, weighted-average realized export coal price exceeds A$68 per Mt (as of June 2018; escalated quarterly at 1% per annum), or the Tier 1 Rebate Coal Floor Price, we will pay a rebate of 25% of the difference between the realized export coal price and the Tier 1 Rebate Coal Floor Price.

- For export coal sales above 7.0 MMtpa: when the 12-month trailing, weighted-average realized export coal price exceeds A$115 per Mt (as of June 2018; escalated quarterly at the applicable consumer price index rate), or the Tier 2 Rebate Coal Floor Price, we will pay a rebate of 10% of the difference between the realized export coal price and the Tier 2 Rebate Coal Floor Price.

The CSA also provides for:

- a tonnage rebate to Stanwell of A$0.70 per Mt (as of June 2018; escalated quarterly at 1% per annum) on the first 7.0 MMtpa of export coal sales and A$0.70 per Mt (as of June 2018; escalated quarterly at the applicable consumer price index rate) on export coal sales above 7.0 MMtpa; and

- a rebate of A$2.00 (as of June 2018; escalated quarterly at the applicable consumer price index rate) on run-of-mine, or ROM, coal mined in the Curragh "Pit U East Area."

The total Stanwell rebate for the year ended December 31, 2018 was $127.7 million and has been included in the consolidated statements of operations included elsewhere in this registration statement.

The Supply Deed grants us the right to mine the coal reserves in the Stanwell Reserved Area, or the SRA. In exchange, we agreed to certain amendments to the CSA and to enter into a new coal supply agreement, or the NCSA, upon the expiration of the CSA (which is expected to occur in 2027). The consideration for the access to the SRA will be deferred and payable as a discount to the market value of thermal coal over the term of the NCSA. The net present value of the deferred consideration was approximately $160.9 million as of March 31, 2019. Further, export rebates on sales of metallurgical coal will no longer be payable on commencement of the NCSA. The other specific terms and conditions are currently being negotiated with Stanwell. These negotiations notwithstanding, we have full access to the SRA.

If the parties do not agree to the full terms of the NCSA documentation by June 30, 2019, the terms will be determined by an expert, based on the terms of a binding terms sheet contained in the Supply Deed, or the Binding Terms Sheet, and the CSA, which is currently in place. See Item 1A. "Risk Factors—Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations."

U.S. Sales and Marketing

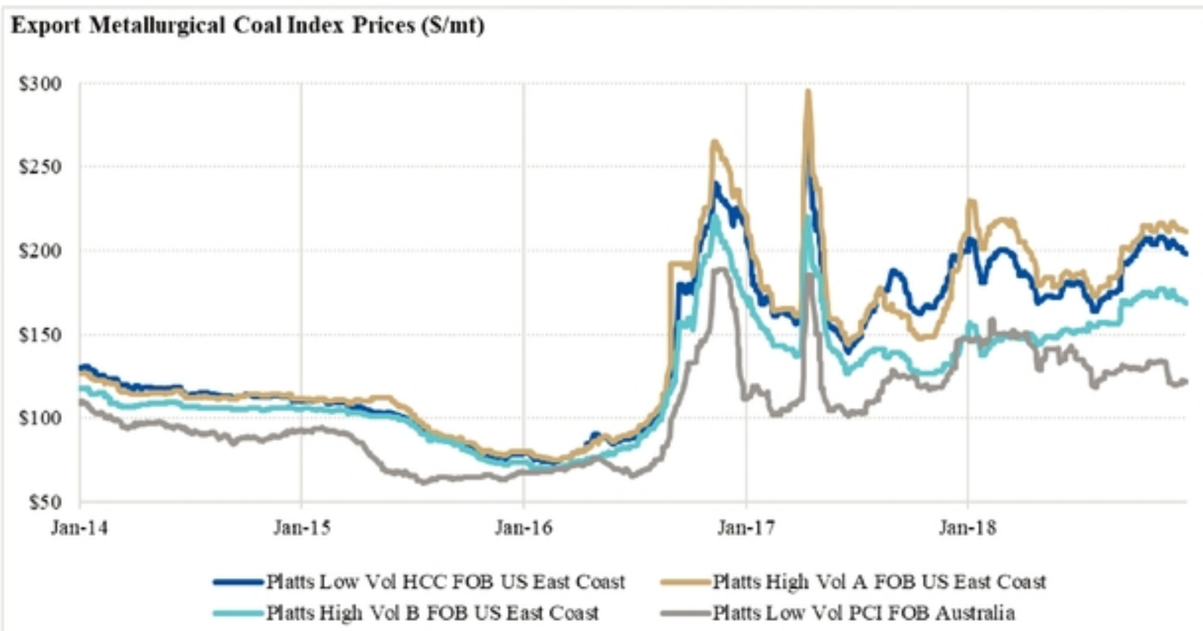
Revenues from our U.S. Operations, in the aggregate, represented approximately 41% of our total revenue for the year ended December 31, 2018. Revenues from metallurgical and thermal coal sales represented approximately 93% and 6%, respectively, of total revenues from our U.S. Operations for the year ended December 31, 2018.

We sell metallurgical coal products from our U.S. Operations primarily to export markets, as well as to North American steel producers and coke producers. We sold approximately 59%, 58% and 58% of total produced coal from our U.S. Operations into the seaborne metallurgical coal markets for the years ended December 31, 2018, 2017 and 2016, respectively. Logan and Greenbrier also produce thermal coal, which is sold predominantly to global export markets, as well as within North America.

Sales from our U.S. Operations to export markets are typically priced with reference to a benchmark index. Our U.S. Operations predominantly access the export metallurgical coal market through Xcoal as the intermediary. In 2018, sales to Xcoal represented approximately 52% of revenue from our U.S. Operations. Purchase orders with Xcoal are entered into primarily on an ad hoc (shipment-by-shipment) basis. Xcoal, as well as other customers, typically take ownership of coal upon loading into the rail car and are responsible for handling transportation logistics to the port and beyond.

Sales made by our U.S. Operations' sales team to North American steel producers are primarily pursuant to annual contracts. These annual contracts reflect fixed prices set for the entire year with reference to several factors, including benchmark export prices and forward curves. The fixed-price nature of these annual contracts provides us with visibility on our future revenues, as compared to spot sales or sales priced with reference to a benchmark index. For 2019, we have entered into annual contracts to sell approximately 2.0 MMt metallurgical coal with North American steel producers. Several legacy contracts were assumed in connection with the Buchanan acquisition, of which two remain and expire in 2019 and 2020, respectively. During periods of stable and rising prices, we strive to take advantage of the spot market. Spot export contracts are negotiated throughout the year. Market sales are pursued depending on available supply and market demand.

The chart below shows the five-year historical benchmark coal pricing for metallurgical coal used by our U.S. Operations.



For our U.S. Operations, the benchmark pricing included in the chart above is not necessarily indicative of the price we realize for the various qualities of metallurgical coal products that we produce and sell due to various factors, including negotiated shipping costs and discounts based on coal quality. We generally sell our seaborne coal through intermediaries Free on Rail (Incoterms 2010), or F.O.R., and, therefore, our realized price does not include transportation to the seaborne port or costs to transload into a vessel. In addition, we sell a portion of our coal in the U.S. domestic market on annual contracts at fixed prices that do not fluctuate with the benchmarks included in the chart above. Price realization on spot coal sales could also be impacted by other coal producers with available supply of similar qualities of metallurgical coal. See Item 1A. "Risk Factors—Our profitability depends upon the prices we receive for our coal. Prices for coal are volatile and can fluctuate widely based upon a number of factors beyond our control."

Transportation

Coal produced at our mining properties is transported to customers by a combination of road, rail, barge and ship. See Item 3. "Properties" for descriptions of the transportation infrastructure available to each of our mining properties. Rail and port services are typically contracted on a long-term, take-or-pay basis in Australia, while these contracts are typically negotiated on a quarterly basis in the United States. See Item 2. "Financial Information—Management's Discussion and Analysis of Financial

Condition and Results of Operations—Liquidity and Capital Resources" for additional information on our take-or-pay obligations.

Australian Operations

For sales of thermal coal to Stanwell, Stanwell is responsible for the transport of coal to the Stanwell Power Station. Export thermal coal represents less than 7% of total thermal coal sold by our Australian Operations. Our Australian Operations typically sell export metallurgical coal Free on Board (Incoterms 2010), or F.O.B., with the customer paying for transportation from the outbound shipping port.

The majority of Curragh's export metallurgical coal is railed approximately 300 kilometers to the Port of Gladstone for export via two main port terminals, RG Tanna Coal Terminal, or RGTCT, and Wiggins Island Coal Export Terminal, or WICET. Curragh also has 0.7 MMt of capacity available in the stockpile area at the Port of Gladstone.

Rail Services

Curragh is linked to the Blackwater rail link of the Central Queensland Coal Network, or CQCN, an integrated coal haulage rail system owned and operated by Aurizon Network Pty Ltd., or Aurizon Network. Curragh has secured annual rail haulage capacity of up to 10.0 MMtpa (plus surge capacity) under two long-term rail haulage agreements with Aurizon Operations Limited, or Aurizon Operations.

The RGTCT Coal Transport Services Agreement with Aurizon Operations is for 8.5 MMtpa of haulage capacity to RGTCT. Curragh pays a minimum monthly charge (components of which are payable on a take-or-pay basis), which is calculated with reference to the below-rail access charges, haulage/freight charges, a minimum annual tonnage charge and other charges. The RGTCT Coal Transport Services Agreement terminates on June 30, 2025, unless extended at our option.

The Wiggins Island Rail Project, or WIRP, Transport Services Agreement with Aurizon Operations is for 1.5 MMtpa of capacity to WICET. This contract is effectively 100% take-or-pay (for both rail haulage and capacity access charges). This agreement expires on June 30, 2025.

The CQCN has recently experienced some disruption and capacity restraints as a result of conduct related to maintenance practices by the network operator, Aurizon Network. See Item 8. "Legal Proceedings."

Port Services

Curragh exports coal through two terminals at the Port of Gladstone, RGTCT and WICET. At RGTCT, we and Gladstone Port Corporation Limited, or GPC, are parties to a coal handling agreement that expires on June 30, 2030. The agreement may be renewed at our request and, subject to certain conditions, GPC is required to agree to the extension if there is capacity at RGTCT to allow the extension. We currently have the right to export between 7.67 MMtpa and 8.67 MMtpa at our nomination on a take-or-pay basis.

We have a minority interest in WICET Holdings Pty Ltd, whose wholly-owned subsidiary, Wiggins Island Coal Export Terminal Pty Ltd, or WICET Pty Ltd, owns WICET. Other coal producers who export coal through WICET also hold shares in WICET Holdings Pty Ltd. In addition, we and the other coal producers (or shippers) have take-or-pay agreements with WICET Pty Ltd and pay a terminal handling charge to export coal through WICET, which is calculated by reference to WICET's annual operating costs, as well as finance costs associated with WICET Pty Ltd's external debt facilities. Our take-or-pay agreement with WICET Pty Ltd, or the WICET Take-or-Pay Agreement, provides Curragh with export capacity of 1.5 MMtpa. The WICET Take-or-Pay Agreement is an "evergreen" agreement, with rolling ten-year terms. If we inform WICET Pty Ltd that we do not wish to continue

to roll the term of the WICET Take-or-Pay Agreement, the term would be set at nine years and the terminal handling charge payable by us would be increased so that our proportion of WICET Pty Ltd's debt is amortized to nil by the end of that nine-year term.

Under the WICET Take-or-Pay Agreement, we are obligated to pay for that capacity via terminal handling charges, whether utilized or not. The terminal handling charge payable by us can be adjusted by WICET Pty Ltd if our share of WICET Pty Ltd's operational and finance costs increases, including because of increased operational costs or because another shipper defaults and has its capacity reduced to nil. The terminal handling charge is subject to a financing cap set out in the terminal handling charge methodology and has already been reached and is in force. If another shipper defaults under its take-or-pay agreement, each remaining shipper is effectively proportionately liable to pay that defaulting shipper's share of WICET Pty Ltd's costs going forward, in the form of increased terminal handling charges.

If we default under the WICET Take-or-Pay Agreement we would be obligated to pay a termination payment to WICET Pty Ltd. The termination payment effectively represents our proportion of WICET Pty Ltd's total debt outstanding, based on the proportion of our contracted tonnage to the total contracted tonnage of shippers at WICET at the time the payment is triggered. Shippers can also become liable to pay the termination payment where there is a permanent cessation of operations at WICET. Since WICET began shipping export tonnages in April 2015, three WICET Holdings Pty Ltd shareholders have entered into administration, resulting in the aggregate contracted tonnage of shippers decreasing from 27 MMtpa to 16 MMtpa.

Under the WICET Take-or-Pay Agreement, we are required to provide security (which is provided in the form of a bank guarantee). The amount of the security must cover our estimated liabilities as a shipper under the WICET Take-or-Pay Agreement for the following 12-month period. If we are in default under the WICET Take-or-Pay Agreement and are subject to a termination payment, WICET Pty Ltd can draw on the security and apply it to amounts owing by us. See Item 1A. "Risk Factors—Risks related to our investment in WICET may adversely affect our financial condition and results of operations" and Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information on our take-or-pay obligations.

U.S. Operations

Our U.S. Operations' domestic contracts are generally priced F.O.R. at the mine with customers bearing the transportation costs from the mine to the applicable end user. For direct sales to export customers, we hold the transportation contract and are responsible for the cost to the export facility, and the export customer is responsible for the transportation/freight cost from the export facility to the destination. A large portion of our U.S. export sales are made through Xcoal and other intermediaries. For these sales, Xcoal or the intermediary typically take ownership of the coal as it is loaded into the railcar. The intermediary is responsible for the rail transportation and port costs.

Rail Services

Rail shipments were involved in approximately 99% of total shipments from our U.S. mining properties in 2018.

Transportation of coal from Buchanan is primarily via Norfolk Southern railway to Lamberts Point Coal Terminal Pier 6 and to CNX Marine Terminal for export customers. In the case of domestic customers, coal is primarily shipped via Norfolk Southern railway either directly to the customers or to barge loading docks.

Coal from Logan and Greenbrier is transported via CSX Transportation Railroad, or CSX, using barge and truck. CSX provides transportation to domestic steel customers and to the CNX Marine Terminal, Kinder Morgan Pier IX Terminal or Dominion Terminal Associates, or DTA, Terminal.

Port Services

Norfolk Southern's Pier 6 is the main terminal at the Lamberts Point Terminal located in Norfolk, Virginia. Pier IX is a coal terminal operated by Kinder Morgan Energy Partners in Newport News, Virginia.

Our U.S. Operations have dedicated inventory capacity at the Kinder Morgan Pier IX Terminal and through-put capacity at Lambert's Point Coal Terminal Pier 6. Our U.S. Operations also have alternate port access through CNX Marine Terminal which is a transshipping terminal at the Port of Baltimore owned by CONSOL Energy.

DTA Terminal is a coal export terminal in the Port of Hampton Roads in Newport News, Virginia. DTA Terminal is 65% owned by Contura Energy and 35% by Arch Coal, and has annual export capacity of 22 MMt.

Kanawha River Terminal is a Norfolk Southern/CSX-served coal terminal located on the Ohio River at mile marker 314.5, Ceredo, West Virginia.

Suppliers

The principal goods we purchase in support of our mining activities are mining equipment and replacement parts, diesel fuel, natural gas, ammonium-nitrate and emulsion-based explosives, off-road tires, steel-related products (including roof control materials), lubricants and electricity. As a general matter, we have many well-established, strategic relationships with our key suppliers of goods and do not believe that we are particularly dependent on any of our individual suppliers.

We also depend on several major pieces of mining equipment and facilities to produce and transport coal, including, but not limited to, longwall mining systems, continuous miners, draglines, dozers, excavators, shovels, haul trucks, conveyors, coal preparation plants, or CPPs, and rail loading and blending facilities. Obtaining and repairing these major pieces of equipment and facilities often involves long lead times. We strive to extend the lives of existing equipment and facilities through maintenance practices and equipment rebuilds in order to defer the requirement for larger capital purchases. We continue to use our global leverage with major suppliers to ensure security of supply to meet the requirements of our active mines. See Item 3. "Properties" for more information about operations at our mining properties.

We use contractors and other third parties for exploration, mining and other services, generally, and are reliant on a number of third parties for the success of our current operations and the advancement of our development projects.

Thiess Mining Services Contract

We currently use Thiess Pty Ltd, or Thiess, as our primary mining contractor for our Australian Operations. We are party to a long-term mining contract, dated February 15, 2010, with Thiess under which Thiess is engaged to provide services for the Australian Operations relating to: overburden removal, general fleet and maintenance services until June 30, 2019, or Part A Services; and fleet relocation, fleet and tire maintenance services and the provision of ultra-class truck services until March 31, 2021, or Part B Services.

Although the parties have agreed to extend the provision of the Part A Services until December 31, 2019, certain terms and conditions remain under discussion between the parties. The

Part B Services can be terminated for convenience, which would trigger the requirement for us to pay a lump-sum termination payment.

At the end of the term of the Part B Services, we must purchase the ultra-class trucks from Thiess at a price determined in accordance with the contract.

We are currently in the process of evaluating bids for a new mining contract to replace our mining contract with Thiess. See Item 1A. "Risk Factors—Our profitability could be affected adversely by the failure of suppliers and/or outside contractors to perform."

Competition

We generate revenue from the sale of coal. In developing our business plan and operating budget, we make certain assumptions regarding future coal prices, coal demand and coal supply. The prices we receive for our coal depend on numerous market factors beyond our control. Accordingly, some underlying coal price assumptions relied on by us may materially change and actual coal prices and demand may differ materially from those expected. Our business, operating and financial performance, including cash flows and asset values, may be materially and adversely affected by short- or long-term volatility in the prevailing prices of our products. Demand for coal and the prices that we will be able to obtain for our coal are highly competitive and are determined predominantly by world markets, which are affected by numerous factors, including: general global, regional and local economic activity; changes in demand for steel and energy; industrial production levels; short-term constraints, including weather incidents; changes in the supply of seaborne coal; technological changes; changes in international freight or other transportation infrastructure rates and costs; the costs of other commodities and substitutes for coal; market changes in coal quality requirements; government regulations which restrict, or increase the cost of, using coal; tariffs imposed by countries, including the United States, on the import of certain steel products and any retaliatory tariffs by other countries; and tax impositions on the resources industry, all of which are outside of our control. In addition, coal prices are highly dependent on the outlook for coal consumption in large Asian economies, such as China, Japan, South Korea and India, as well as any changes in government policy regarding coal or energy in those countries.

Competition in the coal industry is based on many factors, including, among others, world supply price, production capacity, coal quality and characteristics, transportation capability and costs, blending capability, brand name and diversified operations. We are subject to competition from producers in Australia, the United States, Canada, Russia, Mongolia and other coal producing countries. See Item 1A. "Risk Factors—We face significant competition, which could adversely affect profitability."

Working Capital

We generally fund our working capital requirements through a combination of existing cash and cash equivalents and proceeds from the sale of our coal production to customers. Our secured multi-currency revolving syndicated facility agreement, dated September 15, 2018, or the Syndicated Facility Agreement, is also available to fund our working capital requirements to the extent we have remaining availability. As of March 31, 2019, we had $12.0 million of cash available and $84.0 million of borrowings outstanding under our Syndicated Facility Agreement. To date, we have used cash flow from operations and borrowings under our Syndicated Facility Agreement to fund our activities and to pay dividends. We expect to fund future dividend payments from available cash on hand or borrowings. See Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information regarding working capital.

Employees

We had approximately 1,700 employees as of March 31, 2019. In addition, as of March 31, 2019, there were approximately 1,200 contractors supplementing the permanent workforce, primarily at Curragh.

As of March 31, 2019, approximately 12% of our total employees, all at our Australian Operations, were covered by a single, federally-certified collective enterprise agreement, or the EA, for mining and maintenance employees. The EA links us; the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union; the Construction, Forestry, Maritime, Mining and Energy Union; the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia; and our employees performing mining and operational functions. In May 2019, the Australian Fair Work Commission approved the Curragh Mine Enterprise Agreement 2019. This EA has a nominal expiration date of May 26, 2022 and will remain in place until replaced or terminated by the Fair Work Commission. Our U.S. Operations employ a 100% non-union labor force.

Regulatory Matters—Australia

Our Australian Operations are regulated by the laws and regulations of the Commonwealth of Australia, or Cth, the State of Queensland, or Qld, and local jurisdictions. Most environmental laws are promulgated at the state level, but the Australian federal government has a role in approval of actions which have national environmental significance. In Queensland, the environmental laws relevant to coal mining include development legislation, pollution, waste, ecosystem protection, land contamination and rehabilitation legislation. In addition, the Australian federal government regulates foreign investment and export approvals.

Tenements

We control the coal mining rights at Curragh under 14 coal and infrastructure mining leases, or MLs, and three mineral development licenses, or MDLs, granted pursuant to the Mineral Resources Act 1989 (Qld). We refer to the MLs and MDLs at Curragh, collectively, as the Tenements. Renewal of certain Tenements will be required during the mine life of Curragh and the Queensland government can vary the terms and conditions on renewal. There are a number of existing mining and petroleum tenements which overlap with the Tenements. The priority, consent and coordination requirements under the Mineral Resources Act 1989 (Qld), the Petroleum and Gas (Production and Safety) Act 2004 (Qld) and Mineral and Energy Resources (Common Provisions) Act 2014 (Qld) (as relevant) may apply with respect to those overlaps. Extensive statutory protocols govern the relationships between co-existing mining and exploration rights and these protocols are largely focused on encouraging the overlapping tenement holders to negotiate and formulate arrangements that enable the co-existence of their respective interests. See Item 3. "Properties" for more information regarding the Tenements.

Mineral Resources Act 1989 (Qld)

The Mineral Resources Act 1989 (Qld) and the Mineral and Energy Resources (Common Provisions) Act 2014 (Qld), together, provide for the assessment, development and utilization of mineral resources in Queensland to the maximum extent practicable, consistent with sound economic and land use management. The Mineral Resources Act 1989 (Qld) vests ownership of minerals, with limited exceptions, in the Crown (i.e., the state government). A royalty is payable to the Crown for the right to extract minerals. The Mineral Resources Act 1989 (Qld) creates different tenures for different mining activities, such as prospecting, exploring and mining. A ML is the most important tenure, as it permits the extraction of minerals in conjunction with other required authorities. The Mineral Resources Act 1989 (Qld) imposes general conditions on a ML.

A person who is the holder of a ML must keep the records necessary to enable the royalty payable by the person to be ascertained. The royalty payable on the value of coal sold, disposed of or used (post October 1, 2012) is as set out below:

- if the average price per Mt is A$100 or less: 7%;
- if the average price per Mt is more than A$100 but less than or equal to A$150: 7% on the first A$100 and 12.5% on the balance of the average price per Mt; and
- if the average price per Mt is A$150 or more: 7% on the first A$100, 12.5% on the next A$50 and 15% on the balance of the price per Mt.

The royalty payable for coal sold, disposed of or used in a return period is then calculated by multiplying the royalty rate by the value of the coal. Queensland Office of State Revenue Royalty Ruling MRA001.1 contains details on the costs that can (and cannot) be deducted when calculating the applicable royalty and the method for determining the value of the coal. Where there is a change in legislation or case law that affects the content of a royalty ruling, the change in the law overrides the royalty ruling—i.e., the Commissioner will determine the royalty liability in accordance with the changed law. See Item 3. "Properties" for a discussion of the royalties currently applicable to Curragh.

Environmental Protection Act 1994 (Qld)

The primary legislation regulating environmental management of mining activities in Queensland is the Environmental Protection Act 1994 (Qld). Its object is to protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains ecologically sustainable development. Under the Environmental Protection Act 1994 (Qld), it is an offense to carry out a mining activity unless the person holds or is acting under an environmental authority for the activity. The environmental authority imposes conditions on a project. It is an offense to contravene a condition of an environmental authority. In addition to the requirements found in the conditions of an environmental authority, the holder must also meet its general environmental duty and duty to notify of environmental harm and otherwise comply with the provisions of the Environmental Protection Act 1994 (Qld) and the regulations promulgated thereunder. For example, the following are offenses under the Environmental Protection Act 1994 (Qld):

- causing serious or material environmental harm;
- causing environmental nuisance;
- depositing proscribed water contaminants in waters and related matters; and
- placing contaminants where environmental harm or nuisance may be caused.

The environmental authority holder must also be a registered suitable operator under the Environmental Protection Act 1994 (Qld). We are a registered suitable operator.

We hold environmental authority EPML00643713, which authorizes the mining of black coal, mineral processing, chemical storage, waste disposal and sewage treatment over the 14 MLs at Curragh on certain conditions. Those conditions include requirements in relation to air and water quality, regulated structures (e.g., dams), noise and vibration, waste, land use, rehabilitation and watercourse diversion.

We also hold a range of subsidiary environmental approvals for our Australian Operations.

Queensland environmental legislation is currently subject to legislative reform and change—in particular, with respect to security for environmental performance, rehabilitation and closure. The Environmental Protection (Chain of Responsibility) Amendment Act 2016 (Qld), which became

effective on April 27, 2016, gives the Queensland Department of Environment and Science, or the DES, the power to compel related bodies corporate, executive officers, financiers and shareholders and a select category of "related persons," to satisfy the environmental obligations of holders of an environmental authority in Queensland. Additionally, the Mineral and Energy Resources (Financial Provisioning) Act 2018 (Qld), or the Financial Provisioning Act, which was enacted on November 15, 2018, became effective on April 1, 2019. The purpose of the Financial Provisioning Act is to amend the existing financial assurance provisions of the Environmental Protection Act 1994 (Qld) by creating a financial provisioning fund, or the Scheme Fund, from which the DES will source funds to rehabilitate and remediate land subject to mining.

Under the Financial Provisioning Act, all mine operators will be required to make a submission to the DES in respect of an estimated rehabilitation cost, or ERC, for the mine site. The ERC must be determined using the DES-approved ERC calculator. ERCs could be about 10% higher than current financial assurances, as the DES's new calculator could incorporate a 10% project management cost. Using this information, the DES will set the ERC for the mine. The DES will provide the ERC to the manager of the new financial provisioning scheme, or the Scheme Manager. The Scheme Manager will undertake a risk assessment of the mine, which will be based upon independent advice from a scheme risk advisor. It will include detail on the mine operator's financial soundness and credit rating, characteristics of the mining operation (e.g., life of mine, or LOM, and off-take agreements), rehabilitation history, environmental compliance history and the submission made by the company. Risk categories will include high, moderate, low and very low. If the ERC and risk categories are set at moderate, low or very low for a mine, then there will be a need to pay an annual contribution based on a small percentage of the ERC to the Scheme Fund. If the category is high, then the operation will provide a surety for the whole ERC and possibly a contribution to the Scheme Fund. The risk assessment of the mine and, therefore, the amount of the contribution to the fund will be assessed and paid annually in perpetuity, or until a clearance certificate is obtained. The transitional arrangements provide that a mine's existing financial assurance will be deemed to be the ERC. Within three years from the commencement of the scheme, the Scheme Manager will be required to make an initial risk category allocation decision to determine whether the mine will continue to give surety or pay a contribution to the Scheme Fund.

The Financial Provisioning Act also introduces a new requirement for a Progressive Rehabilitation and Closure Plan, or a PRC plan, with respect to mined land. This requirement will be integrated into the existing environmental authority processes for new mines, minimizing the regulatory burden on government and industry. All mining projects carried out under a ML that make a site-specific environmental authority application will be required to provide a PRC plan. If approved by the administering authority, a stand-alone PRC plan schedule will be given to the applicant together with the environmental authority. The PRC plan schedule will contain milestones with completion dates for achieving progressive rehabilitation of the mine site. The Financial Provisioning Act provides transitional arrangements for the application of the PRC plan requirement to existing mines. The effective date of the PRC plan requirement has not yet been prescribed by regulation, but it is likely to be in the latter half of 2019.

Aboriginal Cultural Heritage Act 2003 (Qld)

The Aboriginal Cultural Heritage Act 2003 (Qld) imposes a duty of care on all persons to take all reasonable and practicable measures to ensure that any activity conducted does not harm Aboriginal cultural heritage. Its object is to provide effective recognition, protection and conservation of Aboriginal cultural heritage.

We have obligations relating to Aboriginal cultural heritage with respect to a number of cultural heritage objects and areas located within the area of the Tenements. We work closely with the Aboriginal people to manage the cultural heritage objects, areas or evidence of archaeological significance, within our mining operations. We are party to a Cultural Heritage Management Plan (and associated Cultural Services Agreement) with the Gaangalu Nation People that applies to all of the Tenements. The plan establishes a coordinating committee and sets out the steps to be followed to manage activities that may impact Aboriginal cultural heritage.

Native Title Act 1993 (Cth)

The Native Title Act 1993 (Cth), or NTA, sets out procedures under which native title claims may be lodged and determined and compensation claimed for the extinguishment or impairment of the native title rights or interests of Aboriginal peoples. Its object is to provide for the recognition and protection of native title, to establish ways in which future dealings affecting native title may proceed and to set standards for those dealings, to establish a mechanism for determining claims to native title and to provide for, or permit, the validation of past acts, and intermediate period acts, invalidated because of the existence of native title.

With respect to MLs and MDLs granted under the Mineral Resources Act 1989 (Qld) on state land where native title has not been extinguished, a principle known as the non-extinguishment principle governs. Broadly, under this principle, native title rights are suspended while the mining tenure, as renewed from time to time, is in force. The grant (or renewal) of a mining tenure in respect of land where native title may exist must comply with the NTA to ensure the validity of the tenure. Registered native title claimants have certain notification, consultation and negotiation rights relating to mining tenures. Where native title is extinguished (i.e., freehold land), the NTA does not apply.

Regional Planning Interests

In June 2014, the Strategic Cropping Land Act 2011 (Qld) was repealed by the Regional Planning Interests Act 2014 (Qld), or the RPI Act. The RPI Act manages the impact of resource activities and other regulated activities in areas of the state that contribute, or are likely to contribute, to Queensland's economic, social and environmental prosperity (e.g., competing land use activities on prime farming land). The RPI Act identifies areas of Queensland that are of regional interest, including strategic cropping areas and strategic environmental areas. Under the RPI Act, conducting a resource activity in an area of regional interest requires a regional interest development approval, unless operating under an exemption. Importantly, pre-existing mining activities being undertaken at the date of the introduction of the legislation are exempt.

We applied for and were granted a regional interest development approval for the "Curragh Extension Project" (for MDL 162), which is subject to regional interest conditions, such as mitigation. Certain protection conditions were also imposed on us with respect to our application for ML 80171 (which has since been granted). These include an obligation to provide mitigation in the event that strategic cropping land is impacted by future operations.

Environmental Protection and Biodiversity Conservation Act 1999 (Cth)

The Environment Protection and Biodiversity Conservation Act 1999 (Cth), or the EPBC Act, provides a federal framework to protect and manage matters of national environmental significance, such as listed threatened species and ecological communities and water resources. In addition, the EPBC Act confers jurisdiction over actions that have a significant impact on the environment where the actions affect, or are taken on, Commonwealth land, or are carried out by a Commonwealth agency.

Under the EPBC Act, "controlled actions" that have or are likely to have a significant impact on a matter of national environmental significance are subject to a rigorous assessment and approval process. A person must not take a "controlled action" unless approval is granted under the EPBC Act. Any person proposing to carry out an "action" that may be a "controlled action" must refer the matter to the Commonwealth Minister for a determination as to whether the proposed action is a controlled action.

On November 2, 2016, the Commonwealth Minister for the Department of the Environment and Energy administering the EPBC Act approved the extension of the existing Curragh mining area to include mining four additional Tenements—ML 700006, ML 700007, ML 700008 and ML 700009 (EPBC Act referral 2015/7508)—as a "controlled action," on certain conditions. The conditions include requirements in relation to air quality, noise and vibration, land use, watercourse diversions, offsets and water quality.

Mine Health and Safety

The primary health and safety legislation that applies to Curragh are the Coal Mining Safety and Health Act 1999 (Qld) and the Coal Mining Safety and Health Regulation 2001 (Qld), which we refer to, together, as the Coal Mining Safety Legislation.

Additional legislative requirements apply to operations that are carried on off-site or which are not principally related to coal mining (e.g., transport, rail operations, etc.). The Coal Mining Safety Legislation imposes safety and health obligations on persons who operate coal mines or who may affect the safety or health of others at coal mines. Under the Coal Mining Safety Legislation, the operator of a coal mine must, among other things:

- ensure that the risk to coal mine workers while at the operator's mine is at an acceptable level;
- audit and review the effectiveness and implementation of the safety and health management system to ensure the risk to persons is at an acceptable level;
- provide adequate resources to ensure the effectiveness and implementation of the safety and health management system;
- ensure the operator's own safety and health and the safety and health of others is not affected by the way the operator conducts coal mining operations;
- not carry out an activity at the coal mine that creates a risk to a person on an adjacent or overlapping petroleum authority if the risk is higher than an acceptable level of risk;
- appoint a site senior executive for the mine;
- ensure the site senior executive develops and implements a safety and health management system for all people at the mine;
- ensure the site senior executive develops, implements and maintains a management structure for the mine that helps ensure the safety and health of persons at the mine; and
- not operate the coal mine without a safety and health management system for the mine.

We recognize that health and safety are imperative to the ongoing success of our Australian Operations. As the operator at Curragh, we have in place a comprehensive safety and health management system, which includes an emergency response team, to address these legislative requirements. Following recent amendments to the Coal Mining Safety Legislation to address new cases of or coal workers' pneumoconiosis, or black lung disease, in Queensland, we have also established an occupational hygiene baseline for dust exposure at Curragh.

Water Act 2000 (Qld)

In Queensland, all entitlements to the use, control and flow of water are vested in the state and regulated by the Water Act 2000 (Qld). Allocations under the Water Act 2000 (Qld) can be managed by a water supply scheme operator, such as SunWater Ltd., which is a Government-owned corporation regulated by the Queensland Competition Authority. We have purchased the required water allocations for Curragh and entered into a suite of related channel and pipeline infrastructure agreements and

river supply agreements with SunWater Ltd. to regulate the supply of water pursuant to these allocations. See Item 1A. "Risk Factors—In times of drought and/or shortage of available water, our operations and production, particularly at Curragh, could be negatively impacted if the regulators impose restrictions on our water offtake licenses that are required for water used in the CPPs."

National Greenhouse and Energy Reporting Act 2007 (Cth).

The National Greenhouse and Energy Reporting Act 2007 (Cth) imposes requirements for both foreign and local corporations whose carbon dioxide production, greenhouse gas, or GHG, emissions and/or energy consumption meets a certain threshold to register and report GHG emissions and abatement actions, as well as energy production and consumption as part of a single, national reporting system. The Clean Energy Regulator administers the National Greenhouse and Energy Reporting Act 2007 (Cth), and the Department of Environment and Energy is responsible for related policy developments and review.

On July 1, 2016, amendments to the National Greenhouse and Energy Reporting Act 2007 (Cth) implemented the Emissions Reduction Fund Safeguard Mechanism. From that date, large designated facilities such as coal mines are assigned a baseline for their covered emissions and must take steps to keep their emissions at or below the baseline or face penalties.

Mining Rehabilitation (Reclamation)

Mine closure and rehabilitation risks and costs are regulated by Queensland state legislation. One of the conditions of the Curragh environmental authority is the provision by us of financial assurance in the form of bank guarantees of A$279.7 million as of December 31, 2018 and was revised to A$202.6 million as of March 1, 2019 for the period through December 31, 2020. The purpose of this assurance is to provide security for compliance with the environmental authority generally and for the costs and expenses associated with preventing or minimizing environmental harm from rehabilitating or restoring the environment after mining operations are completed. Self-bonding is not permitted. The financial assurance is calculated in accordance with current regulatory requirements.

The method of calculating the security for operational compliance and closure and rehabilitation costs for resource projects in Queensland is changing. See "—Environmental Protection Act 1994 (Qld)" above.

The new financial assurance will be able to be funded using a combination of cash deposits, bank guarantees and insurance bonds. As the financial assurance amount is varied (for example by progressive rehabilitation of disturbed land) we will be entitled to request that existing financial assurances be released and replaced with different forms.

The proposed financial assurance framework has been coupled with the release of a 'mined land rehabilitation policy' which was developed in response to community concerns about the quantity and quality of mine site rehabilitation undertaken to date. This policy formalizes the Queensland government's commitment to ensuring land disturbed by mining activities is rehabilitated to a safe and stable landform that does not cause environmental harm and is able to sustain an approved post-mining land use.

Under the Financial Provisioning Act we will need to prepare a PRC plan for Curragh that will include binding, time-based milestones for actions that achieve progressive rehabilitation and will ultimately support the transition to the mine site's future use.

The specifics of the reforms and the transitional provisions for existing operators have yet to be finalized. Once finalized however they will be delivered through legislative amendments to the Environmental Protection Act 1994 (Qld).

Labor Relations

Minimum employment entitlements, embodied in the National Employment Standards, apply to all private-sector employees and employers in Australia under the federal Fair Work Act 2009 (Cth). These standards regulate employment conditions and paid leave.

Unfair dismissal, enterprise bargaining, bullying claims, industrial actions and resolution of workplace disputes are also regulated under state and federal legislation. Some of the workers at Curragh are covered by the EA, which was approved by the Fair Work Commission, Australia's national workplace relations tribunal. See "—Employees" above.

Regulatory Matters—United States

Federal, state and local authorities regulate the U.S. coal mining industry with respect to matters such as employee health and safety, protection of the environment, permitting and licensing requirements, air quality standards, water pollution, plant and wildlife protection, the reclamation and restoration of mining properties after mining has been completed, the discharge of materials into the environment, surface subsidence from underground mining and the effects of mining on groundwater quality and availability. In addition, the industry is affected by significant requirements mandating certain benefits for current and retired coal miners. Numerous federal, state and local governmental permits and approvals are required for mining operations. Because of extensive and comprehensive regulatory requirements, violations during mining operations occur from time to time in the industry. The summary below is a non-exhaustive summary of material legislation that applies to our U.S. Operations. Although this summary focuses on federal laws, most states (including Virginia, West Virginia and Pennsylvania) have their own regulatory schemes that either mirror federal laws or create additional layers of regulation.

Clean Air Act of 1970

The U.S. Clean Air Act of 1970, or the CAA, regulates airborne pollution that may be potentially detrimental to human health, the environment or natural resources. The CAA and comparable state laws that govern air emissions affect U.S. coal mining operations both directly and indirectly.

Direct impacts on coal mining and processing operations may occur through the CAA permitting requirements and/or emission control requirements relating to particulate matter, or PM, nitrogen dioxide, ozone and sulfur dioxide, or SO_2. In recent years, the United States Environmental Protection Agency, or the EPA, has adopted more stringent national ambient air quality standards, or NAAQS, for PM, nitrogen oxide, ozone and SO_2. It is possible that these modifications as well as future modifications to NAAQS could directly or indirectly impact our mining operations in a manner that includes, but is not limited to, designating new nonattainment areas or expanding existing nonattainment areas or prompting additional local control measures pursuant to state implementation plans required to address revised NAAQS. The CAA also indirectly, but significantly, affects the U.S. coal industry by extensively regulating the SO_2, nitrogen oxides, mercury, PM and other substances emitted by steel manufacturers, coke ovens and coal-fired utilities.

In particular, in 2009, the EPA adopted revised rules to add more stringent PM emissions limits for coal preparation and processing plants constructed or modified after April 28, 2008. The PM NAAQS was thereafter revised and made more stringent in 2012. The EPA issued final designations for most areas of the country in 2012 and made some revisions in 2015. Individual states must now identify the sources of emissions and develop emission reduction plans. These plans may be state-specific or regional in scope. Under the Clean Air Act, individual states have up to 12 years from the date of designation to secure emissions reductions from sources contributing to the problem.

In 2015, the EPA issued a final rule setting the ozone NAAQS at 70 parts per billion. On November 17, 2016, the EPA issued a proposed implementation rule on non-attainment area classification and state implementation plans, or SIPs. The EPA published a final rule in November 2017 that issued area designations with respect to ground-level ozone for approximately 35% of the U.S. counties, designating them as either "attainment/unclassifiable" or "unclassifiable." In April 2018 and July 2018, the EPA issued ozone designations for all areas not addressed in the November 2017 rule. States with moderate or high nonattainment areas must submit SIPs by October 2021.

This final rule was challenged in the United States Court of Appeals for the D.C. Circuit; however, the case was held in abeyance pending the EPA's review of the final rule. On March 1, 2018, the EPA issued a final rule establishing the air quality thresholds that define classifications for areas designated nonattainment for the 2015 NAAQS for ozone and establishing the attainment deadline associated with each classification. In August 2018, EPA announced that it would not revise the 2015 Ozone NAAQS. As a result, the lawsuit was revived and arguments occurred in December 2018. On December 6, 2018, EPA issued a rule finalizing nonattainment area and ozone transport region implementation requirements for the 2015 Ozone NAAQS. More stringent ozone standards require new state implementation plans to be developed and filed with the EPA and may trigger additional control technology for mining equipment or result in additional challenges to permitting and expansion efforts. This could also be the case with respect to the implementation for other NAAQS for nitrogen oxide and SO2.

Clean Water Act of 1972

The U.S. Clean Water Act of 1972, or the CWA, and corresponding state law governs the discharge of toxic and non-toxic pollutants into the waters of the United States. CWA requirements may directly or indirectly affect U.S. coal mining operations.

Water Discharge. The CWA and corresponding state laws affect coal mining operations by imposing restrictions on discharges of wastewater into waters of the United States through the National Pollutant Discharge Elimination System, or NPDES. These restrictions often require us to pre-treat the wastewater prior to discharging it. NPDES permits require regular monitoring, reporting and compliance with effluent limitations. New requirements under the CWA and corresponding state laws may cause us to incur significant additional costs that could adversely affect our operating results.

Dredge and Fill Permits. Many mining activities, such as the development of refuse impoundments, fresh water impoundments, refuse fills, and other similar structures, may result in impacts to waters of the United States, including wetlands, streams and, in certain instances, man-made conveyances that have a hydrologic connection to such streams or wetlands. Under the CWA, coal companies are also required to obtain a Section 404 permit from the U.S. Army Corps of Engineers, or USACE, prior to conducting mining activities, such as the development of refuse and slurry impoundments, fresh water impoundments, refuse fills and other similar structures that may affect waters of the United States, including wetlands, streams and, in certain instances, man-made conveyances that have a hydrologic connection to streams or wetlands. The USACE is authorized to issue general "nationwide" permits for specific categories of activities that are similar in nature and that are determined to have minimal adverse effects on the environment. Permits issued pursuant to Nationwide Permit 21 generally authorize the disposal of dredged and fill material from surface coal mining activities into waters of the United States, subject to certain restrictions. The USACE may also issue individual permits for mining activities that do not qualify for Nationwide Permit 21.

Clean Water Rule. Recent regulatory actions and court decisions have created some uncertainty over the scope of CWA jurisdiction. On June 29, 2015, the EPA and the USACE jointly promulgated final rules, collectively known as the Clean Water Rule, or the CWR, redefining the scope of waters protected under the CWA, revising regulations that had been in place for more than 25 years. These rules expanded the scope of CWA jurisdiction, making discharges into more bodies of water subject to the CWA's permitting and other requirements. Following the CWR's promulgation, numerous industry groups, states, and environmental groups challenged the CWR. On October 9, 2015, the U.S. Court of Appeals for the Sixth Circuit stayed the CWR's implementation nationwide, pending further action in court. Further, on February 28, 2017, President Trump signed an executive order directing the relevant executive agencies to review the CWR, and on July 27, 2017, the EPA and the USACE published a proposed rule to rescind the CWR. On January 22, 2018, the Supreme Court reversed the Sixth Circuit's decision, ruling that jurisdiction over challenges to the CWR rests with the federal district courts and not with the appellate courts, which was followed by the dissolution of the stay by the Sixth Circuit, and on February 6, 2018, in response to the January 2018 Supreme Court decision, the agencies published a final rule to postpone the adoption of CWR and maintain the status quo (the pre-2015 rule) through February 6, 2020 pending the agencies' review of the CWR. Multiple states and environmental groups have filed challenges to this delay. However, on August 16, 2018, the federal court in South Carolina enjoined the February 6, 2018 rule, effectively reinstating the CWR in Virginia and Pennsylvania (where we have operations) and in 24 other states. The injunction is being challenged on appeal. However, our West Virginia operations remain unaffected by the CWR, due to separate injunctions issued by federal courts in Georgia and North Dakota applicable to West Virginia and 23 other states. Most recently, on December 28, 2018, the EPA and the USACE published a proposed rule, or the 2018 Proposed Rule, to revise the definition of waters of the United States, which would replace the CWR and shrink the agencies' jurisdiction, particularly as it relates to tributaries and adjacent waters. It is anticipated that the 2018 Proposed Rule, if finalized, will face state and environmental group challenges. It remains unclear when, whether and how the CWR and/or 2018 Proposed Rule will be implemented, and what litigation may result or what impact they may have on our operations.

Surface Mining Control and Reclamation Act of 1977

The Surface Mining Control and Reclamation Act of 1977, or the SMCRA, establishes operational, reclamation and closure standards for all aspects of surface mining and many aspects of underground mining in the United States. Unlike the CAA and the CWA, the SMCRA is primarily concerned with the holistic regulation of coal mining as an industry. Its general environmental standards require surface operations to mine in such a way as to "maximize the utilization and conservation" of coal while using the best technology currently available to minimize land disturbance and adverse impacts on wildlife, fish, and environmental values. The SMCRA requires operators to accomplish these goals by restoring the land to its approximate pre-mining condition and contour.

The SMCRA implements its environmental standards through "cooperative federalism." Under the SMCRA, a state may submit a qualifying surface mining regulatory scheme to the U.S. Office of Surface Mining, or the OSM, and request to exert exclusive jurisdiction over surface mining activities within its territory. If a state does not have a surface mining regulatory scheme that meets or exceeds the surface mining standards under the SMCRA and OSM regulations, or if mining on federal lands is involved, the OSM will impose federal regulations on surface mining in that state. Each of Virginia, West Virginia and Pennsylvania, where our Buchanan, Logan, Greenbrier and Pangburg-Shaner-Fallow Field operations are based, has adopted qualifying surface mining regulatory schemes and has primary jurisdiction over surface mining activities within their respective territories. However, even if a state gains approval for its surface mining regulatory program, the OSM retains significant federal oversight, including the ability to perform inspections of all surface mining sites to ensure state program and mine operator compliance with federal minimum standards. The OSM and its state counterparts also oversee and evaluate standards of:

- performance (both during operations and during reclamation);

- permitting (applications must describe the pre-mining environmental conditions and land use, the intended mining and reclamation standards, and the post-mining use);

- financial assurance (the SMCRA requires that mining companies post a bond sufficient to cover the cost of reclaiming the site, and the bond is not released until mining is complete, the land has been reclaimed and the OSM has approved the release);

- inspection and enforcement (including the issuance of notices of violation and the placement of a mining operation, its owners and controllers on a federal database known as the Applicant Violator System, meaning that such person or entity is blocked from obtaining future mining permits); and

- land restrictions (the SMCRA prohibits surface mining on certain lands and also allows citizens to challenge surface mining operations on the grounds that they will cause a negative environmental impact).

Regulations under the SMCRA and its state analogues provide that a mining permit or modification can, under certain circumstances, be delayed, refused or revoked if we or any entity that owns or controls us or is under common ownership or control with us have unabated permit violations or have been the subject of permit or reclamation bond revocation or suspension.

Under SMCRA and its state law counterparts, all coal mining applications must include mandatory "ownership and control" information, which generally includes listing the names of the operator's officers and directors, and its principal stockholders owning 10% or more of its voting shares, among others. Ownership and control reporting requirements are designed to allow regulatory review of any entities or persons deemed to have ownership or control of a coal mine, and bar the granting of a coal mining permit to any such entity or person (including any "owner and controller") who has had a mining permit revoked or suspended, or a bond or similar security forfeited within the five-year period preceding a permit application or application for a permit revision. Similarly, regulatory agencies also block the issuance of permits to applicants, their owners or their controlling persons, who have outstanding permit violations that have not been timely abated.

These regulations define certain relationships, such as owning over 50% of stock in an entity or having the authority to determine the manner in which the entity conducts mining operations, as constituting ownership and control. Certain other relationships are presumed to constitute ownership or control, including among others, the following:

- being an officer or director of an entity;

- being the operator of the coal mining operation;

- having the ability to commit the financial or real property assets or working resources of the permittee or operator; and

- owning of record 10% or more of the mining operator.

This presumption, in some cases, can be rebutted where the person or entity can demonstrate that it in fact does not or did not have authority directly or indirectly to determine the manner in which the relevant coal mining operation is conducted.

We must file an ownership and control notice each time an entity obtains a 10% or greater interest in us. If we or entities or persons deemed to have ownership of control of us have unabated violations of SMCRA or its state law counterparts, have a coal mining permit suspended or revoked, or forfeit a reclamation bond, we and our owners and controllers may be prohibited from obtaining new coal mining permits, or amendments to existing permits, until such violations or other matters are corrected. This is known as being "permit-blocked." Additionally, if an owner or controller of us is deemed an owner or controller of other mining companies, we could be permit-blocked based upon the violations

of, or permit-blocked status of, an owner or controller of such other mining companies. If our owner or controller were to become permit blocked, this could adversely affect production from our properties.

In recent years, the permitting required for coal mining has been the subject of increasingly stringent regulatory and administrative requirements and extensive activism and litigation by environmental groups.

For our U.S. Operations, we meet our reclamation bonding requirements by posting surety bonds and participation in the state of Virginia bond pool. Our total amount of reclamation surety bonds outstanding was approximately $28.6 million as of March 31, 2019. The bond requirements for a mine represent the calculated cost to reclaim the current operations if it ceased to operate in the current period. The cost calculation for each bond must be completed according to the regulatory authority of each state.

The SMCRA Abandoned Mine Land Fund requires a fee on all coal produced in the United States. The proceeds are used to rehabilitate lands mined and left unreclaimed prior to August 3, 1977 and to pay health care benefit costs of orphan beneficiaries of the Combined Fund created by the Coal Industry Retiree Health Benefit Act of 1992. The fee amount can change periodically based on changes in federal legislation. Pursuant to the Tax Relief and Health Care Act of 2006, from October 1, 2012 through September 30, 2021, the fee is $0.28 and $0.12 per Mt of surface-mined and underground-mined coal, respectively. See Item 3. "Properties" for information regarding reclamation and other taxes applicable to our U.S. mining properties.

While SMCRA is a comprehensive statute, SMCRA does not supersede the need for compliance with other major environmental statutes, including the Endangered Species Act of 1973, or the ESA, CAA, CWA, the Resource Conservation and Recovery Act of 1976, or the RCRA, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or CERCLA.

National Environmental Policy Act of 1969

The National Environmental Policy Act of 1969, or NEPA, applies to mining operations or permitting requirements that require federal approvals and requires a lengthy environmental impact statement. NEPA also defines the processes for evaluating and communicating environmental consequences of federal decisions and actions, such as the permitting of new mine development on federal lands. U.S. coal mining companies must provide information to agencies with respect to proposed actions that will be under the authority of the federal government. The NEPA process involves public participation and can involve lengthy timeframes. The White House Council on Environmental Quality issued an Advance Notice of Proposed Rulemaking in June 2018 seeking comment on a number of ways to streamline and improve the NEPA process. The comment period closed in August 2018. It is unclear how far reaching the changes will be and if they will be able to withstand expected court challenges.

Resource Conservation and Recovery Act of 1976

The RCRA regulates the treatment, storage and disposal of solid and hazardous wastes. While many mining wastes such as overburden and coal cleaning wastes are exempt from RCRA hazardous waste regulations, certain wastes may be subject to RCRA's requirements. RCRA also governs underground storage tanks containing hazardous substances and petroleum products, which are used in some coal mining operations, although we do not have underground storage tanks associated with our U.S. Operations.

Comprehensive Environmental Response, Compensation and Liability Act of 1980

CERCLA authorizes the federal government and private parties to recover costs to address threatened or actual releases of hazardous substances (broadly defined) that may endanger public health or the environment. Strict joint and several and retroactive liability may be imposed on waste generators and facility owners and operators, regardless of fault or the legality of the original disposal activity. We could face liability under CERCLA and similar state laws for properties that (1) we currently own, lease or operate, (2) we, our predecessors, or former subsidiaries have previously owned, leased or operated, (3) sites to which we, our predecessors or former subsidiaries, sent waste materials, and (4) sites at which hazardous substances from our facilities' operations have otherwise come to be located.

Federal Mine Safety and Health Act of 1977

The Federal Mine Safety and Health Act of 1977, or the Mine Act, which was amended by the Mine Improvement and New Emergency Response Act of 2006, or the MINER Act, governs federal oversight of mine safety and authorizes the U.S. Department of Labor's Mine Safety and Health Administration, or MSHA, to regulate and enforce the same. The comprehensive scope of the Mine Act mandates four annual inspections of underground coal mines, two annual inspections of all surface coal mines, miner training, mine rescue teams for all underground mines, and involvement of miners and their representatives in health and safety activities. The MINER Act requires mine-specific emergency response plans in underground coal mines, implemented new regulations regarding mine rescue teams and sealing of abandoned areas, requires prompt notification of mine accidents, and enhanced civil penalties for violations. Since passage of the MINER Act enforcement scrutiny has increased, including more inspection hours at mine sites, increased numbers of inspections and increased issuance of the number and severity of enforcement actions and related penalties. Various states also have enacted their own new laws and regulations addressing many of these same subjects. MSHA continues to interpret and implement various provisions of the MINER Act, along with introducing new proposed regulations and standards. For example, the second phase of MSHA's respirable coal mine dust rule went into effect in February 2016 and requires increased sampling frequency and the use of continuous personal dust monitors. In August 2016, the third and final phase of the rule became effective, reducing the overall respirable dust standard in coal mines from 2.0 to 1.5 milligrams per cubic meter of air.

Black Lung (Coal Worker's Pneumoconiosis)

The Mine Act amended the Federal Coal Mine Health and Safety Act of 1969, which is the legislation that mandates compensation for miners who were totally and permanently disabled by the progressive respiratory disease caused by coal workers' pneumoconiosis, or black lung. Under current federal law, a U.S. coal mine operator must pay federal black lung benefits and medical expenses to claimants who are current employees, and to claimants who are former employees who last worked for the operator after July 1, 1973, and whose claims for benefits are allowed. Coal mine operators must also make payments to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry prior to July 1, 1973. The trust fund is funded by an excise tax on sales of U.S. production, excluding export sales, of up to $1.10 per Mt for deep-mined coal and up to $0.55 per Mt for surface-mined coal, each limited to 4.4% of the gross sales price. Starting in 2019, under current law, these tax rates are scheduled to be $0.55 per Mt of underground-mined coal or $0.28 per Mt of surface-mined coal, limited to 2% of the sales price. Our total contributions to this trust fund in 2018 were $2.8 million. Historically, very few of the miners who sought federal black lung benefits were awarded these benefits; however, the approval rate has increased following implementation of black lung provisions contained in the Patient Protection and Affordable Care Act of 2010, or the Affordable Care Act. The Affordable Care Act introduced significant changes to the federal black lung program, including an automatic survivor benefit paid upon the death of a miner with an awarded black lung claim, and established a rebuttable presumption with regard to pneumoconiosis among miners with 15 or more years of coal mine employment that are totally disabled by a respiratory condition. These changes could have a material impact on our costs expended in association with the federal black lung program. In addition to possibly incurring liability under federal statutes, we may also be liable under state laws for black lung claims. See Note 18 to the accompanying audited consolidated financial statements for further information of applicable insurance coverage.

National Labor Relations Act of 1935

The National Labor Relations Act of 1935, or the NLRA, governs collective bargaining and private sector labor and management practices. While we do not have a unionized workforce in the United States, to the extent that miners want to seek representation or engage in other protected concerted activities, both us and our employees must follow the rules set out in the NLRA and the rules promulgated by the National Labor Relations Board.

Patient Protection and Affordable Care Act of 2010

In March 2010, the Affordable Care Act was enacted, impacting the coal mining industry's costs of providing healthcare benefits to its eligible active employees, with both short-term and long-term implications. In the short term, healthcare costs could increase due to, among other things, an increase in the maximum age for covered dependents to receive benefits, changes to benefits for occupational disease-related illnesses, the elimination of lifetime dollar limits per covered individual and restrictions on annual dollar limits per covered individual. In the long term, the industry's healthcare costs could increase for these same reasons, as well as due to an excise tax on "high-cost" plans, among other things. However, implementation of this excise tax, which would impose a 40% excise tax on employers to the extent that the value of their healthcare plan coverage exceeds certain dollar thresholds, has been delayed until 2022. It is anticipated that certain governmental agencies will provide additional regulations or interpretations concerning the application of this excise tax.

Safe Drinking Water Act of 1974

The Safe Drinking Water Act of 1974, or SDWA, is the federal law that protects public drinking water supplies throughout the United States. Under the SDWA, the EPA sets standards for drinking water quality and implements technical and financial programs to ensure drinking water safety. The SDWA can impact coal mining operations in the United States to the extent that the operations could impact drinking water supplies.

Solid Waste Disposal Act of 1965

The Solid Waste Disposal Act of 1965, or SWDA, was the first federal act to target waste disposal technology. The SWDA governs disposal of both municipal and industrial waste, promotes advancement of waste management technology and sets waste management standards.

National Historic Preservation Act of 1966

The National Historic Preservation Act of 1966, or NHPA, governs the preservation of historical properties throughout the United States. The NHPA could create an additional level of scrutiny on a coal mining operation, particularly during the permitting process, to the extent that a mining operation could come within the scope of a historical site. The SMCRA also provides protection for historic resources that would be adversely affected by mining operations by requiring the OSM to comply with the NHPA.

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Endangered Species Act of 1973

The ESA governs the protection of endangered species in the United States and requires the U.S. Fish and Wildlife Service to formally review any federally authorized, funded or administered action that could negatively affect endangered or threatened species. The Fish and Wildlife Service studies projects for possible effects to endangered species and then can recommend alternatives or mitigation measures. The OSM and state regulators require mining companies to hire a government-approved contractor to conduct surveys for potential endangered species, and the surveys require approval from state and federal biologists who provide guidance on how to minimize mines' potential effects on endangered species. Certain endangered species are more typically at issue under the ESA with respect to mining, including the long-eared bat and Guyandotte crayfish, which are found in the CAPP region, including parts of Virginia and West Virginia. Mitigation methods can cause increased costs to coal mining operators. Changes in listings or requirements under these regulations could have a material adverse effect on our costs or our ability to mine some of our properties in accordance with our current mining plans. The U.S. Department of the Interior issued three proposed rules in July 2018 aiming to streamline and update the ESA.

Migratory Bird Treaty Act of 1918

The Migratory Bird Treaty Act of 1918 makes it unlawful without a waiver to pursue, hunt, take, capture, kill or sell migratory birds. Since coal mining is seen as an industry that can threaten bird populations, coal operators are required to ensure that their operations do not negatively impact migratory birds, or to take mitigation measures.

Regulation of Explosives

Our surface mining operations are subject to numerous regulations relating to blasting activities. Pursuant to these regulations, we incur costs to design and implement blast schedules and to conduct pre-blast surveys and blast monitoring. Specifically, The Bureau of Alcohol, Tobacco and Firearms and Explosives, or ATF, regulates the sale, possession, storage and transportation of explosives in interstate commerce. In addition to ATF regulation, the U.S. Department of Homeland Security is evaluating a proposed ammonium nitrate security program rule. The OSM has also proposed a rulemaking addressing nitrogen oxide clouds from blasting.

Global Climate

The physical and non-physical impacts of climate change may affect our assets, productivity or the markets in which coal is sold. Global climate issues continue to attract considerable public and scientific attention. There is widespread concern about the human contribution to such climate changes, including through the emission of GHGs. Emissions from coal consumption (both the use of thermal coal in power generation and through the end use of coal by customers in coke plants and in the steelmaking process), emissions from coal production and transportation (predominantly from the combustion of fuel) and emissions from coal mining itself (which can release methane directly into the atmosphere) are subject to pending and proposed regulation as part of initiatives to address global climate change. A number of national governments have already introduced, or are contemplating the introduction of, regulatory responses to GHG emissions, including from the extraction and combustion of fossil fuels, to address the impacts of climate change. This includes Australia and the United States, as well as customer markets such as China, India and Europe.

The Kyoto Protocol, adopted in December 1997 by the signatories to the 1992 United Nations Framework Convention on Climate Change, or UNFCCC, established a binding set of GHG emission targets for developed nations. The United States signed, but did not ratify, the Kyoto Protocol. Australia ratified the Kyoto Protocol in December 2007 and became a full member in March 2008.

There were discussions to develop a treaty to replace the Kyoto Protocol after the expiration of its commitment period in 2012, including at the UNFCCC conferences in Cancun (2010), Durban (2011), Doha (2012) and Paris (2015). At the Durban conference, an ad hoc working group was established to develop a protocol, another legal instrument or an agreed outcome with legal force under the UNFCCC, applicable to all parties. At the Doha meeting, an amendment to the Kyoto Protocol was adopted, which included new commitments for certain parties in a second commitment period, from 2013 to 2020. In December 2012, Australia signed on to the second commitment period. During the UNFCCC conference in Paris, France, in late 2015, an agreement, or the Paris Agreement, was adopted calling for voluntary emissions reductions contributions after the second commitment period ends in 2020. The Paris Agreement was entered into force on November 4, 2016 after ratification and execution by more than 55 countries, including Australia, that account for at least 55% of global GHG emissions. On June 1, 2017, the Trump Administration announced that the United States will withdraw from the Paris Agreement. Nevertheless, numerous U.S. governors, mayors and businesses have pledged their commitments to the goals of the Paris Agreement. These commitments could further reduce demand and prices for our coal.

In the United States, Congress has considered legislation addressing global climate issues and GHG emissions, but to date nothing has been enacted. While it is possible that the United States Congress will adopt legislation in the future, the timing and specific requirements of any such legislation are uncertain. In the absence of new U.S. federal legislation, the EPA has undertaken steps to regulate GHG emissions pursuant to the CAA. In response to the 2007 U.S. Supreme Court ruling in Massachusetts v. EPA, the EPA commenced several rulemaking projects. In particular, in August 2015, the EPA issued final rules regulating carbon dioxide emissions from new fossil fuel-fired electricity utility generating units (also known as the Power Plant NSPS) and from existing fossil fuel-fired electricity generating units (also known as the Clean Power Plan). The Clean Power Plan set emission performance rates for existing plants to be phased in over the period from 2022 through 2030, and the Power Plant NSPS set standards applying to new, modified and reconstructed sources beginning in 2015. However, in response to legal challenges, on February 9, 2016, the U.S. Supreme Court granted a stay of the implementation of the Clean Power Plan pending the resolution of various legal challenges. The Supreme Court's stay applies only to the Clean Power Plan and does not affect the Power Plant NSPS.

Subsequently, President Trump issued a March 2017 Executive Order that directed the EPA to review the Power Plant NSPS and the Clean Power Plan and, if appropriate, take steps to suspend, revise or rescind the rules through. On April 4, 2017, the EPA announced in the Federal Register that it is initiating its review of the Power Plant NSPS and Clean Power Plan. On April 28, 2017, the United States Court of Appeals for the D.C. Circuit paused legal challenges to both the Clean Power Plan and the Power Plant NSPS for 60 days to allow parties in each of those cases to brief the court on whether the case should be remanded to the agency or kept on hold, and in a series of orders since, has continued to hold the cases in abeyance while EPA rulemaking regarding the Clean Power Plan continues. On August 31, 2018, the EPA published the Affordable Clean Energy Rule, a proposed replacement of the Clean Power Plan. In contrast to the Clean Power Plan, which called for the shifting of electricity generation away from coal-fired sources towards natural gas and renewables, the Affordable Clean Energy Rule would focus on reducing GHG emissions from existing coal-fired plants by requiring states to mandate the implementation of a range of technologies at power plants designed to improve their heat rate (i.e., decrease the amount of fuel necessary to generate the same amount of electricity). On December 6, 2018, the EPA proposed to revise the Power Plant NSPS to replace carbon capture, utilization and storage, or CCUS, with the most efficient demonstrated steam cycle in combination with best operating practices as the best system of emissions reduction for newly-constructed coal-fired units. The outcome of these rulemakings is uncertain and likely to be subject to extensive notice and comment and litigation. More stringent standards for carbon dioxide emissions as a result of these rulemakings could further reduce demand for coal, and our business would be adversely affected.

In the United States, many states and several regions have enacted legislation establishing GHG emissions reduction goals or requirements. In addition, many states have enacted legislation or have in effect regulations requiring electricity suppliers to use renewable energy sources to generate a certain percentage of power or that provide financial incentives to electricity suppliers for using renewable energy sources. Some states have initiated public utility proceedings that may establish values for carbon emissions.

Enactment of laws or passage of regulations regarding emissions from the use of coal by the United States, some of its states and regions or Australia or other countries, or other actions to limit such emissions, could result in electricity generators switching from thermal coal to other fuel sources or reducing demand from customers for metallurgical coal for use in coke plants and in the steelmaking process. Further, policies limiting available financing for the development of new coal-fueled power stations or promoting alternative energy options could adversely impact the global demand for thermal coal in the future. The potential financial impact on us of future laws, technology, regulations or other policies will depend upon the degree to which any such laws or regulations force electricity generators, coke plants and steel production to diminish their reliance on coal. That, in turn, will depend on a number of factors, including the specific requirements imposed by any such laws, regulations or other policies, the time periods over which those laws, regulations or other policies would be phased in, the state of development and deployment of CCUS technologies as well as acceptance of CCUS technologies to meet regulations and the alternative uses for coal. Similarly, higher-efficiency coal-fired power plants may also be an option for meeting laws or regulations related to emissions from coal use. Several countries, including some major thermal coal users such as China, India and Japan, included using higher-efficiency coal-fueled power plants in their plans under the Paris Agreement. From time to time, we attempt to analyze the potential impact on the Company of as-yet-unadopted, potential laws, regulations and policies. Such analyses require that we make significant assumptions as to the specific provisions of such potential laws, regulations and policies. These analyses sometimes show that certain potential laws, regulations and policies, if implemented in the manner assumed by the analyses, could result in material adverse impacts on our operations, financial condition or cash flow, in view of the significant uncertainty surrounding each of these potential laws, regulations and policies.

Corporate Information

Our principal executive offices are located at 100 Bill Baker Way, Beckley, West Virginia 25801. Our telephone number is +1 (681) 207-7263. Our website address is www.coronadoglobal.com.au. We have included our website address in this registration statement as an inactive textual reference only. The information on, or that can be accessed through, our website is not part of this registration statement and should not be considered a part of this registration statement.

ITEM 1A. RISK FACTORS.

An investment in our securities is speculative and involves a number of risks. We believe the risks described below are the material risks that we face. However, the risks described below may not be the only risks that we face. Additional unknown risks or risks that we currently consider immaterial, may also impair our business operations. You should carefully consider the specific risk factors discussed below, together with the information contained in this registration statement, including Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes. If any of the events or circumstances described below actually occurs, our business, financial condition or results of operations could suffer, and the trading price of our securities could decline significantly.

Risks Associated with Our Operations

Our profitability depends upon the prices we receive for our coal. Prices for coal are volatile and can fluctuate widely based upon a number of factors beyond our control.

We generate revenue from the sale of coal and our financial results are significantly affected by the prices we receive for our coal. Prices and quantities under metallurgical coal sales contracts in North America are generally based on expectations of the next year's coal prices at the time the contract is entered into, renewed, extended or re-opened. Pricing in the global seaborne market is typically negotiated quarterly; however, increasingly the market is moving towards shorter-term pricing models.

Sales by our U.S. Operations to export markets are typically priced with reference to a benchmark index. Sales by our Australian Operations have typically been contracted on an annual basis and are priced quarterly with reference to benchmark indices or bilaterally negotiated term prices and spot indices. As a result, a significant portion of our revenue is exposed to movements in coal prices and any weakening in metallurgical or thermal coal prices would have an adverse impact on our financial condition and results of operations.

The expectation of future prices for coal depends upon many factors beyond our control, including the following:

- the market price for coal;
- overall domestic and global economic conditions, including the supply of and demand for domestic and foreign coal, coke and steel;
- the consumption pattern of industrial consumers, electricity generators and residential users;
- weather conditions in our markets that affect the ability to produce metallurgical coal or affect the demand for thermal coal;
- competition from other coal suppliers;
- technological advances affecting the steel production process and/or energy consumption;
- the costs, availability and capacity of transportation infrastructure; and
- the impact of domestic and foreign governmental laws and regulations, including environmental and climate change regulations and regulations affecting the coal mining industry.

Metallurgical coal has been a volatile commodity over the past ten years. The metallurgical coal industry also faces concerns with oversupply from time to time. There are no assurances that supplies will remain low, that demand will not decrease or that overcapacity will not resume, which could cause declines in the prices of and demand for coal, which could have a material adverse effect on our financial condition and results of operations.

In addition, coal prices are highly dependent on the outlook for coal consumption in large Asian economies, such as China, India, South Korea and Japan, as well as any changes in government policy regarding coal or energy in those countries. Seaborne metallurgical coal import demand can also be significantly impacted by the availability of indigenous coal production, particularly in the leading metallurgical coal import countries of China, India and Brazil, among others, and the competitiveness of seaborne metallurgical coal supply, including from the leading metallurgical coal exporting countries of Australia, the United States, Russia, Canada and Mongolia, among others.

We face significant competition, which could adversely affect profitability.

Competition in the coal industry is based on many factors, including, among others, world supply, price, production capacity, coal quality and characteristics, transportation capability and costs, blending capability, brand name and diversified operations. We are subject to competition from metallurgical coal producers from Australia, the United States, Canada, Russia, Mongolia and other metallurgical coal producing countries. Should those competitors obtain a competitive advantage in comparison to us (whether by way of an increase in production capacity, higher realized prices, lower operating costs, or otherwise), such competitive advantage may have an adverse impact on our ability to sell, or the prices at which we are able to sell coal products. In addition, some of our competitors may have more production capacity as well as greater financial, marketing, distribution and other resources than we do.

The consolidation of the global metallurgical coal industry over the last several years has contributed to increased competition, and our competitive position may be adversely impacted by further consolidation among market participants or by further competitors entering into and exiting bankruptcy proceedings under a lower cost structure. Similarly, potential changes to international trade agreements, trade concessions or other political and economic arrangements may benefit coal producers operating in countries other than the United States and Australia. Other coal producers may also develop or acquire new projects to increase their coal production, which may adversely impact our competitiveness. Some of our global competitors have significantly greater financial resources, such that increases in their coal production may affect domestic and foreign metallurgical coal supply into the seaborne market and associated prices and impact our ability to retain or attract metallurgical coal customers. In addition, our ability to ship our metallurgical coal to non-U.S. and non-Australian customers depends on port and transportation capacity. Increased competition within the metallurgical coal industry for international sales could result in us not being able to obtain throughput capacity at port facilities, as well as transport capacity, could cause the rates for such services to increase to a point where it is not economically feasible to export our metallurgical coal.

Increased competition or a failure to compete effectively in the markets in which we participate may result in losses of market share and could adversely affect our financial condition and results of operations.

Risks inherent to mining could impact the amount of coal produced, cause delay or suspend coal deliveries, or increase the cost of operating our business.

Our mining operations, including exploration, development, preparation, product handling and accessing transport infrastructure, may be affected by various operational difficulties that could impact the amount of coal produced at our coal mines, cause delay or suspend coal deliveries, or increase the cost of mining for a varying length of time. Our financial performance is dependent on our ability to sustain or increase coal production and maintain or increase operating margins. Our coal production and production costs are, in many respects, subject to conditions and events beyond our control, which could disrupt our operations and have a significant impact on our financial results. Adverse operating conditions and events that we may have experienced in the past or may experience in the future include:

- a failure to achieve the metallurgical qualities predicted from exploration;
- variations in mining and geological conditions from those predicted, such as variations in coal seam thickness and quality, and geotechnical conclusions;
- operational and technical difficulties encountered in mining, including equipment failure, delays in moving longwall equipment, drag-lines and other equipment and maintenance or technical issues;

- adverse weather conditions or natural or man-made disasters, including hurricanes, cyclones, tornadoes, floods, droughts, seismic activities, ground failures, rock bursts, structural cave-ins or slides;
- insufficient or unreliable infrastructure, such as power, water and transport;
- industrial and environmental accidents, such as releases of mine-affected water and diesel spills (both of which have affected our Australian Operations in the past);
- industrial disputes and labor shortages;
- mine safety accidents, including fires and explosions from methane and other sources;
- competition and conflicts with other natural resource extraction and production activities within overlapping operating areas, such as natural gas extraction or oil and gas development (including potential conflicts with gas extraction undertaken by a third party at Buchanan);
- unexpected shortages, or increases in the costs, of consumables, spare parts, plant and equipment;
- cyber-attacks that disrupt our operations or result in the dissemination of proprietary or confidential information about us to our customers or other third parties; and
- security breaches or terrorist acts.

In addition, if any of the foregoing conditions or events occurs and is not mitigated or excusable as a force majeure event under our coal sales contracts, any resulting failure on our part to deliver coal to the purchaser under such contracts could result in economic penalties, demurrage costs, suspension or cancellation of shipments or ultimately termination of such contracts, which could have a material adverse effect on our financial condition and results of operations.

Furthermore, our mining operations are concentrated in a small number of mines in the CAPP. As a result, the effects of any of these conditions or events may be exacerbated and may have a disproportionate impact on our results of operations and assets. Any such operational conditions or events could also result in disruption to key infrastructure (including infrastructure located at or serving our mining activities, as well as the infrastructure that supports freight and logistics). These conditions and events could also result in the partial or complete closure of particular railways, ports or significant inland waterways or sea passages, potentially resulting in higher costs, congestion, delays or cancellations on some transport routes. Any of these conditions or events could adversely impact our business and results of operations.

The loss of, or significant reduction in, purchases by our largest customers could adversely affect our revenues.

For the year ended December 31, 2018, our top ten customers comprised 70% of our total revenue and our top five customers comprised 51% of our total revenue. For the year ended December 31, 2018, sales to Xcoal and Tata Steel represented approximately 23% and 12%, respectively, of our total revenue. The majority of our sales are made on a spot basis or under contracts with terms of typically one year. The failure to obtain additional customers or the loss of all or a portion of the revenues attributable to any customer as a result of competition, creditworthiness, inability to negotiate extensions or replacement of contracts or otherwise, may adversely affect our financial condition and results of operations.

For the year ended December 31, 2018, sales to Xcoal represented approximately 52% of revenue from our U.S. Operations and represented our U.S. Operations' predominant means of access to the export metallurgical coal market. Purchase orders with Xcoal are entered into primarily on an ad hoc (shipment-by-shipment) basis and there is a risk that, in the future, the number of sales to Xcoal could decrease, which would require us to procure alternative brokers or market the coal directly to the

export market. In addition, if our arrangements with Xcoal were to cease or materially decrease, we might also be required to procure additional infrastructure capacity to support some of our operations, as Xcoal typically takes ownership of coal upon landing into the rail car and handles transportation logistics to the port and beyond. As a result, the loss of, or deterioration of, the relationship with Xcoal could materially and adversely affect our financial condition and results of operations or cause a material disruption to our U.S. Operations.

Demand for our metallurgical coal is significantly dependent on the steel industry.

The majority of the coal that we produce is metallurgical coal that is sold, directly or indirectly, to steel producers and commands a significant price premium over the majority of other forms of coal because of its use in blast furnaces for steel production. Metallurgical coal, specifically our high-quality hard coking coal, or HCC, has specific physical and chemical properties, which are necessary for efficient blast furnace operation. Therefore, demand for our metallurgical coal is correlated to demands of the steel industry. The steel industry's demand for metallurgical coal is affected by a number of factors, including: the cyclical nature of that industry's business; general economic conditions and demand for steel; and the availability and cost of substitutes for steel, such as aluminum, composites and plastics, all of which may impact the demand for steel products. Similarly, if new steelmaking technologies or practices are developed that allow less expensive ingredients (lower quality coal or other sources of carbon) to be substituted for metallurgical coal in the integrated steel mill process, the demand for metallurgical coal would materially decrease.

Although conventional blast furnace technology has been the most economic large-scale steel production technology for a number of years, there can be no assurance that over the longer term, competitive technologies not reliant on metallurgical coal would not emerge, which could reduce the demand and price premiums for metallurgical coal. A significant reduction in the demand for steel products would reduce the demand for metallurgical coal, which could have a material adverse effect on our financial condition and results of operations.

Additionally, newly imposed tariffs by the United States on the import of certain steel products may impact foreign steel producers to the extent their production is imported into the United States. On March 8, 2018, the President of the United States, Donald Trump, signed an executive order establishing a 25% tariff on imports of steel into the United States, which could reduce imports of steel and increase U.S. metallurgical coal demand. This additional U.S. metallurgical coal demand could be met by reducing exports of metallurgical coal and redirecting that volume to domestic consumption.

Although the tariffs could be supportive of a stronger domestic metallurgical coal price environment, these tariffs have prompted retaliatory tariffs from key trading partners, notably Europe and China. Any retaliatory tariffs by these or other countries to these tariffs may limit international trade and adversely impact global economic conditions. We cannot ascertain the impact, if any, these tariffs may have on demand for our metallurgical coal.

Decreases in demand for coal-fired electricity and changes in coal consumption patterns of the United States and Australian electric power generators could adversely affect our business.

While demand for metallurgical coal is not closely linked to demand for electricity, incidental production of thermal coal by our U.S. Operations represented approximately 13% of tons sold by our U.S. Operations and 6% of our revenues during 2018.

In such case, any changes in coal consumption by electric power generators in the United States would likely impact our business over the long term. According to the United States Department of Energy's Energy Information Administration, or EIA, the domestic electric power sector is the largest consumer of coal and accounted for 82% of total U.S. coal consumption in 2017, down from 90% in 2015.

While power generation from thermal coal remains a cost-effective form of energy, the increasing focus on renewable energy generation, competition from alternative fuel sources, such as natural gas, environmental regulations and the consequential decline in electricity generation from fossil fuels, is expected to result in the further decline of coal-fired electricity generation due to retirement of coal-fired capacity in favor of alternative energy. The low price of natural gas in recent years has resulted in some U.S. electric generators increasing natural gas consumption while decreasing coal consumption. Electricity generation from coal is now second to natural gas, which surpassed coal as the leading source of U.S. electricity generation in 2016. In 2018, natural gas provided 35% of total electricity generation while coal provided 27% of total electricity generated in the United States, a decline of 12% from 2013, when coal-fired electricity generation represented 39% of total electricity generation.

Sales of thermal coal represented approximately 27% of tons sold by our Australian Operations and approximately 6% of our revenues in 2018 since the date of our acquisition of Curragh. The majority of the thermal coal produced by our Australian Operations is sold on a long-term supply arrangement to Stanwell. Sales of thermal coal by our Australian Operations to domestic and export buyers are exposed to fluctuations in the global demand for thermal coal or electricity. However, coal sold to Stanwell is not directly exposed to fluctuations in the global demand for electricity or thermal coal. Under the Stanwell supply contract, Stanwell can set volumes and pricing has historically been set at significantly below-market rates. See "—Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations."

Further reductions in the demand for coal-fired electricity generation and the growth of alternative energy options, such as renewables, and alternate power generation technologies could materially reduce the demand for thermal coal, which may have a material adverse effect on our financial condition and results of operations.

If a substantial number of our customers fail to perform under our contracts with them, our revenues and operating profits could suffer.

A significant portion of the sales of our metallurgical coal is to customers with whom we have had long-term relationships. The success of our business depends on our ability to retain our current customers, renew our existing customer contracts and solicit new customers. Our ability to do so generally depends on a variety of factors, including the quality and price of our products, our ability to market these products effectively, our ability to deliver on a timely basis and the level of competition that we face.

In addition, our sales contracts generally contain provisions that allow customers to suspend or terminate if we commit a material breach of the terms of the contract, a change in law restricts or prohibits a party from carrying out its material obligations under the contract or a material adverse change occurs in our financial standing or creditworthiness. If customers suspend or terminate existing contracts, or otherwise refuse to accept shipments of our metallurgical coal for which they have an existing contractual obligation, our revenues will decrease, and we may have to reduce production at our mines until our customers' contractual obligations are honored.

If our customers do not honor contract commitments, or if they terminate agreements or exercise force majeure provisions allowing for the temporary suspension of performance during specified events beyond the parties' control and we are unable to replace the contract, our financial condition and results of operations could be materially and adversely affected.

If our ability to collect payments from customers is impaired, our revenues and operating profits could suffer.

Our ability to receive payment for coal sold and delivered will depend on the continued contractual performance and creditworthiness of our customers and counterparties. For certain customers, we require the provision of a letter of credit as security for payment. The inability of key customers to procure letters of credit (due to general economic conditions or the specific circumstances of the customer) may restrict our ability to contract with such customers or result in fewer sales contracts being executed, which could materially adversely affect our financial condition and results of operations. For certain of our large customers in Australia who have not provided letters of credit or other form of security, we maintain an insurance policy to cover for any failure in payment.

If non-payment occurs, we may decide to sell the customer's metallurgical coal on the spot market, which may be at prices lower than the contracted price, or we may be unable to sell the coal at all. If our customers' and counterparties' creditworthiness deteriorates, our business could be adversely affected.

Our long-term success depends upon our ability to continue discovering, or acquiring and developing assets containing, coal reserves that are economically recoverable.

Our recoverable reserves decline as we produce coal. Our long-term outlook depends on our ability to maintain a commercially viable portfolio of coal reserves that are economically recoverable. Failure to acquire or discover new coal reserves or develop new assets could negatively affect our financial condition and results of operations. Exploration activity may occur adjacent to established assets and in new regions. These activities may increase land tenure, infrastructure and related political risks. Failure to discover or acquire new coal reserves, replace coal reserves or develop new assets or operations in sufficient quantities to maintain or grow the current level of reserves could negatively affect our financial condition and results of operations.

Potential changes to our portfolio of assets through acquisitions and divestments may have an adverse effect on future results of operations and financial condition. From time to time, we may add assets to, or divest assets from, our portfolio. There are a number of risks associated with historical and future acquisitions or divestments, including, among others:

- adverse market reaction to such acquisitions and divestments or the timing or terms on which acquisitions and divestments are made;
- imposition of adverse regulatory conditions and obligations;
- political and country risk;
- commercial objectives not being achieved as expected;
- unforeseen liabilities arising from changes to the portfolio;
- sales revenues and operational performance not meeting expectations;
- anticipated synergies or cost savings being delayed or not being achieved; and
- inability to retain key staff and transaction-related costs being more than anticipated.

These factors could materially and adversely affect our financial condition and results of operations.

We may be unsuccessful in integrating the operations of our recent acquisitions with our existing operations and in realizing all or any part of the anticipated benefits of any such acquisitions.

From time to time, we may evaluate and acquire assets and businesses that we believe complement our existing assets and business. Acquisitions may require substantial capital or the incurrence of

substantial indebtedness. Our capitalization and results of operations may change significantly as a result of future acquisitions. Acquisitions and business expansions involve numerous risks, including the following:

- difficulties in the integration of the assets and operations of the acquired businesses;
- inefficiencies and difficulties that arise because of unfamiliarity with new assets and the businesses associated with them and new geographic areas; and
- the diversion of management's attention from other operations.

Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, and may lead to increased litigation and regulatory risk. Also, following an acquisition, we may discover previously unknown liabilities associated with the acquired business or assets for which we have no recourse under applicable indemnification provisions. If a new business generates insufficient revenue or if we are unable to efficiently manage our expanded operations, our results of operations may be adversely affected.

We rely on estimates of our recoverable reserves, which is complex due to geological characteristics of the properties and the number of assumptions made.

We rely on estimates of our recoverable reserves. In this registration statement, we report our estimated proven (measured) and probable (indicated) reserves in accordance with SEC Industry Guide 7. As an ASX-listed company, however, our ASX disclosures follow the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, or the JORC Code. One principal difference between the reporting regimes in the United States under SEC Industry Guide 7 and in Australia under the JORC Code is the provision in the JORC Code for the reporting of estimates other than proven (measured) or probable (indicated) reserves. Specifically, our ASX disclosures include estimates of coal resources in addition to reserves. Accordingly, our estimates of proven and probable coal reserves in this registration statement and in other reports that we are required to file with the SEC may be different than our estimates of reserves as reported in our ASX disclosures.

Coal is economically recoverable when the price at which it can be sold exceeds the costs and expenses of mining and selling the coal. The costs and expenses of mining and selling the coal are determined on a mine-by-mine basis, and as a result, the price at which our coal is economically recoverable varies based on the mine. We base our reserve information on geologic data, coal ownership information and current and proposed mine plans. There are numerous uncertainties inherent in estimating quantities and qualities of coal and costs to mine recoverable reserves, including many factors beyond our control. There are inherent uncertainties and risks associated with such estimates, including:

- geologic and mining conditions, which may not be fully identified by available exploration data and may differ from our experience and assumptions in areas we currently mine;
- current and future market prices for coal, contractual arrangements, operating costs and capital expenditures;
- severance and excise taxes, unexpected governmental taxes, royalties and development and reclamation costs;
- future mining technology improvements;
- the effects of regulation by governmental agencies;

- the ability to obtain, maintain and renew all required permits;
- employee health and safety; and
- historical production from the area compared with production from other producing areas.

In addition, coal reserve estimates are revised based on actual production experience, and/or new exploration information and therefore the coal reserve estimates are subject to change. Should we encounter geological conditions or qualities different from those predicted by past drilling, sampling and similar examinations, coal reserve estimates may have to be adjusted and mining plans, coal processing and infrastructure may have to be altered in a way that might adversely affect our operations. As a result, our estimates may not accurately reflect our actual future coal reserves.

As a result, the quantity and quality of the coal that we recover may be less than the reserve estimates included in this registration statement. If our actual coal reserves are less than current estimates, or the rate at which they are recovered is less than estimated or results in higher than estimated cost, our financial condition and results of operations may be materially adversely affected.

If transportation for our coal becomes unavailable or uneconomic for our customers, our ability to sell coal could suffer.

Our mining operations produce coal, which is transported to customers by a combination of road, rail, barge and ship. The delivery of coal produced by our mining operations is subject to potential disruption, which may affect our ability to deliver coal to our customers and may have an impact on productivity and profitability. For example, in the fiscal year ended December 31, 2018, sales volumes for our Australian Operations were impacted by rail network disruptions in Queensland caused by bush fires, track maintenance and industrial action. Such disruptions to transportation services may include, among others:

- disruptions due to weather-related problems;
- key equipment or infrastructure failures;
- industrial action;
- rail or port capacity congestion or constraints;
- commercial disputes;
- failure to obtain consents from third parties for access to rail or land, or access being removed or not granted by regulatory authorities;
- changes in applicable regulations;
- failure or delay in the construction of new rail or port capacity; and
- terrorist attacks, natural disasters or other events.

Any such disruptions, or any deterioration in the reliability of services provided by our transportation service providers, could impair our ability to supply coal to our customers, result in decreased shipments and revenue and adversely affect our results of operations.

Typically, we sell coal at the mine gate and/or loaded into vessels at the port. While ordinarily our coal customers arrange and pay for transportation of coal from the mine or port to the point of use, we have entered into arrangements with third parties to gain access to transportation infrastructure and services where required, including road transport organizations, rail carriers and port owners. Where coal is exported or sold other than at the mine gate, the costs associated with these arrangements represent a significant portion of both the total cost of supplying coal to customers and of our production costs. As a result, the cost of transportation is not only a key factor in our cost base, but also in the purchasing decision of customers. Transportation costs may increase and we may not be able to pass on the full extent of cost increases to our customers. For example, where transportation costs are connected to market demand, costs may increase if usage by us and other market participants increases. Significant increases in transport costs due to factors such as fluctuations in the price of diesel fuel, electricity and demurrage or environmental requirements could make our coal less competitive when compared to coal produced from other regions and countries. As the transportation capacity secured by our port and rail agreements is based on assumed production volumes, we may also have excess transportation capacity (which, in the case of take-or-pay agreements, we may have to pay for even if unused) if our actual production volumes are lower than our estimated production volumes. Conversely, we may not have sufficient transportation capacity if our actual production volumes exceed our estimated production volumes, if we are unable to transport the full capacity due to contractual limitations or if any deterioration in our relationship with brokers and intermediaries (including Xcoal) results in a reduction in the proportion of coal purchased F.O.R. from our U.S. Operations (and a corresponding increase in the proportion of coal purchased F.O.B.).

Take-or-pay arrangements within the coal industry could unfavorably affect our profitability.

Our Australian Operations generally contract port and rail capacity via long-term take-or-pay contracts for transport to and export from the Port of Gladstone via two main port terminals, RGTCT and WICET. At our U.S. Operations, we also have a take-or-pay agreement in connection with the Kinder Morgan Pier IX Terminal in Hampton Roads, Virginia. We may enter into other take-or-pay arrangements in the future.

Where we have entered into take-or-pay contracts, we will generally be required to pay for our contracted port or rail capacity, even if it is not utilized by us or other shippers. Although the majority of our take-or-pay arrangements provide security over minimum port and rail infrastructure availability, unused port or rail capacity can arise as a result of varying unforeseen circumstances, including insufficient production from a given mine, a mismatch between the timing of required port and rail capacity for a mine, or an inability to transfer the used capacity due to contractual limitations, such as required consent of the provider of the port or rail services, or because the coal must emanate from specified source mines or be loaded onto trains at specified load points. Paying for unused transport capacity could materially and adversely affect our cost structures and financial performance. See Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations" for a summary of our expected future obligations under take-or-pay arrangements as of December 31, 2018.

Our profitability could be affected adversely by the failure of suppliers and/or outside contractors to perform.

We use contractors and other third parties for exploration, mining and other services generally, and are reliant on several third parties for the success of our current operations and the development of our growth projects. While this is normal for the mining industry, problems caused by third parties may arise, which may have an impact on our performance and operations. The majority of workers at our Australian Operations are employed by contractors, including Thiess, Golding Contractors Pty Ltd, and Wolff Mining Pty Ltd.

Operations at our mines may be interrupted for an extended period in the event that we lose any of our key contractors (because their contract is terminated or expires) and are required to replace them. There can be no assurance that skilled third parties or contractors will continue to be available at reasonable rates. As we do not have the same control over contractors as we do over employees, we are also exposed to risks related to the quality or continuation of the services of, and the equipment and supplies used by, our contractors, as well as risks related to the compliance of our contractors with environmental and health and safety legislation and internal policies, standards and processes. Any failure by our key contractors to comply with their obligations under our operating agreements with them (whether as a result of financial or operational difficulties or otherwise), any termination or breach of our operating agreements by our contractors, any protracted dispute with a contractor, any material labor dispute between our contractors and their employees or any major labor action by those employees against our contractors, could have a material adverse effect on our financial condition and results of operations.

Further, in periods of high commodity prices, demand for contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. To the extent that any of the foregoing risks were to materialize, our operating results and cash flows could be adversely affected.

Our inability to replace or repair damaged or destroyed equipment or facilities in a timely manner, could materially and adversely affect our financial condition and results of operations.

We depend on several major pieces of mining equipment and facilities to produce and transport coal, including, but not limited to, longwall mining systems, continuous miners, draglines, dozers, excavators, shovels, haul trucks, conveyors, CPPs and rail loading and blending facilities. Obtaining and repairing these major pieces of equipment often involves long lead times. If any of these pieces of equipment and facilities suffers major damage or is destroyed by fire, abnormal wear and tear, flooding, incorrect operation or otherwise, we may be unable to replace or repair them in a timely manner or at a reasonable cost, which would impact our ability to produce and transport coal and could materially and adversely affect our financial condition and results of operations.

Additionally, regulatory agencies sometimes make changes with regard to requirements for pieces of equipment. For example, in 2015, the MSHA promulgated a new regulation requiring the implementation of proximity detection devices on all continuous miners. Such changes can impose costs on us and can cause delays if manufacturers and suppliers are unable to make the required changes in compliance with mandated deadlines.

A decrease in the availability or increase in costs of key supplies, capital equipment, commodities and purchased components, such as diesel fuel, steel, explosives and tires could materially and adversely affect our financial condition and results of operations.

Our mining operations require a reliable supply of large quantities of fuel, explosives, tires, steel-related products (including roof control materials), lubricants and electricity. The prices we pay for commodities are strongly impacted by the global market. In situations where we have chosen to concentrate a large portion of purchases with one supplier, it has been to take advantage of cost savings from larger volumes of purchases and to ensure security of supply. If the cost of any of these key supplies or commodities increased significantly, or if a source for these supplies or mining equipment were unavailable to meet our replacement demands, our profitability could be reduced or we could experience a delay or halt in our production.

Our coal production and production costs can be materially and adversely impacted by unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. For example, operation of the thermal dryer located at the CPP at Buchanan is dependent upon the delivery of natural gas and there is currently only one natural gas supplier in the area, an affiliate of CONSOL Energy. Although we have entered into a gas purchase agreement with CONSOL Energy, this agreement can be terminated by CONSOL Energy on 30 days' notice and any delay or inability to negotiate a replacement agreement would impact our costs of production as we would need to change our processing method at Buchanan.

Risks related to our investment in WICET may adversely affect our financial condition and results of operations.

We have a minority interest in WICET Holdings Pty Ltd, whose wholly-owned subsidiary, WICET Pty Ltd, owns WICET. Other coal producers who export coal through WICET also hold shares in WICET Holdings Pty Ltd. In addition, we and the other coal producers (or shippers) have evergreen, ten-year take-or-pay agreements with WICET Pty Ltd and pay a terminal handling charge to export coal through WICET, which is calculated by reference to WICET's annual operating costs, as well as finance costs associated with WICET Pty Ltd's external debt facilities.

Some of the other WICET shipper-shareholders have been liquidated since WICET became operational in 2015, and have defaulted under their take-or-pay agreements with WICET Pty Ltd. These defaults have resulted in increased terminal handling charges for the remaining shipper-shareholders (including us) as the charges must be redistributed to fund the minimum required charges due to WICET. If any of the five remaining shipper-shareholders becomes insolvent and/or defaults under its take-or-pay agreement, the terminal handling charges for the remaining shipper-shareholders, including us, will increase. In addition, if we default under our take-or-pay agreement with WICET Pty Ltd, we might be liable for a significant termination payment. The termination payment is approximately equal to our proportion of WICET Pty Ltd's total external debt (which is based on the proportion that our contracted tonnage bears to the total contracted tonnage at WICET when the payment obligation is triggered). We have provided security to WICET Pty Ltd in the form of a bank guarantee, the amount of which is required to cover our estimated liabilities as a shipper under the WICET Take-or-Pay Agreement for the following 12-month period. If we are in default under the WICET Take-or-Pay Agreement and are subject to a termination payment, WICET Pty Ltd can draw on the security and apply it to amounts owing by us.

Any attempt by the senior lenders for WICET Pty Ltd's external debt, or a receiver appointed by them, to take steps to seek to recover against the shipper-shareholders (whether through increased terminal handling charges or otherwise) could materially and adversely impact our business and results of operations. If an insolvency or other event ultimately resulted in a permanent cessation of operations at WICET, we may also be required to procure additional port capacity, as well as be liable for a termination payment under our take-or-pay agreement.

Defects in title or loss of any leasehold interests in our properties could limit our ability to mine these properties or result in significant unanticipated costs.

In the United States, title to a leased property and mineral rights is generally secured prior to permitting and developing a property. In some cases, we rely on title information or representations and warranties provided by our lessors, grantors or other third parties. Our right to mine some of our reserves may be adversely affected if defects in title or boundaries exist or if a lease expires. Any challenge to our title or leasehold interests could delay the exploration and development of the property and could ultimately result in the loss of some or all of our interest in the property and, accordingly, require us to reduce our estimated coal reserves. In addition, if we mine on property that we do not own or lease, we could incur liability for such mining.

In the United States, we predominantly access our mining properties through leases with a range of private landholders. If a default under a lease for properties on which we have mining operations resulted in the termination of the applicable lease, we may have to suspend mining or significantly alter the sequence of such mining operations, which may adversely affect our future coal production and future revenues.

To obtain leases or mining contracts to conduct our U.S. Operations on properties where defects exist or to negotiate extensions or amendments to existing leases, we may in the future have to incur unanticipated costs. In addition, we may not be able to successfully negotiate new leases or mining contracts for properties containing additional reserves or maintain our leasehold interests in properties where we have not commenced mining operations during the term of the lease.

In Queensland, where all of our Australian Operations are carried out, exploring or mining for coal is unlawful without a tenement granted by the Queensland government. The grant and renewal of tenements are subject to a regulatory regime and each tenement is subject to certain conditions. There is no certainty that an application for the grant of a new tenement or renewal of one of the existing Tenements at Curragh will be granted at all or on satisfactory terms or within expected timeframes. Further, the conditions attached to the Tenements may change at the time they are renewed. There is a risk that we may lose title to any of our granted Tenements if we are unable to comply with conditions or if the land that is subject to the title is required for public purposes. The Tenements have expirations ranging from August 31, 2021 to July 31, 2044 and, where renewal is required, there is a risk that the Queensland government may change the terms and conditions of such Tenement upon renewal.

A defect in our title or the loss of any lease or Tenement upon expiration of its term, upon a default or otherwise, could adversely affect our ability to mine the associated reserves or process the coal we mine.

Our ability to operate effectively could be impaired if we lose key personnel or fail to attract qualified personnel.

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect our future performance. We have entered into employment contracts with a number of key personnel in Australia and the United States, including our Managing Director and Chief Executive Officer, Garold Spindler, and our President and Chief Operating Officer, James Campbell. Mr. Spindler's and Mr. Campbell's expertise and experience in the mining industry are important to the continued development and operation of our mining interests. However, there is no assurance that such personnel will remain with us for the term of their employment contracts or beyond. In the United States, we have not entered into employment contracts with any of our key personnel (other than Mr. Spindler and his direct reports), meaning that we do not have the benefit of notice provisions or non-compete restraints with these employees. The loss of our senior executives could have a material adverse effect on our business. There may be a limited number of persons with the requisite experience and skills to serve in our senior management positions. We may not be able to locate or employ qualified executives on acceptable terms. In addition, as our business develops and expands, we believe that our future success will depend greatly on our continued ability to attract and retain highly skilled personnel with coal industry experience in Australia and the United States. We may not be able to continue to employ key personnel or attract and retain qualified personnel in the future. The loss of such key personnel or the failure to recruit sufficiently qualified employees may affect our business and future performance.

A shortage of skilled labor in the mining industry could pose a risk to achieving improved labor productivity.

Efficient coal mining using modern techniques and equipment requires skilled laborers, preferably with at least a year of experience and proficiency in multiple mining tasks. Any future shortage of skilled labor in the Australian and U.S. mining industries could result in our having insufficient personnel to operate our business, our ability to expand production in the event there is an increase in the demand for our coal, which could adversely affect our financial condition and results of operations.

We could be negatively affected if we fail to maintain satisfactory labor relations.

Relations with our employees and, where applicable, organized labor are important to our success. Enterprise bargaining and other disputes between us and our employees or disputes affecting our contractors may result in strikes or uncompetitive work practices.

As of March 31, 2019, we had approximately 1,700 employees. In addition, as of March 31, 2019, there were approximately 1,200 contractors supplementing the permanent workforce, primarily at Curragh. As of March 31, 2019, approximately 12% of our total employees, all at our Australian Operations, were represented by organized labor unions and covered by the EA. In May 2019, the Australian Fair Work Commission approved the Curragh Mine Enterprise Agreement 2019. This EA has a nominal expiration date of May 26, 2022 and will remain in place until replaced or terminated by the Fair Work Commission. Our U.S. Operations employ a 100% non-union labor force.

Future industrial action by our employees or mining contractors' employees or involving trade unions could disrupt operations and negatively impact mine productivity, production and profitability.

We may be unable to obtain, renew or maintain permits necessary for our operations, which would reduce coal production, cash flows and profitability.

Our performance and operations depend on, among other things, being able to obtain on a timely basis, and maintain, all necessary regulatory approvals, including any approvals arising under applicable mining laws, environmental regulations and other laws, for our current operations, expansion and growth projects. Examples of regulatory approvals that we must obtain and maintain include mine planning approvals, environmental permits and, in Australia, land titles, land tenure and approvals relating to native title and indigenous cultural heritage. In addition, our operations depend on our ability to obtain and maintain consents from private land owners and good relations with local communities.

The requirement to obtain and maintain approvals and address potential and actual issues for former, existing and future mining projects is common to all companies in the coal sector. However, there is no assurance or guarantee that we will obtain, secure, or be able to maintain any or all of the required consents, approvals and rights necessary to maintain our current production profile from our existing operations or to develop our growth projects in a manner which will result in profitable mining operations and/or achieve our long-term production targets. The permitting rules, and the interpretations of these rules, are complex, change frequently and are often subject to the interpretation of the regulators that enforce them, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future mining operations. Certain laws, such as the SMCRA, require that certain environmental standards be met before a permit is issued. The public, including non-governmental organizations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements. These comments are prepared in connection with applicable regulatory processes, and the public may otherwise engage in the permitting process, including bringing lawsuits to challenge the issuance of permits, the validity or adequacy of environmental impact statements or performance of mining activities. In states where we operate, applicable laws and regulations also provide that a mining permit or modification can, under certain circumstances, be delayed, refused or revoked if we or any entity that owns or controls or is under common ownership or control with us have unabated permit violations or have been the subject of permit or reclamation bond revocation or suspension. Thus, past or ongoing violations of federal and state mining laws by us or such entity could provide a basis to revoke existing permits and to deny the issuance of additional permits or modification or amendment of existing permits. In recent years, the permitting required for coal mining has been the subject of increasingly stringent regulatory and administrative requirements and extensive activism and litigation by environmental groups. If this trend continues, it could materially and adversely affect our mining operations, development and expansion and cost structures, the transport of coal and our customers' ability to use coal produced by our mines, which, in turn, could have a material adverse effect on our financial condition and results of operation.

In particular, certain of our activities require a dredge and fill permit from the USACE under Section 404 of the CWA. In recent years, the Section 404 permitting process has been subject to increasingly stringent regulatory and administrative requirements and a series of court challenges, which have resulted in increased costs and delays in the permitting process. In addition, in 2015, the EPA and the USACE issued the CWR, under the CWA that would further expand the circumstances when a Section 404 permit is needed. The CWR is the subject of extensive ongoing litigation and administrative proceedings, as a result of which the CWR has been enjoined in certain states (including West Virginia) and reinstated in others (including Virginia and Pennsylvania), and its current and future impact on our operations are the subject of significant uncertainty. In addition, on December 11, 2018, the EPA and the USACE issued a proposed rule replacing the CWR. In accordance with President Trump's executive order, the proposed rule would redefine "waters of the United States", which would have the effect of excluding from the definition certain wetlands and other water bodies that are covered by the definition pursuant to the CWR. The process to rescind or revise the CWR will likely be subject to extensive notice and comment and litigation. Additionally, we may rely on nationwide permits under the CWA Section 404 program for some of our operations. These nationwide permits are issued every five years, and the 2017 nationwide permit program was recently reissued in January 2017. If we are unable to use the nationwide permits and require an individual permit for certain work, that could delay operations.

If we are unable to obtain and maintain the approvals, consents and rights required for our current and future operations, or if we obtain approvals subject to conditions or limitations, the economic viability of the relevant projects may be adversely affected, which may in turn result in the value of the relevant assets being impaired, which could have a material adverse effect on our financial condition and results of operations.

In times of drought and/or shortage of available water, our operations and production, particularly at Curragh, could be negatively impacted if the regulators impose restrictions on our water offtake licenses that are required for water used in the CPPs.

In Queensland, all entitlements to the use, control and flow of water are vested in the state and regulated by the Water Act 2000 (Qld). Allocations under the Water Act 2000 (Qld) can be managed by a water supply scheme operator, such as SunWater Ltd. We have purchased the required water allocations for Curragh and entered into a suite of related channel and pipeline infrastructure agreements and river supply agreements with SunWater Ltd. to regulate the supply of water pursuant to these allocations.

The amount of water that is available to be taken under a water entitlement will vary from year to year and is determined by water sharing rules of the relevant catchment area. These rules will, for example, state a procedure for water supply scheme holders to calculate the water available to an allocation holder, based on available and predicted supply. In situations of severely constrained supply (such as during a drought), supply contracts with the scheme operator generally provide for a reduced apportionment, with certain uses (e.g., domestic use) being given higher priority. It is possible that during times of drought our water offtake entitlements in Australia could be reduced. If our water offtake entitlement was reduced, the operations would have to recycle more of the water collected in on-site dams and former mining pits, from rainfall and dewatering activities, for use in the Curragh CPPs. This may impact our ability to maintain current production levels without incurring additional costs, which could adversely impact our operations and production.

Our operations may impact the environment or cause exposure to hazardous substances, which could result in material liabilities to us.

We are subject to extensive environmental laws and regulations, and our operations may substantially impact the environment or cause exposure to hazardous materials to our contractors, our employees or local communities. We use hazardous materials and generate hazardous or other regulated waste, which we store in our storage or disposal facilities. We may become subject to statutory or common law claims (including damages claims) as a result of our use of hazardous materials and generation of hazardous waste. A number of laws, including, in the United States, the CERCLA or Superfund, and the RCRA, and in Australia, the Environmental Protection Act 1994 (Qld), impose liability relating to contamination by hazardous substances. Furthermore, the use of hazardous materials and generation of hazardous and other waste may subject us to investigation and require the clean-up of soil, surface water, groundwater and other media.

The mining process, including blasting and processing ore bodies, can also generate environmental impacts, such as dust and noise, and requires the storage of waste materials (including in liquid form). Risk in the form of dust, noise or leakage of polluting substances from site operations or uncontrolled breaches of mine residue facilities have the potential to generate harm to our employees, our contractors and the communities and the environment. Employee or strict liability claims under common law or environmental statutes in relation to these matters may arise, for example, out of current or former activities at sites that we own, lease or operate and at properties to which hazardous substances have been sent for treatment, storage, disposal or other handling. Our liability for such claims may be strict, joint and several with other miners or parties or with our contractors, such that we may be held responsible for more than our share of the contamination or other damages, or even for the entire amount of damages assessed. Additionally, any violations of environmental laws by us could lead to, among other things, the imposition on us of substantial fines, penalties, other civil and criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and take preventative steps against possible future violations, increased compliance costs, or costs for environmental remediation, rehabilitation or rectification works.

We maintain extensive metallurgical coal refuse areas and slurry impoundments at our mining properties. At Curragh, our slurry impoundments are below surrounding topography and the possibility of failure is negligible. At our U.S. Operations, refuse areas and impoundments are frequently inspected and subject to extensive governmental regulation. Slurry impoundments have been known to fail, releasing large volumes of coal slurry into the surrounding environment. Structural failure of an impoundment can result in extensive damage to the environment and natural resources, such as bodies of water that the coal slurry reaches, as well as create liability for related personal injuries, property damages and injuries to natural resources and plant and wildlife. Of the six refuse areas among our U.S. mining properties, only three impound slurry; the other facilities are combined refuse and do not impound slurry. Four of our impoundments in the U.S. overlie mined out areas, which can pose a heightened risk of failure and the assessment of damages arising out of such failure. If one of our impoundments were to fail, we could be subject to substantial claims for the resulting environmental contamination and associated liability, as well as for related fines and penalties.

We are subject to extensive health and safety laws and regulations that could have a material adverse effect on our reputation and financial condition and results of operations.

We are subject to extensive laws and regulations governing health and safety at coal mines in the United States and Australia. As a result of increased stakeholder focus on health and safety issues (such as black lung disease or coal workers' pneumoconiosis), there is a risk of legislation and regulatory change that may increase our exposure to claims arising out of current or former activities or result in increased compliance costs (e.g., through requiring improved monitoring standards or contribution to an industry-pooled fund). Regulatory agencies also have the authority, following significant health and safety incidents, such as fatalities, to order a facility be temporarily or permanently closed. If this were to occur at any of our mining facilities, we may be required to incur capital expenditures to re-open the facility, which could have a material adverse effect on our reputation and financial condition and results of operations.

For additional information about the various regulations affecting us, see Item 1. "Business—Regulatory Matters—Australia" and "Business—Regulatory Matters—United States."

We could be adversely affected if we fail to appropriately provide financial assurances for our obligations.

U.S. federal and state laws and Australian laws require us to provide financial assurances related to requirements to reclaim lands used for mining, to pay federal and state workers' compensation, to provide financial assurances for coal lease obligations and to satisfy other miscellaneous obligations. The primary methods we use to meet those obligations in the United States are to provide a third-party surety bond or provide a letter of credit. As of March 31, 2019, we provided approximately $28.6 million of third-party surety bonds in connection with our U.S. Operations. There are no cash collateral requirements to support any of the outstanding bonds. In addition, one of the conditions of the Queensland environmental authority is for us to provide financial assurance in the form of non-cash backed bank guarantees. As of March 31, 2019, we provided A$279.7 million of financial assurance to meet this condition. The purpose of this assurance is to provide security for compliance with the environmental authority generally and for the costs and expenses associated with the reclamation/rehabilitation after mining operations are complete should we fail to do so.

Our financial assurance obligations may increase due to a number of factors, including the size of our mining footprint and new government regulations, and we may experience difficulty procuring or renewing our surety bonds. In addition, our bond issuers may demand higher fees or additional collateral, including letters of credit or other terms less favorable to us upon those renewals. Because we are required by federal and state law to have these bonds or other acceptable security in place before mining can commence or continue, any failure to maintain surety bonds, letters of credit or other guarantees or security arrangements would adversely affect our ability to mine coal. That failure could result from a variety of factors, including lack of availability of surety bond or letters of credit, higher expense or unfavorable market terms, the exercise by third-party surety bond issuers of their right to refuse to renew the surety and the requirement to provide collateral for future third-party surety bond issuers under the terms of financing arrangements. If we fail to maintain adequate bonding, our mining permits could be invalidated, which would prevent mining operations from continuing, and future operating results could be materially adversely affected.

In Australia, the approval and passing in 2019 of the Financial Provisioning Act which amends or replaces certain provisions of the Environmental Protection Act 1994 (Qld), will impact the way that our Australian Operations must provision for and manage associated costs of providing financial assurances related to mine rehabilitation obligations.

The Financial Provisioning Act:

- replaces the financial assurance arrangements for resource activities under the Environmental Protection Act 1994 (Qld) with a new financial provisioning scheme, and changes how the estimated rehabilitation cost for an environmental authority is calculated; and

- amends the Environmental Protection Act 1994 (Qld) to introduce new requirements for the progressive rehabilitation and closure of mined land.

Since April 1, 2019, any financial assurance currently held for environmental approvals already held in Australia are treated as surety under the new Financial Provisioning Act. There will be a transition period of three years commencing in early 2019 during which all miners in Queensland will be assessed and receive an initial risk allocation decision based on a formulaic calculation of their ERC. Our ERC is the cost estimated by the government department of rehabilitating the land on which our operation is carried out. This allocation will put our resource activity at Curragh into a risk category under the Financial Provisioning Act based on the regulator's assessment of both the amount of our ERC and our financial capacity to carry out and discharge the rehabilitation liability and obligation at the time our mining operations cease. This risk assessment will be reviewed annually, and assessment fees are payable each time there is an allocation decision for our operations in Queensland.

The new financial provisioning scheme will be managed by the Scheme Manager and financial assurance will be provided by paying a contribution to the Scheme Fund and/or the giving of surety to the Scheme Manager. Our contribution is calculated as the prescribed percentage (dependent on risk allocation decision) of Curragh's ERC. The prescribed percentages for each category are: (1) Very low: 0.5%; (2) Low: 1.0%; and (3) Moderate: 2.75%. In the event Curragh's ERC is allocated a high risk allocation, we will be required to negotiate the percentage of surety to be provided with the Scheme Manager. The Scheme Manager is a statutory officer and will manage the Scheme Fund contributions and the sureties on behalf of the State. Commencement of the scheme is expected to be in the first half of 2019. We do not yet know the extent to which the Financial Provisioning Act will impact our financial condition and results of operations. For more information on the Financial Provisioning Act, see Item 1. "Business—Regulatory Matters—Australia—Environmental Protection Act 1994 (Qld)."

Mine closures entail substantial costs. If we prematurely close one or more of our mines, our operations and financial performance would likely be affected adversely.

Federal and state regulatory agencies have the authority following significant health and safety incidents, such as fatalities, to order a facility to be temporarily or permanently closed. If we were to prematurely close one or more of our mines for any reason, we could be required to close or discontinue operations at particular mines before the end of their mine life due to environmental, geological, geotechnical, commercial, leasing or other issues. Such closure or discontinuance of operations could result in significant closure and rehabilitation expenses, employee redundancy costs, contractor demobilization costs and other costs or loss of revenues. If and when incurred, these closure and rehabilitation costs could exceed our current estimates. If one or more of our mines is closed earlier than anticipated, we would be required to fund the reclamation and closure costs on an expedited basis and potentially lose revenues and, for some of our operations, pay for take-or-pay arrangements that we no longer use, which would have an adverse impact on our operating and financial performance. Many of these costs could also be incurred if a mine was unexpectedly placed on care and maintenance before the end of its planned mine life.

If the assumptions underlying our provision for reclamation and mine closure obligations prove to be inaccurate, we could be required to expend greater amounts than anticipated.

The SMCRA and the Environmental Protection Act 1994 (Qld) establish operational, reclamation and closure standards for all aspects of surface mining as well as deep mining. We accrue for the costs of current mine disturbance and final mine closure, including the cost of treating mine water discharge where necessary. Estimates of our total reclamation and mine-closing liabilities totaled $126.7 million as of March 31, 2019, based upon permit requirements and the historical experience at our operations, and depend on a number of variables involving assumptions and estimation and therefore may be subject to change, including the estimated future asset retirement costs and the timing of such costs, estimated proven reserves, assumptions involving third-party contractors, inflation rates and discount rates. If these accruals are insufficient or our liability in a future year is greater than currently anticipated, our future operating results and financial position could be adversely affected. See Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Estimates."

Concerns about the environmental impacts of coal combustion, including perceived impacts on global climate issues, are resulting in increased regulation of coal combustion and coal mining in many jurisdictions, which could significantly affect demand for our products or our securities.

Global climate issues continue to attract considerable attention to the coal industry. Emissions from coal consumption, both directly and indirectly and emissions from coal mining itself are subject to pending and proposed regulation as part of initiatives to address global climate change. A number of countries, including Australia and the United States, have already introduced, or are contemplating the introduction of, regulatory responses to GHGs, including the extraction and combustion of fossil fuels, to address the impacts of climate change.

There are three primary sources of GHGs associated with the coal industry. First, the end use of our coal by our customers in electricity generation, coke plants, and steelmaking is a source of GHGs. Second, combustion of fuel by equipment used in coal production and to transport our coal to our customers is a source of GHGs. Third, coal mining itself can release methane, which is considered to be a more potent GHG than carbon dioxide, directly into the atmosphere. These emissions from coal consumption, transportation and production are subject to pending and proposed regulation as part of initiatives to address global climate change.

As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. In addition, the growth of alternative energy options, such as renewables and disruptive power generation technologies, and changes in community or government attitudes to climate change and efforts to promote divestment of fossil fuel equities and pressure lenders to limit funding to fossil fuel companies could result in further development of alternative energy industries and broader mainstream acceptance of alternative energy options which could result in a material reduction in the demand for coal. The absence of regulatory certainty, global policy inconsistencies and direct regulatory impacts (such as carbon taxes or other charges) each have the potential to adversely affect our operations—either directly or indirectly, through suppliers and customers. Collectively, these initiatives and developments could result in higher electric costs to us or our customers or lower the demand for coal used in electric generation, which could in turn adversely impact our business.

At present, we are principally focused on metallurgical coal production, which is not used in connection with the production of coal-fired electricity generation. The market for our coal may be adversely impacted if comprehensive legislation or regulations focusing on GHG emission reductions are adopted, or if our customers are unable to obtain financing for their operations.

We and our customers may also have to invest in CCUS technologies in order to burn thermal coal and comply with future GHG emission standards. The potential direct and indirect financial impact on us of future laws, regulations, policies and technology developments may depend upon the degree to which any such laws, regulations and developments force reduced reliance on coal as a fuel source. Such developments could result in material adverse impacts on our financial condition or results of operations. See Item 1. "Business—Regulatory Matters—Australia" and "Business—Regulatory Matters—United States."

Changes in and compliance with government policy, regulation or legislation may adversely affect our financial condition and results of operations.

The coal mining industry is subject to regulation by federal, state and local authorities in each relevant jurisdiction with respect to matters such as:

- workplace health and safety;
- worker's compensation;

- employee benefits;
- taxation and royalties;
- limitations on land use;
- mine permitting and licensing requirements;
- reclamation and restoration of mining properties after mining is completed;
- the storage, treatment and disposal of wastes;
- remediation of contaminated soil, sediment and groundwater;
- air quality standards, including those relating to GHG standards;
- water pollution;
- protection of human health, plant-life and wildlife, including endangered or threatened species and habitats;
- protection of wetlands;
- the discharge of materials into the environment; and
- the effects of mining on surface water and groundwater quality and availability.

Any future legislation and regulatory change imposing more constraints or more stringent requirements may affect the coal mining industry and may adversely affect our financial condition and results of operations. Examples of such changes are, future laws or regulations that may limit the emission of GHGs or the use of thermal coal in power generation, more stringent workplace health and safety laws, more rigorous environmental laws, and changes to existing taxation and royalty legislation.

Compliance with applicable federal, state and local laws and regulations may become more costly and time-consuming and may delay commencement or interrupt continuation of exploration or production at our operations. We have incurred, and may in the future incur, significant expenditures to comply with such regulation and legislation. These laws are constantly evolving and may become increasingly stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that certain implementation of the regulations for these laws have not yet been promulgated and in certain instances are undergoing revision. These laws and regulations, particularly new legislative or administrative proposals (or judicial interpretations of existing laws and regulations), could result in substantially increased capital, operating and compliance costs and could have a material adverse effect on our operations and our customers' ability to use our products. For example, the U.S. Congress has previously enacted and may in the future address "bail-out" programs for the underfunded United Mine Workers benefits and pension plans, which could in effect tax all coal companies for unfunded or underfunded union pension plans and add costs to union-free entities like us, with respect to our U.S. Operations, and potentially impact competitive positions in the market. Due in part to the extensive and comprehensive regulatory requirements, along with changing interpretations of these requirements, violations of applicable federal, state and local laws and regulations occur from time to time in the coal industry and minor violations have occurred at our Australian Operations and our U.S. Operations in the past.

Moreover, changes in the law may impose additional standards and a heightened degree of responsibility for us and our stockholders, directors and employees; may require unprecedented compliance efforts; could divert our management's attention; and may require significant expenditures. For example, we may also be subject to unforeseen environmental liabilities resulting from coal-related activities, which may be costly to remedy or adversely impact our operations. In particular, the

acceptable level of pollution and the potential abandonment costs and obligations for which we may become liable as a result of our activities may be difficult to assess under the current legal framework. To the extent that required expenditures, as with all costs, are not ultimately reflected in the prices of coal, our operating results will be detrimentally impacted. The costs and operating restrictions necessary for compliance with safety and environmental laws and regulations, which is a major cost consideration for our Australian Operations and U.S. Operations, may have an adverse effect on our competitive position relative to foreign producers and operators in other countries which may not be required to incur equivalent costs in their operations.

We are also affected by various other international, federal, state, local and tribal or indigenous environmental laws and regulations that impact our customers. To the extent that such environmental laws and regulations reduce customer demand for or increase the price of coal, we will be detrimentally impacted. For additional information about the various regulations affecting us, see Item 1. "Business—Regulatory Matters—Australia" and "Business—Regulatory Matters—United States."

Failure to comply with applicable anti-corruption and trade laws, regulations and policies could result in fines and criminal penalties, causing a material adverse effect on our business, operating and financial prospects or performance.

Any fraud, bribery, misrepresentation, money laundering, violations of applicable trade sanctions, anti-competitive behavior or other misconduct by our employees, contractors, customers, service providers, business partners and other third parties could result in violations of relevant laws and regulations by us and subject us or relevant individuals to corresponding regulatory sanctions or other claims, and also result in an event of default under our Syndicated Facility Agreement. These unlawful activities and other misconduct may have occurred in the past and may occur in the future and may result in civil and criminal liability under increasingly stringent laws relating to fraud, bribery, sanctions, competition and misconduct or cause serious reputational or financial harm to us. In addition, failure to comply with environmental, health or safety laws and regulations, privacy laws and regulations, U.S. trade sanctions, the U.S. Foreign Corrupt Practices Act and other applicable laws or regulations could result in litigation, the assessment of damages, the imposition of penalties, suspension of production or distribution, costly changes to equipment or processes due to required corrective action, or a cessation or interruption of operations.

We have policies and procedures to identify, manage and mitigate legal risks and address regulatory requirements and other compliance obligations. However, there can be no assurance that such policies, procedures and established internal controls will adequately protect us against fraudulent or corrupt activity and such activity could have an adverse effect on our reputation, financial condition and results of operations.

Our mining operations are subject to extensive forms of taxation, which imposes significant costs on us, and future regulations and developments could increase those costs or limit our ability to produce coal competitively.

Federal, state or local governmental authorities in nearly all countries across the global coal mining industry impose various forms of taxation on coal producers, including production taxes, sales-related taxes, royalties, environmental taxes and income taxes. If new legislation or regulations related to various forms of coal taxation or income or other taxes generally, which increase our costs or limit our ability to compete in the areas in which we sell coal, or which adversely affect our key customers, are adopted, our business, financial condition or results of operations could be adversely affected.

Recently enacted tax reform legislation or future proposed legislation could have an adverse impact on us.

U.S. tax legislation enacted on December 22, 2017, generally known as the Tax Cuts and Jobs Act, has significantly changed the U.S. federal income taxation of U.S. corporations and their foreign subsidiaries. The Tax Cuts and Jobs Act has made substantial changes to U.S. tax law, including a reduction in the corporate income tax rate, a limitation on deductibility of interest expense, the allowance of immediate expensing of capital expenditures, and deemed repatriation of foreign earnings.

The Tax Cuts and Jobs Act is subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury Department and Internal Revenue Service, or the IRS, any of which could lessen or increase certain adverse effects of the legislation. There may also be material adverse effects resulting from the legislation that we have not identified. In addition, there is uncertainty with respect to how these U.S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities.

Further, from time to time, legislation is proposed that could result in the reduction or elimination of certain U.S. federal tax preferences currently available to companies engaged in the exploration and development of coal. These proposals have included but are not limited to: (1) the elimination of current deductions, the 60-month amortization period and the 10-year amortization period for exploration and development costs relating to coal and other hard mineral fossil fuels; (2) the repeal of the percentage depletion allowance with respect to coal properties; and (3) the repeal of capital gains treatment of coal and lignite royalties. The passage of these or other similar proposals could increase our taxable income and negatively impact our cash flows and our results of operations.

We may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets.

Our balance sheet includes a number of assets that are subject to impairment risk, particularly long-lived assets, including property, plant and equipment, mining tenements, exploration and evaluation assets and intangible assets (including goodwill). The values of these assets are generally derived from the fundamental valuation of the underlying mining operations and, as such, are subject to many of the same risks to which our operations are exposed, including decreases in coal prices, foreign currency exchange risks, operational and geological risks, changes in coal production and changes in estimates of proven and probable coal reserves. Adverse changes in these and other risk factors could lead to a reduction in the valuation of certain of our assets and result in an impairment charge being recognized.

Any failure to maintain effective internal control over financial reporting may adversely affect our financial condition and results of operations.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

Under standards established by the Public Company Accounting Oversight Board, or PCAOB, a deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or personnel, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. The PCAOB defines a significant deficiency as a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of a registrant's financial reporting. The PCAOB defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis.

During the preparation of our financial statements for the year ended December 31, 2018, we and our auditors identified a material weakness in our internal control over financial reporting related to the recognition and presentation of the impact of the Reorganization Transaction, which occurred just prior to the Australian IPO. The presentation was corrected prior to the issuance of the financial statements and did not result in any material misstatement of our financial statements or disclosures.

We are not yet required to comply with the SEC's rules implementing Section 404(b) of the Sarbanes Oxley Act of 2002, or the Sarbanes-Oxley Act, and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a registrant in the United States, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which, among other things, will require our management to certify financial and other information in our quarterly and annual reports to be filed with the SEC and provide an annual management report on the effectiveness of our internal control over financial reporting.

Material weaknesses or significant deficiencies may be identified in the future, which may result in errors in our financial statements leading to a restatement of those financial statements.

We may not have adequate insurance coverage for some business risks.

We have insurance coverage for certain operating risks that provide limited coverage for some potential liabilities associated with our business. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. In addition, we may become subject to liability (including in relation to pollution, occupational illnesses or other hazards), or suffer loss resulting from business interruption, for which we are not insured (or are not sufficiently insured) or cannot insure, including liabilities in respect of past activities.

Should we suffer a major uninsured loss, future financial performance could be materially adversely affected. In addition, insurance may not continue to be available at economically acceptable premiums or coverage may be reduced. As a result, the insurance coverage may not cover the full scope and extent of claims against us or losses we may incur. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on our financial condition and results of operations.

Cybersecurity attacks, natural disasters, terrorist attacks and other similar crises or disruptions may negatively affect our business, financial condition and results of operations.

Our business may be impacted by disruptions such as cybersecurity attacks or failures, threats to physical security, and extreme weather conditions or other natural disasters. Strategic targets, such as energy-related assets, may be at greater risk of future terrorist or cybersecurity attacks than other targets in the United States or Australia. These disruptions or any significant increases in energy prices that follow could result in government-imposed price controls. Our insurance may not protect us against such occurrences. It is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, financial condition and results of operations.

In addition, a disruption in, or failure of, our information technology systems could adversely affect our business operations and financial performance. We rely on the accuracy, capacity and security of our information technology, or IT, systems for the operations of many of our business processes and to comply with regulatory, legal and tax requirements. While we maintain some of our critical IT systems, we are also dependent on third parties to provide important IT services relating to, among other things, human resources, electronic communications and certain finance functions. Despite the security measures that we have implemented, including those related to cybersecurity, our systems could be breached or damaged by computer viruses, natural or man-made incidents or disasters or unauthorized physical or electronic access. Though we have controls in place, we cannot provide assurance that a cyber-attack will not occur. Furthermore, we may have little or no oversight with respect to security measures employed by third-party service providers, which may ultimately prove to be ineffective at countering threats. Failures of our IT systems, whether caused maliciously or inadvertently, may result in the disruption of our business processes, the unauthorized release of sensitive, confidential or otherwise protected information or the corruption of data, which could adversely affect our business operations and financial performance. We may be required to incur significant costs to protect against and remediate the damage caused by such disruptions or system failures in the future.

Mining in the CAPP is more complex and involves more regulatory constraints than mining in other areas of the U.S., which could affect our mining operations and cost structures in these areas.

The geological characteristics of coal reserves in the CAPP, such as depth of overburden and coal seam thickness, make them complex and costly to mine. As mines become depleted, replacement reserves may not be available or, if available, may not be able to be mined at costs comparable to those of the depleting mines. In addition, compared to mines in the other areas of the country, permitting, licensing and other environmental and regulatory requirements are more costly and time consuming to satisfy. These factors could materially adversely affect the mining operations and cost structures of, and our customers' ability to use coal produced by, our mining properties in the CAPP.

We may face restricted access to international markets in the future.

Access to international markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import or export of certain commodities. Although there are currently no significant trade barriers existing or impending of which we are aware that do, or could, materially affect our access to certain markets, there can be no assurance that our access to these markets will not be restricted in the future. An inability for metallurgical coal suppliers to access international markets would likely result in an oversupply of metallurgical coal in the domestic market, resulting in a decrease in prices.

We are subject to foreign exchange risks involving certain operations in multiple countries.

Foreign exchange risk is the risk of sustaining loss through adverse movements in currency exchange rates. Such losses can impact our financial performance and financial position and the level of additional funding required to support our businesses. Our financial results are reported in US$ and certain parts of our liabilities, earnings and cash flows are influenced by movements in exchange rates, especially movements in A$ to US$ exchange rate. For example, costs relating to our Australian Operations are generally denominated in A$. In addition, foreign currency exposures arise in relation to coal supply contracts, procurement of plant and equipment and debt, which may be priced in A$ or other foreign currencies other than US$.

The impact of currency exchange rate movements will vary depending on factors such as the nature, magnitude and duration of the movements, the extent to which currency risk is hedged under forward exchange contracts or other hedging instruments and the terms of these contracts. We currently do not hedge our non-US$ exposures against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in exchange rates, which may affect our operating results, cash flows and financial condition.

We may be subject to litigation, the disposition of which could negatively affect our profitability and cash flow in a particular period, or have a material adverse effect on our business, financial condition and results of operations.

Our profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation that may be filed against us in the future. In addition, such litigation could have a material adverse effect on our business, financial condition and results of operations. See Item 8. "Legal Proceedings."

Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations.

Curragh has a CSA with Stanwell to supply thermal coal to the Stanwell Power Station. The CSA also provides Curragh with certain mining rights, of which the SRA was reserved for the benefit of Stanwell and could not be mined without Stanwell's consent. Under the CSA, in addition to supplying thermal coal at a price below the cost to Curragh of mining and processing the coal, Curragh pays certain rebates to Stanwell on metallurgical coal exported from certain parts of Curragh, which represents the deferred purchase cost of the right to mine some areas at Curragh.

On August 14, 2018, Curragh entered into the Supply Deed with Stanwell. The Supply Deed grants Curragh the right to mine the coal reserves in the SRA. In exchange for these rights Curragh has agreed to certain amendments to the CSA and to enter into the NCSA, that will commence on or around the expiration of the CSA (currently expected to expire in 2027).

The consideration for the access to additional reserves and access to the SRA will be deferred and payable as a discount to the market value of thermal coal over the term of the NCSA. No export rebates are payable during the term of the NCSA. The net present value of the deferred consideration was approximately $160.9 million as of March 31, 2019.

Under the Supply Deed, if the parties do not agree to terms of the NCSA documentation by June 30, 2019, the terms of documentation will be determined by an expert, based on the terms of a binding terms sheet contained in the Supply Deed, or the Binding Terms Sheet, and the CSA. While the Binding Terms Sheet is relatively comprehensive, there is a risk that we and Stanwell will not be able to agree upon the terms of the NCSA and the terms of the NCSA may be determined by the expert in a form and manner that is less advantageous to us. In addition, the negotiation of the NCSA and any resultant dispute may be time consuming for our management. If any dispute regarding the form of the NCSA is ultimately referred to an expert, we will be exposed to our share of costs associated with the referral and potential further delays and will be bound to comply with the terms of the NCSA as determined by that expert. We are in the process of negotiating the NCSA and believe that agreement will be reached by June 30, 2019. If the final terms of the NCSA are less advantageous to us than our current arrangement, our operating results, cash flows and financial condition may be affected.

We have no registered trademarks for our Company name or other marks used by us in the United States or any other countries, and failure to obtain those registrations could adversely affect our business.

Although we have filed a trademark application for use of the stylized mark "CORONADO STEEL STARTS HERE" in the United States, our application is still pending and the corresponding mark has not been registered in the United States. We have not filed for this or other trademarks in any other country. During trademark registration proceedings, we may receive rejections. If so, we will have an opportunity to respond, but we may be unable to overcome such rejections. In addition, the United States Patent and Trademark Office and comparable agencies in many foreign jurisdictions may permit third parties to oppose pending trademark applications and to seek to cancel registered trademarks. If opposition or cancellation proceedings are filed against our trademark application, our trademark may not survive such proceedings, and/or we may be required to expend significant additional resources in an effort to defend ourselves in the proceedings or identify a suitable substitute mark for future use.

Risks Related to Our Indebtedness and Capital Structure

Our financial performance could be adversely affected by our indebtedness.

As of March 31, 2019, we had $84.0 million of borrowings outstanding under our Syndicated Facility Agreement. The degree to which we are leveraged in the future could have consequences, including, but not limited to:

- making it more difficult for us to pay interest and satisfy our debt obligations;
- making any refinancing more difficult if the capital and lending markets are in recession;
- increasing our vulnerability to general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, business development or other general corporate requirements;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, business development or other general corporate requirements;
- making it more difficult to obtain surety bonds, letters of credit, bank guarantees or other financing, particularly during periods in which credit markets are weak;
- limiting our flexibility in planning for, or reacting to, changes in our business and in the coal industry;
- causing a decline in our credit ratings; and
- placing us at a competitive disadvantage compared to less-leveraged competitors.

In addition, we are subject to certain restrictive covenants pursuant to the agreement governing our Syndicated Facility Agreement. Failure by us to comply with these covenants could result in an event of default that, if not cured or waived, could have a material adverse effect on us and result in amounts outstanding thereunder to be immediately due and payable.

Any downgrade in our credit ratings could result in, among other matters, a requirement to post collateral on derivative trading instruments that we may enter into, the loss of trading counterparties for corporate hedging and trading and brokerage activities or an increase in the cost of, or a limit on our access to, various forms of credit used in operating our business and the requirement by suppliers for us to provide financial assurance by way of letters of credit.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to sell assets, seek additional capital or raise new equity to reduce our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to sell material assets or operations in an attempt to meet our debt service and other obligations. We may not be able to complete those sales or obtain all of the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. In addition, the terms of the agreement governing our Syndicated Facility Agreement provide that if we cannot meet our debt service obligations, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation.

We may not be able to generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our debt obligations, which may not be successful.

We are subject to various financial covenants under the terms of both the agreement governing our Syndicated Facility Agreement. These covenants may, for example, require the maintenance of a maximum gearing or leverage ratio or prepayment of outstanding loan balances. Factors such as adverse movements in interest rates and coal prices, deterioration of our financial performance or changes in accounting standards could lead to a breach in financial covenants. If there is such a breach, the relevant lenders may accelerate our indebtedness to them or withdraw their commitments to make further loans to us. Some covenant breaches may not result in an immediate default but may restrict our ability to make distributions or otherwise limit expenditures. For details of the Syndicated Facility Agreement, see Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations."

We adjust our capital structure from time to time and may need to increase our debt leverage, which would make us more sensitive to the effects of economic downturns.

It is possible that we may need to raise additional debt or equity funds in the future. Our Syndicated Facility Agreement and operating cash flows may not be adequate to fund our ongoing capital requirements, for any future acquisitions or projects or to refinance our debt. There is no guarantee that we will be able to refinance our existing debt, or if we do, there is no guarantee that such new funding will be on terms acceptable to us.

Global credit markets have been severely constrained in the past, and the ability to obtain new funding or refinance may in the future be significantly reduced. If we are unable to obtain sufficient funding, either due to banking and capital market conditions, generally, or due to factors specific to our business, we may not have sufficient cash to meet our ongoing capital requirements, which in turn could materially and adversely affect our financial condition. Failure to obtain sufficient financing could cause delays or abandonment of business development plans and have a material adverse effect on our business, operations and financial condition.

Recently, certain financial institutions, investment managers and insurance companies globally have responded to pressure to take actions to limit or divest investments in, financing made available to, and insurance coverage provided for, the development of new coal-fired power plants and coal miners that derive revenues from thermal coal sales. For example, in 2017, some Australian and other banks publicly announced that they would stop funding new thermal coal projects or would otherwise reduce their overall lending to coal. These or similar policies may adversely impact the coal industry generally, our ability to access capital and financial markets in the future, our costs of capital and the future global demand for coal.

Our business may require substantial ongoing capital expenditures, and we may not have access to the capital required to reach full productive capacity at our mines.

Maintaining and expanding mines and related infrastructure is capital intensive. Specifically, the exploration, permitting and development of metallurgical coal reserves, mining costs, the maintenance of machinery, facilities and equipment and compliance with applicable laws and regulations require ongoing capital expenditures. While a significant amount of the capital expenditures required at our mines has been spent, we must continue to invest capital to maintain our production. In addition, any decisions to increase production at our existing mines or to develop the high-quality metallurgical coal recoverable reserves at our development properties in the future could also affect our capital needs or cause future capital expenditures to be higher than in the past and/or higher than our estimates. We cannot assure you that we will be able to maintain our production levels or generate sufficient cash flow, or that we will have access to sufficient financing to continue our production, exploration, permitting and development activities at or above our present levels and on our current or projected timelines, and we may be required to defer all or a portion of our capital expenditures. Our results of operations, business and financial condition may be materially adversely affected if we cannot make such capital expenditures.

To fund our capital expenditures, we will be required to use cash from our operations, incur debt or sell equity securities. Using cash from operations will reduce cash available for maintaining or increasing our operations activities. Our ability to obtain bank financing or our ability to access the capital markets for future equity or debt offerings, on the other hand, may be limited by our financial condition at the time of any such financing or offering and the covenants in our existing debt agreements, as well as by general economic conditions, contingencies and uncertainties that are beyond our control. If cash flow generated by our operations or available borrowings under our bank financing arrangements are insufficient to meet our capital requirements and we are unable to access the capital markets on acceptable terms or at all, we could be forced to curtail the expansion of our existing mines and the development of our properties, which, in turn, could lead to a decline in our production and could materially and adversely affect our business, financial condition and results of operations.

Interest rates could change substantially and have an adverse effect on our profitability.

We are exposed to interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. Our interest rate risk primarily arises from fluctuations in the London Interbank Offered Rate, or LIBOR, and the Australian Bank Bill Swap Bid Rate in relation to US$—and A$—denominated borrowings. Our lending rates may increase in the future as a result of factors beyond our control and may result in an adverse effect on our financial condition and results of operations.

Coronado Global Resources Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund its operations and expenses, including future dividend payments, if any.

As a holding company, our principal source of cash flow is distributions from our subsidiaries. Therefore, our ability to fund and conduct our business, service our debt, and pay dividends, if any, in the future will depend on the ability of our subsidiaries to generate sufficient cash flow to make upstream cash distributions to us. Our subsidiaries are separate legal entities, and although they are wholly-owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, or otherwise. The ability of our subsidiaries to distribute cash to us will also be subject to, among other things, restrictions that may be contained in our subsidiary agreements (as entered into from time to time), availability of sufficient funds in such subsidiaries and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiaries generally will have priority as to the assets of such subsidiaries over our claims and claims of our creditors and stockholders. To the extent the ability of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt, and pay dividends, if any, could be harmed.

Risks Related to Ownership of Our Securities

We are subject to general market risks that are inherent to companies with publicly-traded securities and the price of our securities may be volatile.

We are subject to the general market risk that is inherent in all securities traded on a securities exchange. This may result in fluctuations in the trading price of our securities that are not explained by our fundamental operations and activities. There is no guarantee that the price of our securities will increase in the future, even if our earnings increase.

Our securities may trade at, above or below the price paid by an investor for those securities due to a number of factors, including, among others:

- general market conditions, including investor sentiment;
- movements in interest and exchange rates;
- fluctuations in the local and global market for listed stocks;
- actual or anticipated fluctuations in our interim and annual results and those of other public companies in our industry;
- industry cycles and trends;
- mergers and strategic alliances in the coal industry;
- changes in government regulation;
- potential or actual military conflicts or acts of terrorism;
- changes in accounting principles;
- announcements concerning us or our competitors;
- changes in government policy, legislation or regulation;
- inclusion of our securities in or removal from particular market indices (including S&P/ASX indices); and
- the nature of the markets in which we operate.

Other factors that may negatively affect investor sentiment and influence us, specifically, or the stock market, more generally, include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labor strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events.

Stock markets have experienced extreme price and volume fluctuations in the past that are often disproportionate or unrelated to the operating performance of companies. There can be no guarantee that trading prices and volumes of any securities will be sustained. These factors may materially affect the market price of our securities, regardless of our operational performance. No guarantee can be given by us in respect of the payment of dividends, any returns of capital or the market value of our securities. Such issues are dependent on our performance, the control of costs and the need for working capital and other funding requirements.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our amended and restated certificate of incorporation, or certificate of incorporation, authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock with respect to dividends and distributions, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we have granted to the holder of the Series A Share the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Granting of similar rights, other repurchase or redemption rights or liquidation preferences to future holders of preferred stock could affect the residual value of the common stock.

Insiders have substantial control over us and are able to influence corporate matters.

Coronado Group LLC and the EMG Group have significant influence over us, including control over decisions that require the approval of stockholders, which could limit the ability of other stockholders to influence the outcome of stockholders votes.

As of March 31, 2019, the EMG Group indirectly held approximately 80% of our outstanding shares of common stock. Therefore, the EMG Group will have effective control over the outcome of votes on all matters requiring approval by stockholders. The interests of the EMG Group could conflict with or differ from our interests or the interests of other stockholders. For example, the concentration of ownership held by the EMG Group could delay, deter or prevent a change in control of us or impede a merger, takeover or other business combination which may otherwise be favorable for us. In addition, pursuant to the terms of the Stockholder's Agreement that we and Coronado Group LLC have entered into, so long as it beneficially owns in the aggregate at least 25% of the outstanding shares of our common stock, the EMG Group will have the ability to exercise substantial control over certain of our transactions, including change of control transactions, such as mergers and capital and debt raising transactions. See Item 11. "Description of Registrant's Securities to be Registered" for a description of the Stockholder's Agreement.

Further, pursuant to the terms of the share of preferred stock Series A, par value $0.01 per share, of the Company that we issued to Coronado Group LLC, or the Series A Share, Coronado Group and the EMG Group or its successors or permitted assigns, as the beneficial owner of the Series A Share, at its option, will have the ability to elect a specified number of directors, or the Series A Directors, based on the EMG Group's aggregate level of beneficial ownership of shares of our common stock. For more details on the ability of Coronado Group and the EMG Group to elect Series A Directors, as well as the rights of stockholders to participate in the removal of any such Series A Directors, see Item 11. "Description of Registrant's Securities to be Registered."

Moreover, the EMG Group's beneficial ownership of shares of our common stock may also adversely affect the price of our common stock to the extent investors perceive disadvantages in owning common stock of a company with a controlling stockholder. In addition, the EMG Group is in the business of making investments in companies and may, from time to time, acquire interests in businesses that directly or indirectly compete with us, as well as businesses of our existing or potential significant customers. The EMG Group may acquire or seek to acquire assets that we seek to acquire and, as a result, those acquisition opportunities may not be available to us or may be more expensive for us to pursue, and as a result, the interests of the EMG Group may not align with the interests of our other stockholders.

Our non-employee directors and their respective affiliates, including the EMG Group, may be able to take advantage of a corporate opportunity that would otherwise be available to us.

The corporate opportunity and related party transactions provisions in our certificate of incorporation could enable any of our non-employee directors or their respective affiliates, including the EMG Group, to benefit from corporate opportunities that might otherwise be available to us. Subject to the limitations of applicable law, our certificate of incorporation, among other things, will:

- permits us to enter into transactions with entities in which one or more non-employee directors are financially or otherwise interested;
- permits any non-employee director or his or her affiliates to conduct a business that competes with us and to make investments in any kind of property in which we may make investments; and
- provide that if any non-employee director becomes aware of a potential business opportunity, transaction or other matter (other than one expressly offered to that non-employee director

solely in his or her capacity as our director), that non-employee director will have no duty to communicate or offer that opportunity to us, and will be permitted to communicate or offer that opportunity to his or her affiliates and pursue or acquire such opportunity for himself or herself, and that non-executive director will not be deemed to have acted in a manner inconsistent with his or her fiduciary or other duties to us or our stockholders regarding the opportunity or acted in bad faith or in a manner inconsistent with our and our stockholders' best interests.

These provisions enable a corporate opportunity that would otherwise be available to us to be taken by or used for the benefit of the non-employee directors or their respective affiliates, which include the EMG Group as a result of the rights granted to it under the Stockholder's Agreement.

The EMG Group has the right, subject to certain conditions, to require us to register the sale of its shares of our common stock (including in the form of CDIs) under the Securities Act of 1933, or to otherwise cause us to cooperate in a sell-down.

Pursuant to the Registration Rights and Sell-Down Agreement, dated as of September 24, 2018, between us and Coronado Group LLC, or the Registration Rights and Sell-Down Agreement, Coronado Group LLC (or its successors or permitted assigns or transferees) has the right, subject to certain conditions, to require us to register the sale of its shares of our common stock or CDIs under the Securities Act of 1933, or the Securities Act, or to cause us to cooperate in the sell-down of its shares of our common stock or CDIs. By exercising its registration rights and selling a large number of shares or CDIs, Coronado Group LLC could cause the prevailing market price of our common stock to decline. See Item 11. "Description of Registrant's Securities to be Registered—Registration Rights and Sell-Down Agreement."

The issuance of additional common stock or securities convertible into our common stock could result in dilution of the ownership interest in us held by existing stockholders.

We may issue more CDIs in the future in order to fund acquisitions or investments or to reduce our debt. While we will be subject to the constraints of the ASX Listing Rules regarding the percentage of our capital that we are able to issue within a 12-month period (subject to applicable exceptions), any such equity raisings may dilute the interests of investors.

Other Business Risks

Provisions of our certificate of incorporation, bylaws and Delaware law could make a change of control of us more difficult.

Provisions of our certificate of incorporation, our amended and restated bylaws, or bylaws, and Delaware law may make it more difficult to effect a change in control of us, which could adversely affect the price of our common stock. The existence of such provisions of our certificate of incorporation and bylaws and Delaware law could delay or prevent a change in control of us, even if that change would be beneficial to stockholders. The provisions of our certificate of incorporation and bylaws that may make acquiring control of us difficult, include provisions:

- giving our Board of Directors the ability to issue, from time to time, one or more series of preferred stock and, with respect to each such series, to fix the terms thereof by resolution;

- empowering only our Board of Directors to fill any vacancy on our Board of Directors (other than in respect of a Series A Director), whether such vacancy occurs as a result of an increase in the number of directors or otherwise;

- requiring stockholders to hold at least a majority of the outstanding shares of our common stock to request special meetings (other than a special meeting for the purpose of removing a director, to request which requires a stockholder to hold at least 5% of the outstanding shares of our common stock);

- prohibiting stockholders from acting by written consent after such time that the EMG Group no longer beneficially owns in the aggregate shares representing at least a majority of the voting power of all shares of our capital stock generally entitled to vote for the election of directors other than any Series A Directors, or the Voting Stock;

- requiring approval of certain amendments to our certificate of incorporation and bylaws by at least two-thirds of the Voting Stock, effective after such time that the EMG Group no longer beneficially owns in the aggregate shares representing at least a majority of the Voting Stock;

- providing that the doctrine of 'corporate opportunity' will not apply to the EMG Group, any non-employee directors, or their respective affiliates; and

- setting forth advance notice procedures for holders of shares of our common stock to nominate directors and submit proposals for consideration at meetings of holders of shares of our common stock.

We have elected not to be governed by Section 203 of the General Corporation Law of the State of Delaware, or the DGCL (or any successor provision thereto), until immediately following the time at which the EMG Group no longer beneficially owns in the aggregate shares of our common stock representing at least 10% of the Voting Stock, in which case we shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms would apply to us. Section 203 provides that an interested stockholder, along with its affiliates and associates (*i.e.*, a stockholder that has purchased greater than 15%, but less than 85%, of a company's outstanding voting stock (with some exclusions)), may not engage in a business combination transaction with the company for a period of three years after buying more than 15% of a company's outstanding voting stock unless certain criteria are met or certain other corporate actions are taken by the company.

These provisions also could discourage proxy contests and make it more difficult for our stockholders to elect directors, other than candidates nominated by the Board of Directors, and take other actions. As a result, these provisions could make it more difficult for a third party to acquire us, even if doing so would benefit stockholders, which may also limit the price that investors are willing to pay in the future for our common stock. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging a takeover attempt in the future.

Our certificate of incorporation limits the personal liability of our directors for certain breaches of fiduciary duty.

Our certificate of incorporation and bylaws include provisions limiting the personal liability of our directors for breaches of fiduciary duty under the DGCL. Specifically, our certificate of incorporation contains provisions limiting a director's personal liability to us and our stockholders to the fullest extent permitted by the DGCL. Furthermore, our certificate of incorporation provides that no director shall be liable to us and our stockholders for monetary damages resulting from a breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the DGCL. The principal effect of this limitation on liability is that a stockholder will be unable to prosecute an action for monetary damages against a director unless the stockholder can demonstrate a basis for liability that cannot be eliminated under the DGCL. These provisions, however, should not limit or eliminate our right or any stockholder's right to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's fiduciary duty. These provisions do not alter a director's liability under U.S. federal securities laws. The inclusion of these provisions in our certificate of incorporation may discourage or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders.

A state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be, to the extent permitted by law, the sole and exclusive forum for substantially all state law based disputes between us and stockholders.

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, a state or federal court within the State of Delaware will be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee or agent of the Company to the Company or the Company's stockholders or debtholders;
- any action or proceeding asserting a claim against the Company or any director or officer or other employee or agent of the Company arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws; or
- any action asserting a claim against the Company or any director or officer or other employee of the Company governed by the internal affairs doctrine or other "internal corporate claims" as defined in Section 115 of the DGCL.

The choice of forum provision may limit a stockholder's ability to bring a claim against us or our directors, officers, employees or agents in a forum that it finds favorable, which may discourage stockholders from bringing such claims at all. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in another forum, which could materially adversely affect our business, financial condition and results of operations. However, the choice of forum provision does not apply to any actions arising under the Securities Act or the Exchange Act.

The historical financial statements as of and for the year ended December 31, 2018 and the pro forma financial information that we have included in this registration statement may not be representative of the results we would have achieved as a stand-alone public company and may not be a reliable indicator of our future results.

Our financial statements as of and for the year ended December 31, 2018 and the pro forma financial information that we have included in this registration statement have been presented, in part, on a combined basis and include the historical accounts of the acquired assets and liabilities assumed in the Curragh acquisition. As a result, our historical financial statements as of and for the year ended December 31, 2018 and pro forma financial information may not necessarily reflect what our financial condition, results of operations or cash flows would have been had the acquisition occurred prior to the periods presented or those that we will achieve in the future.

We have made certain assumptions with respect to the preparation of the pro forma financial information. Such assumptions may not prove to be accurate and, accordingly, our pro forma financial information may not be indicative of what its results of operations or financial condition actually would have been as an independent public company nor be a reliable indicator of what its results of operations and financial condition actually may be in the future. We urge you to carefully consider the basis on which the historical and pro forma financial information included herein was prepared and presented. See Item 2. "Financial Information—Selected Consolidated and Combined Historical and Pro Forma Financial Data" and "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited financial statements and related notes thereto included elsewhere in this registration statement.

We may not have sufficient surplus or net profits in the future to pay dividends, and our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us or our dividend policy may change. As a result, we can give no assurance that dividends will be paid in the future.

There is no guarantee with respect to the payment of dividends, returns of capital or the market value of our common stock. Investors should consider that their investment is speculative. We are a holding company and have no operations of our own. We hold interests in our various businesses through wholly-owned subsidiaries. Our ability to pay dividends depends on the ability of our subsidiaries to make cash available to us and our ability to fulfil requirements with respect to dividends under the DGCL. In addition, our dividend policy may change. See Item 9. "Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters—Dividends." If we do not have do not receive payments from our subsidiaries, we would be required to obtain funds from other sources to pay dividends. We cannot assure you that such funds will be available to us on favorable terms, or at all.

The requirements of being a public company in the United States and Australia may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

Our CDIs are currently listed on the ASX and we are registered as a foreign company in Australia. As such we need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and certain provisions of the Corporations Act. Upon the effectiveness of this registration statement, we will become subject to the periodic reporting requirements of the Exchange Act.

As a U.S. public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable securities laws, rules, and regulations. Compliance with these laws, rules, and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. In the absence of a waiver from the ASX Listing Rules, these SEC periodic reports will be in addition to our periodic filings required by the ASX Listing Rules. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures, and internal control over financial reporting to meet this standard, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns and our costs and expenses will increase, which could harm our business and results of operations. We will need to hire more employees in the future or engage outside consultants, which will increase our costs and expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from sales-generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal, administrative, or other proceedings against us and our business may be harmed.

We also expect that being a public company, and compliance with applicable rules and regulations, will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain the same level of coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our Board of Directors, particularly to serve on our audit committee and compensation committee.

As a result of disclosure of information in this registration statement and in filings required of a public company, our business and financial condition will become more visible, which could be advantageous to, or harm our relationships with, our competitors, suppliers, manufacturers, retail partners, and customers. These disclosures may also make it more likely that we will experience an increase in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims are resolved in our favor the time and resources necessary to resolve them could divert the resources of our management and harm our business and results of operations.

ITEM 2. FINANCIAL INFORMATION.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present the selected consolidated financial and operating data as of and for the three months ended March 31, 2019, and as of and for each of the years ended December 31, 2018, 2017, 2016, 2015 and 2014 of the Company. The selected historical statements of operations data for the three months ended March 31, 2019 and balance sheet data as of March 31, 2019 have been derived from the historical unaudited consolidated financial statements of the Company included elsewhere in this registration statement. In the opinion of management, the historical unaudited consolidated financial statements of the Company were prepared on the same basis as the historical audited consolidated financial statements of the Company and include all adjustments necessary for a fair presentation of this information. The selected historical statements of operations data for the years ended December 31, 2018, 2017 and 2016 and balance sheet data as of December 31, 2018 and 2017 have been derived from the historical audited consolidated financial statements of the Company included elsewhere in this registration statement. The financial and operating data for the year ended December 31, 2018 incudes the data for Coronado Curragh Pty Ltd, or Coronado Curragh, since the date of the acquisition, March 29, 2018. The selected historical statements of operations data for the years ended December 31, 2015 and 2014, and balance sheet data as of December 31, 2016, 2015 and 2014 have been derived from historical consolidated financial statements of the Company not included in this registration statement.

The data should be read in conjunction with the consolidated financial statements, related notes, and other financial information included therein. The selected consolidated financial and operating data are not necessarily indicative of the results that may be expected for any future period and should be read in conjunction with Item 2. "Financial Information—Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes included in this registration statement.

See accompanying historical financial statements of Coronado Curragh, as well as the pro forma financial statements included elsewhere in this registration statement, which are included to give effect to the Curragh acquisition as if it had occurred as of January 1, 2018 and January 1, 2017, respectively.

Statement of operations data:

	Three Months Ended March 31, 2019	Year Ended December 31, 2018	2017	2016	2015	2014
		($ in thousands, except per share amounts)				
Revenue	$ 591,879	$ 1,980,504	$ 768,244	$ 437,251	$ 227,685	$ 60,072
Total costs and expenses	448,901	1,647,424	616,479	401,197	283,324	90,079
Operating income (loss)	142,978	333,080	151,765	36,054	(55,639)	(30,007)
Interest income (expense), net	(8,179)	(57,978)	(9,955)	(98)	(57)	34
Other, net	4,031	(27,216)	473	376	446	(64)
Loss on debt extinguishment	—	(58,085)	—	—	—	—
Total other income, net	(4,148)	(143,279)	(9,482)	278	389	(30)
Net income (loss) before tax	138,830	189,801	142,283	36,332	(55,250)	(30,037)
Income tax (expense) / benefit	(42,010)	(75,212)	—	—	—	—
Net income	96,820	114,589	142,283	36,332	(55,250)	(30,037)
Less: Net loss attributable to noncontrolling interest	—	(92)	(70)	(133)	(8)	(8)
Net income (loss) attributable to stockholders	$ 96,820	$ 114,681	$ 142,353	$ 36,465	$ (55,242)	$ (30,029)
Net income (loss) per share—basic and diluted	$ 1.00	$ 0.21	$ —	$ —	$ —	$ —

Balance Sheet Data:

	March 31, 2019	December 31, 2018	2017	2016	2015	2014
		($ in thousands)				
Total assets	$ 2,138,906	$ 2,209,564	$ 951,792	$ 1,050,292	$ 439,819	$ 481,307
Asset retirement obligations	126,691	125,791	56,429	51,849	24,803	29,185
Long term obligations	705,817	577,355	238,207	104,455	72,830	83,101
Total equity	1,055,967	1,253,808	633,300	874,126	337,724	375,320

For the year ended December 31, 2018, earnings per share, or EPS, was calculated based on the 96,651,692 shares of common stock as if they had been outstanding from January 1, 2018 and is considered pro forma in nature.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements, including the historical financial statements for Coronado Curragh and our unaudited pro forma statement of operations, and the related notes to those statements included elsewhere in this registration statement. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Cautionary Notice Regarding Forward-Looking Statements" and "Risk Factors" and elsewhere in this registration statement. Some of the numbers included herein have been rounded for the convenience of presentation.

Overview

We are a global producer, marketer and exporter of a full range of metallurgical coals. We own a portfolio of operating mines and development projects in Queensland, Australia and in Virginia, West Virginia and Pennsylvania in the United States.

Our Australian Operations comprise the 100%-owned Curragh producing mine complex. Our U.S. Operations comprise three 100%-owned producing mine complexes (Buchanan, Logan and Greenbrier), two development properties (Pangburn-Shaner-Fallowfield and Russell County) and one idle property (Amonate). In addition to metallurgical coal, our Australian Operations sell thermal coal, which is used to generate electricity, to Stanwell. Our U.S. Operations also produce and sell some thermal coal that is extracted in the process of mining metallurgical coal.

Our business profile primarily focuses on the production of metallurgical coal for the North American and seaborne export markets. In 2018, we produced and sold 17.4 MMt of coal. Metallurgical coal and thermal coal sales represented approximately 79% and 21%, respectively, of our total volume of coal sold for the year ended December 31, 2018.

In accordance with ASC 280, *Segment Reporting*, we have adopted the following reporting segments: Curragh; Buchanan; Logan; and Greenbrier. In addition, "Corporate and other" is not a reporting segment but is disclosed for the purposes of reconciliation to our consolidated financial statements.

Factors Affecting Comparability of our Financial Statements

Due to several factors, our historical results of operations are not comparable from period to period and may not be comparable to our financial results of operations in future periods. Set forth below is a brief description of the key factors impacting the comparability of our results of operations.

Curragh Acquisition

On March 29, 2018, we acquired Curragh from Wesfarmers for aggregate consideration, on the date of the transaction, of $563.8 million. The operating results of Curragh have been included in our consolidated financial statements since March 29, 2018.

Corporate Reorganization Transaction

Prior to the Reorganization Transaction in August 2018, Coronado Group HoldCo LLC, the holding company of our Australian Operations, was a wholly-owned subsidiary of Coronado Group LLC. In connection with the Reorganization Transaction, (i) Coronado Group HoldCo LLC was converted into Coronado Global Resources Inc. in August 2018 and (ii) Coronado Group LLC contributed all of the equity ownership in our U.S. Operations to Coronado Coal Corporation, a

wholly-owned subsidiary of Coronado Global Resources Inc. Immediately following the Reorganization Transaction, Coronado Global Resources Inc. remained a wholly-owned subsidiary of Coronado Group LLC, which is currently owned by the EMG Group and certain members of our management.

The Company is a corporation for U.S. federal and state income tax purposes. The Company's accounting predecessor, Coronado Group LLC, was and is treated as a flow-through entity for U.S. federal income tax purposes and as such, has generally not been subject to U.S. federal income tax at the entity level. Accordingly, unless otherwise specified, the historical results of operations and other financial information set forth in this registration statement for periods prior to the incorporation of the Company and the Reorganization Transaction do not include any provision for U.S. income taxes.

The Reorganization Transaction was treated as a combination of entities under common control in line with ASC 805, *Business Combinations*, whereby the receiving entity (the Company) recorded the contributed assets and liabilities at the carrying value of Coronado Group LLC. Prior to the Reorganization Transaction, the consolidated financial statements of the Company reflect the net assets and operations of Coronado Group LLC. The financial statements presented following the Reorganization Transaction are those of the receiving entity (the Company) and are retrospectively adjusted to present that entity as if it always held the net assets or equity interests previously held by the seller, Coronado Group LLC. As such, financial information (including comparatives) of the Company has been presented as a continuation of the pre-existing accounting values of assets and liabilities in Coronado Group LLC's financial statements.

Australian IPO

On October 23, 2018, we completed an initial public offering on the ASX, pursuant to which the Company issued and sold the equivalent of 16,651,692 shares of common stock in the form of CDIs and the EMG Group sold the equivalent of 2,691,896.4 shares of common stock in the form of CDIs.

How We Evaluate Our Operations

We evaluate our operations based on the volume of coal we can safely produce and sell in compliance with regulatory standards, and the prices we receive for our coal. Our sales volume and sales prices are largely dependent upon the terms of our coal sales contracts, for which prices generally are set based on daily index averages or on a quarterly basis.

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability. These financial and operating metrics include: (i) safety and environmental metrics; (ii) sales volumes and average realized price per Mt, which we define as coal revenues divided by sales volume; and (iii) average cost per Mt, which we define as cost of coal revenues divided by sales volumes. Cost of coal revenues is shown on our statement of operations and comprehensive income exclusive of freight expense, Stanwell rebate, other royalty expenses, and depreciation, depletion and amortization. Our costs exclude any indirect costs, such as selling, general and administrative costs, freight expenses, interest expenses, depreciation, depletion and amortization costs on non-production assets and other costs not directly attributable to the production of coal. We believe our presentation of cost of coal revenues is useful to investors in providing an accurate view of the costs directly attributable to the selling of our coal. Additionally, for our international sales contracts, we typically bear the cost of freight from our mines to the applicable outbound shipping port, while for our domestic sales, customers typically bear the cost of freight. As such, freight expenses are excluded from cost of coal revenues to allow for consistency and comparability in evaluating our operating performance.

The following discussion of our results of operations includes references to and analysis of Adjusted EBITDA, which is a financial measure not recognized in accordance with U.S. GAAP.

Non-GAAP financial measures, including Adjusted EBITDA, are used by investors to measure our operating performance and lenders to measure our ability to incur and service debt.

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, depletion and amortization, other foreign exchange losses and loss on debt extinguishment. Adjusted EBITDA is not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly-titled measures presented by other companies. A reconciliation of Adjusted EBITDA to its most directly comparable measure under U.S. GAAP is included below. In addition, we present Adjusted EBITDA on a supplemental pro forma basis. A reconciliation of Adjusted EBITDA, on a pro forma basis, to its most directly comparable measure under U.S. GAAP is included below.

Segment Adjusted EBITDA is defined as Adjusted EBITDA by operating and reporting segment, adjusted for certain transactions, eliminations or adjustments that our CODM does not consider for making decisions to allocate resources among segments or assessing segment performance. Segment Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements such as investors, industry analysts and lenders to assess the operating performance of the business.

Three Months Ended March 31, 2019 Compared to Three Months Ended March 31, 2018

Summary

Our financial and operational highlights for the three months ended March 31, 2019:

- Tonnage sold totaled 5.0 MMt for the three months ended March 31, 2019, or 3.1 MMt higher than the three months ended March 31, 2018, predominantly due to the acquisition of Curragh.
- Coal markets remained buoyant during the three months ended March 31, 2019 as revenues averaged $6.50 per Mt higher compared to the three months ended March 31, 2018, primarily due to strong global demand and tighter supply dynamics, supported by the continued stability of global steel production.
- Net income increased by $120.5 million, from a net loss of $23.7 million for the three months ended March 31, 2018, to net income of $96.8 million for the three months ended March 31, 2019, reflecting increases in operating income, no loss on debt extinguishment, and lower other expenses, partly offset by income tax expense.
- Adjusted EBITDA for the three months ended March 31, 2019 totaled $183.1 million, an increase of $182.0 million, from Adjusted EBITDA of $1.1 million for the three months ended March 31, 2018, driven by factors mentioned above, including Curragh's earnings since the date of acquisition on March 29, 2018.
- Net cash provided by operating activities of $141.5 million was offset by capital expenditures of $28.3 million.
- During the three months ended March 31, 2019, we paid an aggregate dividend of $299.7 million, which was largely funded by available free cash and borrowings of $84.0 million.
- As of March 31, 2019, we had cash of $12.0 million (excluding restricted cash) and $266.0 million of availability under the Syndicated Facility Agreement.
- During the three months ended March 31, 2019, China continued to enforce restrictions on imported Australian coal and to impose tariffs on imported coal from the United States. The impact of this ongoing and evolving policy on metallurgical coal markets is unclear at this stage, but the Company expects it is likely to have greater impacts on thermal coal than metallurgical coal exports. China's steel producers still require high-quality, low-impurity metallurgical coal, which is most economically sourced from the seaborne market. China remains the key driving force in pricing for metallurgical coal markets.

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	$ Change	% Change
	($ in thousands)			
Revenues:				
Coal revenues	$ 581,798	$ 206,836	$ 374,962	181.3%
Other revenues	10,081	1,317	8,764	665.5%
Total revenues	591,879	208,153	383,726	184.3%
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	269,559	119,311	150,248	125.9%
Depreciation, depletion and amortization	39,771	21,808	17,963	82.4%
Freight expenses	37,327	4,243	33,084	779.7%
Stanwell rebate	48,827	—	48,827	100.0%
Other royalties	44,348	15,292	29,056	190.0%
Selling, general, and administrative expenses	9,069	43,770	(34,701)	(79.3)%
Total costs and expenses	448,901	204,424	244,477	119.6%
Operating income	142,978	3,729	139,249	3,734.2%
Other income (expenses):				
Interest income	403	20	383	1,915.0%
Interest expense	(8,582)	(6,520)	(2,062)	31.6%
Loss on debt extinguishment	—	(3,905)	3,905	(100.0)%
Other, net income (expense)	4,031	(24,455)	28,486	(116.5)%
Total other expenses, net	(4,148)	(34,860)	30,712	(88.1)%
Net income (loss) before tax	138,830	(31,131)	169,961	(546.0)%
Income tax (expense) benefit	(42,010)	7,460	(49,470)	(663.1)%
Net income (loss)	96,820	(23,671)	120,491	(509.0)%
Less: Net loss attributable to noncontrolling interest	—	(2)	2	(100.0)%
Net income (loss) attributable to Coronado Global Resources Inc.	$ 96,820	$ (23,669)	$ 120,493	(509.0)%

Coal Revenues

Coal revenues were $581.8 million for the three months ended March 31, 2019, an increase of $375.0 million, as compared to $206.8 million for the three months ended March 31, 2018. The addition of Curragh contributed $372.2 million in coal revenues for the three months ended March 31, 2019 that were not included within coal revenues for the three months ended March 31, 2018. Coal revenues for our operating segments in the United States (Buchanan, Logan and Greenbrier) of $209.6 million for the three months ended March 31, 2019 were largely in line with coal revenues of $206.8 million for the three months ended March 31, 2018.

Other Revenues

Other revenues were $10.1 million for the three months ended March 31, 2019, an increase of $8.8 million, as compared to $1.3 million for the three months ended March 31, 2018. The increase is predominantly related to the addition of Curragh, which recorded $8.6 million in other revenues relating to the amortization of the Stanwell non-market CSA liability recognized at the acquisition of Curragh.

Cost of Coal Revenues (Exclusive of Items Shown Separately Below)

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs, which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues for the Company were $269.6 million for the three months ended March 31, 2019, an increase of $150.2 million, as compared to $119.3 million for the three months ended March 31, 2018. Approximately $139.1 million of the increase was attributable to the addition of Curragh. The remaining $11.1 million increase was primarily driven by higher production costs for all three operating segments in the United States resulting from adverse geological mining conditions.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was $39.8 million for the three months ended March 31, 2019, an increase of $18.0 million, as compared to $21.8 million for the three months ended March 31, 2018. The increase was primarily a result of the addition of Curragh, which contributed $19.3 million in depreciation, depletion and amortization for the three months ended March 31, 2019, partially offset by lower depreciation expense associated with our operating segments in the United States (Buchanan, Logan and Greenbrier), predominantly due to certain assets that were retired in 2018 and lower depletion rates at Buchanan due to updated higher marketable reserves.

Freight Expenses

The amount of freight expenses was $37.3 million for the three months ended March 31, 2019, an increase of $33.1 million, as compared to $4.2 million for the three months ended March 31, 2018. The increase is primarily made up of $35.6 million of Curragh related freight costs, which the business incurs on its port and rail contracts in contrast to our operating segments in the United States, where coal is predominantly sold F.O.R. The freight amount for our operating segments in the United States (Buchanan, Logan and Greenbrier) of $1.7 million for the three months ended March 31, 2019, decreased $2.5 million, as compared to $4.2 million for the three months ended March 31, 2018. The decrease is primarily driven by lower sales in the three months ended March 31, 2019 to customers that included freight arrangements where the Company paid the delivery costs.

Stanwell Rebate

The Stanwell rebate of $48.8 million for the three months ended March 31, 2019 relates to a contractual arrangement entered into by Curragh and Stanwell, which requires rebate payments to Stanwell based on (i) export sales prices and tonnage from the Curragh North Mining Area and Curragh East Mining Area and (ii) run-of-mine, or ROM, tons mined in the Curragh 'Pit U East Area.' The export-based rebate consists of a price rebate and a tonnage rebate that changes based on a tiered volume calculation, as described in Item 1. "Business." The Stanwell rebate is captured within Adjusted EBITDA; however, it is presented in a separate line item in the statement of operations to cost of coal revenues.

Other Royalties

Other royalties was $44.3 million in the three months ended March 31, 2019, an increase of $29.1 million, as compared to $15.3 million in the three months ended March 31, 2018. The increase is attributed to the addition of Curragh, which contributed approximately $37.9 million in other royalty expense for the three months ended March 31, 2019. This increase was in part offset by a decrease in other royalties attributable to our U.S. Operations which decreased $8.9 million. This decrease was primarily due to a $6.4 million benefit on the CONSOL Energy contingent royalty due to lower sales volumes and average realized pricing for the three months ended March 31, 2019 compared to that estimate as of December 31, 2018.

Selling, General, and Administrative Expenses

Selling, general and administrative cost was $9.1 million for the three months ended March 31, 2019, a decrease of $34.7 million, as compared to $43.8 million for the three months ended March 31, 2018. The decrease was due to specific one-off, non-recurring costs associated with the Curragh acquisition in March 2018 relating to stamp duty of $33.0 million and various professional service and legal fees of $4.7 million.

Interest Expense

Interest expense, net of interest income, was $8.2 million for the three months ended March 31, 2019, an increase of $1.7 million, as compared to interest expense of $6.5 million for the three months ended March 31, 2018. Included within interest expense for the three months ended March 31, 2019 is $4.8 million relating to the accretion of the deferred consideration liability recognized on the purchase of the SRA on August 14, 2018, and $2.3 million finance charges related to commitment and financial guarantee fees incurred in relation to the Syndicated Facility Agreement. This was partially offset by a decrease in interest expense compared to the three months ended March 31, 2018, during which the Company incurred interest on a term loan established for the Curragh acquisition. This loan was repaid in full on March 29, 2018.

Loss on Debt Extinguishment

For the three months ended March 31, 2018, the Company recognized a loss on debt extinguishment of $3.9 million relating to the extinguishment of a term loan established for the Curragh acquisition on March 29, 2018. There was no debt extinguishment cost for the three months ended March 31, 2019.

Other, Net

Other, net income was $4.0 million for the three months ended March 31, 2019, a decrease of $28.5 million, as compared to other, net expense $24.5 million for the three months ended March 31, 2018. This decrease is primarily comprised of non-recurring costs incurred for the three months ended March 31, 2018 relating to the $15.7 million loss on the settlement of a foreign exchange swap recognized at the time of the Curragh acquisition and a fair value adjustment of $8.3 million on interest rate swaps that were in place during the three months ended March 31, 2018.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Summary

Our financial and operational highlights for the year ended December 31, 2018:

- We acquired Curragh as of March 29, 2018. Financial results for Curragh are included from March 29, 2018 within the financial information for our financial statements.

- Mt sold totaled 17.4 million for the year ended December 31, 2018, or 8.9 MMt higher than the year ended December 31, 2017, predominantly due to the acquisition of Curragh.

- Coal markets remained strong throughout 2018 as revenues averaged $21.35 per Mt higher in 2018 as compared to 2017, primarily due to strong global demand and tighter supply dynamics.

- Net income decreased by $27.7 million, from $142.3 million for the year ended December 31, 2017, to $114.6 million for the year ended December 31, 2018, reflecting increases in operating

income, more than offset by increases in interest expense, loss on debt extinguishment, other and income tax expense.

- Adjusted EBITDA for the year ended December 31, 2018 totaled $477.0 million, an increase of $249.3 million, from $227.7 million for the year ended December 31, 2017, driven by factors mentioned above, including nine months of earnings of Curragh since the date of acquisition on March 29, 2018.

- Net cash provided by operating activities of $364.8 million was offset by capital expenditures of $114.3 million.

- As of December 31, 2018, we had cash of $124.7 million (excluding restricted cash) and $350.0 of undrawn facility available under the Syndicated Facility Agreement.

- Borrowings, excluding capital finance leases, outstanding from December 31, 2017 and additional funds borrowed for the Curragh acquisition in 2018 were fully repaid in October 2018.

	Year Ended December 31,			
	2018	2017	$ Change	% Change
	($ in thousands)			
Revenues:				
Coal revenues	$ 1,945,600	$ 756,385	$ 1,189,215	157.2%
Other revenues	34,904	11,859	23,045	194.3%
Total revenues	1,980,504	768,244	1,212,260	157.8%
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	991,994	463,638	528,356	114.0%
Depreciation, depletion and amortization	162,117	75,503	86,614	114.7%
Freight expenses	117,699	15,880	101,819	641.2%
Stanwell rebate	127,692	—	127,692	—
Other royalties	181,715	39,665	142,050	358.1%
Selling, general, and administrative expenses	66,207	21,793	44,414	203.8%
Total costs and expenses	1,647,424	616,479	1,030,945	167.2%
Operating income	333,080	151,765	181,315	119.5%
Other income (expenses):				
Interest income	2,029	168	2,029	100.0%
Interest expense	(60,007)	(10,123)	(50,052)	502.8%
Loss on debt extinguishment	(58,085)	—	(58,085)	—
Other, net	(27,216)	473	(27,689)	(5,853.9)%
Total other income (expense), net	(143,279)	(9,482)	(133,797)	1,411.1%
Net income before tax	189,801	142,283	47,518	33.4%
Income tax expense	(75,212)	—	(75,212)	100.0%
Net income	114,589	142,283	(27,694)	(19.5)%
Less: Net loss attributable to noncontrolling interest	(92)	(70)	(22)	31.4%
Net income attributable to Coronado Global Resources Inc.	$ 114,681	$ 142,353	$ (27,672)	(19.4)%

Coal Revenues

Coal revenues were $1,945.6 million for the year ended December 31, 2018, an increase of $1,189.2 million, as compared to $756.4 million for the year ended December 31, 2017. The addition of Curragh contributed $1,136.1 million in coal revenues for the year ended December 31, 2018 that were not included within coal revenues for the year ended December 31, 2017. Coal revenues for our operating segments in the United States (Buchanan, Logan and Greenbrier) of $809.5 million for the year ended December 31, 2018, were $53.1 million higher than coal revenues of $756.4 million for the year ended December 31, 2017. The increase in sales for the operating segments in the United States was driven by higher average realized prices partially offset by a reduction in sales volumes due to reduced availability of third-party raw coal for purchase, processing and resale, and lower production related to lower clean coal yield resulting from changes in mining conditions.

Other Revenues

Other revenues were $34.9 million for the year ended December 31, 2018, an increase of $23.0 million, as compared to $11.9 million for the year ended December 31, 2017. The increase is predominantly related to the addition of Curragh, which recorded $28.3 million in other revenues relating to the amortization of the Stanwell non-market CSA liability recognized at the acquisition of Curragh for the year ended December 31, 2018. The increase related to the addition of Curragh was partially offset by $6.5 million lower other revenues for the operating segments in the United States for the year ended December 31, 2018 compared to 2017. In the United States, we generally sell coal on a F.O.R. basis where the freight is arranged and paid for directly by the customer. However, in 2017, we had several contracts with customers that had terms of F.O.B vessel rather than F.O.R. Due to the contract terms, rail revenue is recorded when the customer is billed for the cost to ship the coal to the vessel. We did not have similar contracts in 2018.

Cost of Coal Revenues (Exclusive of Items Shown Separately Below)

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues for the Company were $992.0 million for the year ended December 31, 2018, an increase of $528.4 million, as compared to $463.6 million for the year ended December 31, 2017. Approximately $491.8 million of the increase was attributable to the addition of Curragh. The remaining $36.6 million increase was primarily attributed to increases in the average cost per Mt sold. The increase in the average cost per Mt sold was predominantly driven by lower overall production for our U.S. Operations during the year ended December 31, 2018 compared to the year ended December 31, 2017.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was $162.1 million for the year ended December 31, 2018, an increase of $86.6 million, as compared to $75.5 million for the year ended December 31, 2017. The increase was primarily a result of the addition of Curragh, which contributed approximately $77.5 million in depreciation, depletion and amortization for the year ended December 31, 2018, and by higher depreciation expense associated with our operating segments in the United States (Buchanan, Logan and Greenbrier), predominantly driven by a large credit adjustment relating to a change in estimate of the asset retirement obligation, or ARO, recorded for the year ended December 31, 2017 of $6.4 million compared to $0.2 million for the year ended December 31, 2018.

Freight Expenses

The amount of freight expenses was $117.7 million for the year ended December 31, 2018, an increase of $101.8 million, as compared to $15.9 million for the year ended December 31, 2017. The increase is primarily made up of $106.3 million of Curragh related freight costs, which the business incurs on its port and rail contracts in contrast to our operating segments in the United States, where coal is predominantly sold F.O.R. The freight amount for our operating segments in the United States (Buchanan, Logan and Greenbrier) of $11.4 million for the year ended December 31, 2018 decreased $4.7 million, as compared to $15.9 million for the year ended December 31, 2017. The decrease is primarily driven by lower sales in 2018 to customers that included freight arrangements where the Company paid the delivery costs.

Stanwell Rebate

The Stanwell rebate of $127.7 million for the year ended December 31, 2018 relates to a contractual arrangement entered into by Curragh and Stanwell, which requires rebate payments to Stanwell based on (i) export sales prices and tonnage from the Curragh North Mining Area and Curragh East Mining Area and (ii) ROM tons mined in the Curragh 'Pit U East Area.' The export-based rebate consists of a price rebate and a tonnage rebate that changes based on a tiered volume calculation, as described in Item 1. "Business." The Stanwell rebate is captured within Adjusted EBITDA; however, it is presented in a separate line item in the statement of operations to cost of coal revenues.

Other Royalties

Other royalties was $181.7 million in the year ended December 31, 2018, an increase of $142.0 million, as compared to $39.7 million in the year ended December 31, 2017. The increase is partially attributed to the addition of Curragh, which contributed approximately $120.0 million in other royalty expense for the year ended December 31, 2018. The remaining increase was primarily attributable to our U.S. Operations royalties, which increased $22.1 million. This increase was predominantly driven by increased prices with the largest individual royalty increase of $16.0 million relating to the CONSOL Energy contingent royalty.

Selling, General, and Administrative Expenses

Selling, general and administrative cost was $66.2 million for the year ended December 31, 2018, an increase of $44.4 million, as compared to $21.8 million for the year ended December 31, 2017. The increase is driven by cost incurred as a result of the Curragh acquisition, most significantly stamp duty cost of $33.0 million and $8.1 million in professional service and legal fees.

Interest Expense

Interest expense, net of interest income, was $58.0 million for the year ended December 31, 2018, an increase of $48.0 million, as compared to interest expense of $10.0 million for the year ended December 31, 2017. This increase in interest expense was primarily attributable to the interest expense recognized on the $700 million term loan facility which the Company entered into on March 29, 2018 for the Curragh acquisition and repaid on October 24, 2018. In addition, included within interest expense for the year ended December 31, 2018 is $7.3 million relating to the accretion of the deferred consideration liability recognized on the purchase of the SRA on August 14, 2018.

Loss on Debt Extinguishment

Loss on debt extinguishment was $58.1 million for the year ended December 31, 2018 and related to the write off of deferred financing costs incurred with an asset backed loan established in June 2017 and the $700 million term loan established for the Curragh acquisition. These debt facilities were repaid on October 23, 2018 and October 24, 2018, respectively, at which point the outstanding deferred financing cost were written off. No debt extinguishment cost was recorded for the year ended December 31, 2017.

Other, Net

Other, net expense was $27.2 million for the year ended December 31, 2018, an increase of $27.7 million, as compared to other, net income $0.5 million for the year ended December 31, 2017. This increase in expenses is primarily comprised of a $15.7 million loss on the settlement of a foreign exchange swap recognized at the time of the Curragh acquisition and $9.0 million of foreign exchange losses with respect to A$ denominated monetary assets and liabilities, excluding assets relating to U.S. dollar coal sales for which foreign exchange gains or losses are recognized in coal sales revenue.

Pro Forma Year Ended December 31, 2018 Compared to Pro Forma Year Ended December 31, 2017

Basis of Presentation

To facilitate comparability, the section below sets forth our unaudited consolidated pro forma results for the year ended December 31, 2018, which have been derived from the unaudited consolidated pro forma statements of operations included elsewhere herein and give effect to each of the Curragh acquisition and the Reorganization Transaction as if they had occurred on January 1, 2018. The unaudited consolidated pro forma results for the year ended December 31, 2017 have been derived from the unaudited consolidated pro forma statements of operations included elsewhere herein and give effect to each of the Curragh acquisition and the Reorganization Transaction as if they had occurred on January 1, 2017.

The unaudited consolidated pro forma statements of operations do not reflect the costs of any integration activities or benefits. The unaudited pro forma adjustments are based upon current available information and assumptions that we believe to be reasonable and have been prepared in accordance with applicable SEC rules and regulations. Refer to the "Unaudited Pro Forma Combined Financial Information" included in this registration statement for further information regarding the presentation of pro forma financial information.

Summary

Our pro forma financial and operational highlights for the year ended December 31, 2018:

- Pro forma Mt sold totaled 20.2 million for the year ended December 31, 2018, or 0.6 MMt lower than the year ended December 31, 2017, predominantly due to lower sales volumes at Curragh and Logan. Lower sales volumes at Curragh were a result of rail disruptions during the year ended December 31, 2018. Sales volumes were lower at Logan due to production shortfalls that mainly occurred towards the end of year ended December 31, 2018.

- Coal markets remained strong throughout as revenues averaged $9.43 per Mt higher in 2018 as compared to 2017, primarily due to strong global demand and tighter supply dynamics.

- Pro forma net income decreased by $68.9 million, from $237.9 million for the year ended December 31, 2017 to $168.9 million for the year ended December 31, 2018, reflecting a decrease in pro forma operating income, and expenses related to the one-off loss on debt extinguishment and other foreign exchange losses incurred during the year ended December 31, 2018.

- Pro forma Adjusted EBITDA for the year ended December 31, 2018 totaled $598.6 million, a decrease of $0.2 million, from $598.8 million for the year ended December 31, 2017. Consistent performance results from higher prices offsetting lower volumes sold as discussed above.

	Year Ended December 31, 2018	Year Ended December 31, 2017	$ Change	% Change
	($ in thousands)			
Revenues:				
Coal revenues	$ 2,259,094	$ 2,130,209	$ 128,885	6.1%
Other Revenues	37,910	43,302	(5,392)	(12.5)%
Total Revenues	2,297,004	2,173,511	123,493	5.7%
Cost and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	1,137,500	1,072,857	64,643	6.0%
Depreciation, depletion and amortization	184,352	165,579	18,772	11.3%
Freight expense	154,521	160,865	(6,344)	(3.9)%
Stanwell rebate	170,819	146,996	23,823	16.2%
Other royalty expenses	210,958	171,607	39,351	22.9%
Selling, general, and administrative expenses	29,901	24,676	5,225	21.2%
Total costs and expenses	1,888,051	1,742,580	145,470	8.3%
Operating income	408,953	430,931	(21,977)	(5.1)%
Other income (expenses):				
Interest income	2,029	373	1,656	444.0%
Interest expense	(65,652)	(68,241)	2,589	(3.8)%
Loss on debt extinguishment	(54,180)	—	(54,180)	100.0%
Other, net	(3,737)	2,291	(6,028)	(263.1)%
Total other income (loss), net	(121,540)	(65,577)	(55,963)	85.3%
Income before tax	287,413	365,354	(77,940)	(21.3)%
Income tax expense	(118,488)	(127,495)	9,007	(7.1)%
Net income	168,925	237,859	(68,933)	(29.0)%
Less: Net loss attributable to noncontrolling interest	(92)	(70)	(22)	31.4%
Net income (loss) attributable to Coronado Global Resources Inc.	$ 169,017	$ 237,929	$ (68,911)	(29.0)%

Pro Forma Coal Revenues

Coal revenues were $2,259.1 million for the year ended December 31, 2018, an increase of $128.9 million, as compared to $2,130.2 million for the year ended December 31, 2017. Coal revenues for Curragh of $1,449.6 million for the year ended December 31, 2018 were $75.8 million higher than coal revenues of $1,373.8 million for the year ended December 31, 2017. Revenue for Curragh was higher, despite lower sales volumes, due to higher average realized prices. Coal revenues for our operating segments in the United States (Buchanan, Logan and Greenbrier) of $809.5 million for the year ended December 31, 2018 were $53.1 million higher than coal revenues of $756.4 million for the year ended December 31, 2017. The increase in coal revenues for our operating segments in the United States was driven by higher average realized prices partially offset by a reduction in sales volumes due to reduced availability of third-party raw coal for purchase, processing and resale, and lower production related to lower clean coal yield resulting from changes in mining conditions.

Pro Forma Other Revenues

Other revenues were $37.9 million for the year ended December 31, 2018, a decrease of $5.4 million, as compared to $43.3 million for the year ended December 31, 2017. The majority of the decrease, $5.1 million, is related to changing freight arrangements with customers as we were no longer required to pay rail freight for customers in 2018. In 2017, this rail freight charge was passed onto customers at a small mark-up and recorded in other revenues.

Pro Forma Cost of Coal Revenues (Exclusive of Items Shown Separately Below)

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Cost of coal revenues were $1,137.5 million for the year ended December 31, 2018, an increase of $64.6 million, as compared to $1,072.9 million for the year ended December 31, 2017. Approximately $28.2 million of the increase was primarily attributed to increases in the average cost per Mt sold. The increase in the average cost per Mt sold was predominantly driven by lower overall production for our U.S. Operations, predominantly Buchanan, during the year ended December 31, 2018 compared to the year ended December 31, 2017. Mining conditions at Buchanan were more difficult in 2018 due to geological conditions in the northern area of the mine which resulted in lower production and higher per Mt costs.

Pro Forma Depreciation, Depletion and amortization

Depreciation, depletion and amortization was $184.4 million for the year ended December 31, 2018, an increase of $18.8 million, as compared to $165.6 million for the year ended December 31, 2017. The increase was primarily a result of additional capital expenditure over the periods shown, resulting in increased depreciation, and by higher depreciation expense associated with our U.S. Operations, predominantly driven by a large credit adjustment relating to a change in estimate of the ARO recorded for the year ended December 31, 2017 of $6.4 million compared to $0.2 million for the year ended December 31, 2018.

Pro Forma Freight Expenses

The amount of Freight expenses was $154.5 million for the year ended December 31, 2018, a decrease of $6.3 million, as compared to $160.9 million for the year ended December 31, 2017. The decrease is primarily driven by changing freight arrangements with customers for our U.S. Operations as we were no longer required to pay rail freight for customers.

Pro Forma Stanwell Rebate

The Stanwell rebate was $170.8 million for the year ended December 31, 2018, an increase of $23.8 million, as compared to $147.0 million for the year ended December 31, 2017. The increase is driven primarily from higher realized pricing for Curragh's export sales in 2018 versus 2017. In accordance with the export rebate arrangements governed by the CSA, a percentage of realized export prices above an agreed reference price as well as certain other tonnage rebates are required to be passed on to Stanwell.

Pro Forma Other Royalties

Other royalties were $211.0 million in the year ended December 31, 2018, an increase of $39.4 million, as compared to $171.6 million in the year ended December 31, 2017. The increase is partially attributable to our operating segments in the United States (Buchanan, Logan and Greenbrier) royalties, which increased $22.1 million. This increase was predominantly driven by

increased realized prices with the largest individual royalty increase of $16.0 million relating to the CONSOL Energy contingent royalty. The remaining increase of $17.3 million relates to Curragh royalties, which also increased due to higher realized prices.

Pro Forma Selling, General, and Administrative Expenses

Selling, general and administrative cost was $29.9 million for the year ended December 31, 2018, an increase of $5.2 million, compared to $24.7 million for the year ended December 31, 2017. The increase is primarily driven by increased costs at Curragh, mainly relating to professional service fees, including legal fees, incurred during the year.

Pro Forma Interest Expense

Interest expense, net of interest income, was $63.6 million for the year ended December 31, 2018, a decrease of $4.2 million, as compared to interest expense of $67.9 million for the year ended December 31, 2017. This decrease in interest expense was primarily attributable to the repayment of the $700 million term loan on October 24, 2018. For pro forma purposes, this loan was outstanding from January 1, 2017. The decrease in interest expense was partially offset by a $7.3 million charge in 2018 relating to the accretion of the deferred consideration liability recognized on the purchase of the SRA on August 14, 2018.

Pro Forma Loss on Debt Extinguishment

Loss on debt extinguishment was $54.2 million for the year ended December 31, 2018 and related to the write off of deferred financing costs incurred with a senior debt facility established in June 2017, which we repaid in March 2018, and the $700 million term loan established in March 2018 for the Curragh acquisition, which we repaid on October 24, 2018, at which point the outstanding deferred financing cost was expensed. No debt extinguishment cost was recorded for the year ended December 31, 2017.

Pro Forma Other, net

Other, net expense was $3.7 million for the year ended December 31, 2018, an increase of $6.0 million, as compared to other, net income $2.3 million for the year ended December 31, 2017. This increase in expenses is primarily comprised of $9.0 million of foreign exchange losses with respect to A$ denominated monetary assets and liabilities in 2018.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

	Year Ended December 31, 2017	Year Ended December 31, 2016	$ Change	% Change
	($ in thousands)			
Revenues:				
Coal revenues	$ 756,385	$ 433,966	$ 322,419	74.3%
Other revenues	11,859	3,285	8,574	261.0%
Total revenues	768,244	437,251	330,993	75.7%
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	463,638	290,725	172,913	59.5%
Depreciation, depletion and amortization	75,503	59,737	15,766	26.4%
Freight expenses	15,880	5,447	10,433	191.5%
Stanwell rebate	—	—	—	—
Other royalties	39,665	32,344	7,321	22.6%
Selling, general, and administrative expenses	21,793	12,944	8,849	68.4%
Total costs and expenses	616,479	401,197	215,282	53.7%
Operating income	151,765	36,054	115,711	320.9%
Other income (expenses):				
Interest income	168	94	(94)	(100.0)%
Interest expense	(10,123)	(192)	(9,763)	5,084.9%
Loss on debt extinguishment	—	—	—	—
Other, net	473	376	97	25.8%
Total other income (expense), net	(9,482)	278	(9,760)	(3,510.8)%
Net income before tax	142,283	36,332	105,951	291.6%
Income tax expense	—	—		
Net income	142,283	36,332	105,951	291.6%
Less: Net loss attributable to noncontrolling interest	(70)	(133)	63	(47.4)%
Net income attributable to Coronado Global Resources Inc.	$ 142,353	$ 36,465	$ 105,888	290.4%

Coal Revenues

Coal revenues were $756.4 million for the year ended December 31, 2017, compared to $434.0 million for the year ended December 31, 2016. The $322.4 million increase was attributable to a 2.8 million tons increase in sales volumes and a $13.7 per Mt higher average sales price. The increase in tons sold was primarily driven by the March 31, 2016 Buchanan acquisition, providing an additional quarter of coal revenues at our Buchanan segment in 2017 compared to 2016. The higher average sales price per Mt sold in the 2017 period was primarily the result of a tighter supply-demand balance in the domestic and international metallurgical coal markets that we serve. The global metallurgical coal benchmark prices for coking coal increased by more than 200% period-to-period.

Other Revenues

Other revenues increased $8.6 million to $11.9 million for the year ended December 31, 2017, compared to $3.3 million for the year ended December 31, 2016, primarily as a result of an increase in rail revenues. Several contracts with customers have terms of F.O.B. vessel rather than F.O.R. Due to the contract terms, rail revenue is recorded when the customer is billed for the cost to ship the coal to

the vessel. These terms were not in place during 2016. Additionally, freight revenues increased compared to the prior year as the Company has subleased throughput capacity under a terminal services agreement to third parties. The Company did not sublease throughput capacity under this agreement in the year ending December 31, 2017.

Cost of Coal Revenues (Exclusive of Items Shown Separately Below)

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues for the Company were $463.6 million for the year ended December 31, 2017, or $172.9 million higher than the $290.7 million for the year ended December 31, 2016. Total costs of coal revenues per Mt sold were $54.5 per Mt for the year ended December 31, 2017, compared to $51.0 per Mt for the year ended December 31, 2016. The increase in the cost of coal sold was driven by higher production volumes and a change in production mix as the year ended December 31, 2017 reflects twelve months' production from Buchanan versus nine months' production in the year ended December 31, 2016.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization increased $15.8 million in the year ended December 31, 2017 compared to the year ended December 31, 2016. The increase is primarily driven by increased depreciation, depletion and amortization expenses incurred at the Buchanan segment. Because the Buchanan acquisition closed on March 31, 2016, only nine months of expenses were incurred in the year ended December 31, 2016. This resulted in an increase in production as well as overall fixed assets on the balance sheet. Additionally, as a result of the stronger benchmark pricing, the Company increase capital expenditures for production expansion. Depreciation, depletion and amortization for the year ended December 31, 2017 also included a large credit adjustment relating to a change in estimate of the ARO.

Selling, General, and Administrative Expenses

The amount of selling, general and administrative costs was $21.8 million for the year ended December 31, 2017, an increase of $8.8 million compared to the year ended December 31, 2016. The $8.8 million increase is primarily driven by increased selling, general and administration expenses incurred at the Buchanan segment. Because the Buchanan acquisition closed on March 31, 2016, only nine months of expense were incurred in the year ended December 31, 2016. In addition, the increased costs included professional services fees relating to consulting services to prepare for future growth, expansion of staffing, SAP implementation, and fees related to the term loan.

Interest Expense

Interest expense, net of interest income, of $10.0 million for the year ended December 31, 2017 is an increase of $9.8 million from the amount incurred during the year ended December 31, 2016. This increase in interest expense is primarily comprised of interest on the asset-backed loan.

Supplemental Segment Financial Data

The following table presents supplemental financial data by operating segment for the three months ended March 31, 2019 compared to the three months ended March 31, 2018:

	For Three Months Ended March 31,			
	2019	2018	$ Change	% Change
	($ in thousands, except per Mt amounts)			
Revenues by segment:				
Curragh	381,375	—	381,375	100.0%
Buchanan	122,724	134,209	(11,485)	(8.6)%
Logan	74,309	54,051	20,258	37.5%
Greenbrier	13,471	19,893	(6,422)	(32.3)%
Total Consolidated Revenues	591,879	208,153		
Coal Revenues by segment:				
Curragh	372,242	—	372,242	100.0%
Buchanan	122,689	134,171	(11,482)	(8.6)%
Logan	73,518	53,425	20,093	37.6%
Greenbrier	13,349	19,240	(5,891)	(30.6)%
Total Consolidated Coal Revenues	581,798	206,836		
Adjusted EBITDA by segment:				
Curragh	120,149	—	120,149	100.0%
Buchanan	56,112	64,444	(8,332)	(12.9)%
Logan	17,165	4,791	12,374	258.3%
Greenbrier	(1,308)	1,171	(2,479)	(211.7)%
Other and Corporate	(9,052)	(69,324)	60,272	(86.9)%
Total Consolidated Adjusted EBITDA	183,066	1,082		
Sales volumes by segment (MMt)				
Curragh	3.1	—	3.1	100.0%
Buchanan	1.2	1.1	0.1	9.1%
Logan	0.7	0.6	0.1	16.7%
Greenbrier	0.1	0.2	(0.1)	(50.0)%
Total sales volumes	**5.0**	**1.9**		
Average realized price per Mt sold				
Curragh	121.7	—	121.7	100.0%
Buchanan	104.8	116.9	(12.1)	(10.4)%
Logan	109.1	86.4	22.7	26.3%
Greenbrier	120.3	102.9	17.4	16.9%
Cost of Coal Revenues by segment:				
Curragh	139,096	—	139,096	100.0%
Buchanan	65,681	57,407	8,274	14.4%
Logan	51,051	44,335	6,716	(15.1)%
Greenbrier	13,731	17,569	(3,838)	(21.8)%
Total Cost of Coal Revenues	269,559	119,311		
Cost per Mt sold				
Curragh	45.5	—	45.5	100.0%
Buchanan	56.1	50.0	6.1	12.2%
Logan	75.7	71.7	4.0	5.6%
Greenbrier	123.7	94.0	29.7	31.6%

Segment Revenue

Curragh

Curragh contributed $381.4 million, or 64.4%, to the total revenue of the Company for the three months ended March 31, 2019. Average realized price for the three months ended March 31, 2019 was $121.7 per Mt sold, slightly lower than average realized price for the year ended December 31, 2018 of $122.1 per Mt sold.

Buchanan

Revenue decreased by $11.5 million, or 8.6%, to $122.7 million for the three months ended March 31, 2019 as compared to $134.2 million for the three months ended March 31, 2018. This decrease was driven by lower average realized price due to import tariffs on U.S. coal imposed by China and changes to the sales mix. This was partially offset by an increase in sales volumes of 0.1 MMt, or 9.1%.

Logan

Revenue increased by $20.3 million, or 37.5%, to $74.3 million for the three months ended March 31, 2019 as compared to $54.1 million for the three months ended March 31, 2018. This increase was driven by a higher sales volume and average realized price for High Volatile coal as the market remained in tight supply for this product during the three months ended March 31, 2019.

Greenbrier

Revenue decreased by $6.4 million, or 32.3%, to $13.5 million for the three months ended March 31, 2019 as compared to $19.9 million for the three months ended March 31, 2018. This decrease was driven by lower sales volumes, partially offset by higher average realized price. The lower sales volume is primarily related to the exhaustion of the Pollock Knob reserve, lack of purchased coal available and lower production volume due to adverse geological mining conditions and equipment downtime.

Segment Adjusted EBITDA

Curragh

Curragh's Adjusted EBITDA for the three months ended March 31, 2019 was $120.1 million and represented 65.6% of the Company's total Adjusted EBITDA.

Buchanan

Adjusted EBITDA decreased by $8.3 million, or 12.9%, to $56.1 million for the three months ended March 31, 2019 as compared to $64.4 million for the three months ended March 31, 2018. The decrease in Adjusted EBITDA was primarily a result of lower realized pricing for coal sales, higher cost of coal revenues and lower sales volume partially offset by a decrease in other royalty expense attributed to lower average realized price, lower sales volumes and a mark-to-market adjustment to Buchanan's contingent price royalty consideration.

Logan

Adjusted EBITDA increased by $12.4 million to $17.2 million for the three months ended March 31, 2019 as compared to $4.8 million for the three months ended March 31, 2018. The increase in Adjusted EBITDA was due to an increase in coal sales volumes and higher realized pricing, partially offset by higher average cost per Mt sold.

Greenbrier

Adjusted EBITDA decreased by $2.5 million to a loss of $1.3 million for the three months ended March 31, 2019 as compared to earnings of $1.2 million for the three months ended March 31, 2018. The decrease in Adjusted EBITDA was a result of lower coal revenues and higher cost of coal per Mt sold resulting from operational issues experienced due to adverse mining and geological conditions as well as equipment downtime.

Corporate and Other Adjusted EBITDA

The following table presents a summary of the components of Corporate and Other Adjusted EBITDA:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	$ Change	% Change
	($ in thousands)			
Salaries	$ (2,911)	$ (1,531)	$ (1,380)	90.1%
Professional and consultancy fees	(3,775)	(6,581)	2,806	(42.6)%
Office and operational fees	(2,302)	(2,643)	341	(12.9)%
Dues, registration fees and licenses	(35)	(33,016)	32,981	(99.9)%
Loss on foreign exchange swap	—	(15,695)	15,695	(100.0)%
Other	(29)	(9,858)	9,829	(99.7)%
Total Corporate and Other Adjusted EBITDA	$ (9,052)	$ (69,324)	$ 60,272	(86.9)%

Total Corporate and Other Adjusted EBITDA loss of $9.1 million for the three months ended March 31, 2019 decreased by $60.3 million from $69.3 million for the three months ended March 31, 2018. The loss for the three months ended March 31, 2018 includes mark-to-market fair value adjustments in relation to interest rate swaps of $8.3 million and one-time costs in relation professional and consultancy fees and stamp duty of $33.0 million and a loss on foreign exchange of $15.7 million incurred in relation to the Curragh acquisition, the Reorganization Transaction and the Australian IPO.

Cost per Mt sold

Curragh

Cost of $45.5 per Mt sold for the three months ended March 31, 2019 was $7.4 per Mt lower than the cost per Mt sold for the mine of $52.9 per Mt for the year ended December 31, 2018. The higher cost per Mt sold in 2018 was a result of lower production, due to the impact of unplanned plant outages and adverse weather, and higher diesel fuel costs. For the three months ended March 31, 2019, exposure to diesel fuel price was mitigated through diesel price hedges put in place.

Buchanan

Cost of coal per Mt sold increased by $6.1 per Mt, or 12.2%, primarily driven by lower production due to adverse mining conditions related to rock intrusion and unconsolidated roof.

Logan

Cost of coal per Mt sold increased by $4.0 per Mt, or 5.6%, primarily driven by higher production costs due to adverse mining conditions, power outages, high water issues and equipment downtime.

Greenbrier

Cost of coal per Mt increased by $29.7 per Mt, or 31.6%, primarily driven by higher production costs due to adverse geology and mining conditions at certain operations. However, Cost of coal revenues decreased by $3.8 million for the three months ended March 31, 2019 to $13.7 million, as compared to $17.6 million for the three months ended March 31, 2018, resulting from lower sales volumes.

The following table presents supplemental financial data by operating segment for the year ended December 31, 2018 compared to year ended December 31, 2017.

	For Year Ended December 31,			
	2018	2017	$ Change	% Change
	($ in thousands, except per Mt amounts)			
Revenues by segment:				
Curragh	1,165,580	—	—	—
Buchanan	510,430	465,036	45,394	9.8%
Logan	234,967	241,994	(7,027)	(2.9)%
Greenbrier	69,527	60,105	9,422	15.7%
Other and Corporate	—	1,159	(1,159)	(100)%
Total Consolidated Revenues	1,980,504	768,244		
Coal Revenues by segment:				
Curragh	1,136,059	—		
Buchanan	510,302	464,921	45,381	9.8%
Logan	232,189	232,293	(104)	(0.0)%
Greenbrier	67,050	59,171	7,879	13.3%
Total Consolidated Coal Revenues	1,945,600	756,385		
Adjusted EBITDA by segment:				
Curragh	314,227	—	—	—
Buchanan	212,485	211,240	1,245	0.6%
Logan	31,939	34,897	(2,958)	(8.5)%
Greenbrier	(1,402)	3,270	(4,672)	(142.9)%
Other and Corporate	(80,264)	(21,666)	(58,598)	270.5%
Total Consolidated Adjusted EBITDA	476,985	227,741		
Sales volumes by segment (MMt)				
Curragh	9.3	—	—	—
Buchanan	4.8	5.0	(0.2)	(4.0)%
Logan	2.6	2.9	(0.3)	(10.3)%
Greenbrier	0.7	0.6	0.1	16.7%
Total sales volume (MMt)	17.4	8.5		
Average realized price per Mt sold				
Curragh	122.1	—	—	—
Buchanan	105.5	93.6	11.9	12.8%
Logan	88.8	80.4	8.4	10.5%
Greenbrier	102.4	105.9	(3.5)	(3.3)%
Cost of Coal Revenues by segment:				
Curragh	491,764	—	—	—
Buchanan	253,439	230,045	23,394	10.2%
Logan	182,713	181,934	779	0.4%
Greenbrier	64,056	51,659	12,397	24.0%
Other	22	—	22	*
Total Cost of Coal Revenues	991,994	463,638		
Cost per Mt sold				
Curragh	52.9	—	—	—
Buchanan	52.4	46.3	6.1	13.2%
Logan	69.8	62.9	6.9	11.0%
Greenbrier	97.8	92.4	5.4	5.8%

Supplemental financial data for the Curragh segment for the year ended December 31, 2018 has been included in the table above on a statutory basis for reconciliation purposes. Pro forma supplemental financial data for the Curragh segment for the year ended December 31, 2018 compared to the year ended December 31, 2017 has been provided separately. Refer to "—Curragh Segment—Pro forma" below.

Segment Revenue

Buchanan

Revenue increased by $45.3 million, or 9.8%, to $510.4 million for the year ended December 31, 2018 as compared to $465.0 million for the year ended December 31, 2017. This increase was driven by higher average realized price due to strong market demand and certain contract repricing. This was partially offset by a reduction in sales volumes of 0.2 MMt, or 4%, related to lower production resulting from lower clean coal yields due to a change in mining conditions.

Logan

Revenue decreased by $7.0 million, or 2.9%, to $235.0 million for the year ended December 31, 2018 as compared to $241.9 million for the year ended December 31, 2017. This decrease was driven by a reduction in sales volumes due to reduced availability of third-party raw coal for purchase, processing and resale. This was partially offset by higher average realized price due to strong market demand and annual contract repricing.

Greenbrier

Revenue increased by $9.4 million, or 15.7%, to $69.5 million for the year ended December 31, 2018 as compared to $60.1 million for the year ended December 31, 2017. This increase was driven by higher sales volumes of 0.1 MMt, or 16.7%, partially offset by lower average realized price due to a change in product mix.

Segment Adjusted EBITDA

Buchanan

Adjusted EBITDA increased by $1.2 million, or 0.6%, to $212.5 million for the year ended December 31, 2018 as compared to $211.2 million for the year ended December 31, 2017. The increase in Adjusted EBITDA was a result of higher realized pricing for coal sales almost entirely offset by higher cost of coal revenues and lower sales volume and an increase in other royalty expense attributed to higher realization of per Mt and a mark-to-market adjustment to Buchanan's contingent price royalty consideration (royalty obligation), partially offset by increase in coal revenues.

Logan

Adjusted EBITDA decreased by $3.0 million, or 8.5%, to $31.9 million for the year ended December 31, 2018 as compared to $34.9 million for the year ended December 31, 2017. The decrease in Adjusted EBITDA was a reduction in coal sales volumes and slightly higher average cost per Mt sold, partially offset by higher realized pricing.

Greenbrier

Adjusted EBITDA decreased by $4.7 million to a loss of $1.4 million for the year ended December 31, 2018 as compared to earnings of $3.3 million for the year ended December 31, 2017. The decrease in Adjusted EBITDA was a higher cost of coal revenues resulting from operational issues experienced at the mine partially offset by an increase in coal sales revenues.

Corporate and Other Adjusted EBITDA

The following table presents a summary of the components of Corporate and Other Adjusted EBITDA:

	Year Ended December 31, 2018	Year Ended December 31, 2017	$ Change	% Change
	($ in thousands)			
Salaries	$ (9,396)	$ (9,172)	$ (224)	2.4%
Professional and consultancy fees	(12,966)	(10,317)	(2,649)	25.7%
Office and operational fees	(7,240)	(1,536)	(5,704)	*
Dues, registration fees and licenses	(33,693)	(339)	(33,354)	*
Loss on foreign exchange swap	(15,695)	—	(15,695)	*
Other	(1,274)	(302)	(972)	*
Total Corporate and Other Adjusted EBITDA	$ (80,264)	$ (21,666)	$ (58,598)	270.5%

* Change exceeds 100%.

Adjusted EBITDA loss of $80.3 million for the year ended December 31, 2018 includes one-time costs in relation to professional and consultancy fees and stamp duty of $33.0 million and a loss on foreign exchange of $15.7 million incurred in relation to the Curragh acquisition, the Reorganization Transaction and the Australian IPO.

Cost per Mt sold

Buchanan

Cost of coal per Mt sold increased by $6.1 per Mt, or 13%, primarily driven by an increase in labor and production costs and lower sales volumes. Costs of coal increased due to the following:

- Unforeseen geological condition (a rock intrusion in the coal seam) which was first encountered in January 2018. In the first half of 2018, the longwall mined through the rock intrusion in two different panels which resulted in an estimated 0.2 MMt of lost production;
- Additional roof support and mitigation costs incurred related to the geological conditions (the rock intrusion) in the current district; and
- Increase demand for labor led management to introduce revised remuneration packages including wages increases to retain employees.

Logan

Cost of coal sold remained relatively stable for the year ended December 31, 2018 compared to December 31, 2018, however, sales volumes declined resulting in increased cost of coal sold per Mt by $6.9 per Mt to $69.8 per Mt for the year ended December 31, 2018 compared to $62.9 ton for the year ended December 31, 2017.

Greenbrier

Cost of coal revenues increased by $12.4 million for the year ended December 31, 2018 to $64.1 million, as compared to $51.7 million for the year ended December 31, 2017 primarily driven by an increase in total coal sales volume of 0.6 MMt in 2017 to 0.7 MMt in 2018.

Curragh Segment—Pro Forma

The unaudited pro forma supplemental financial data of Curragh for the year ended December 31, 2018, presented in the table below, has been derived from the unaudited consolidated pro forma statements of operations included in this registration statement and give effect to each of the Curragh acquisition as if it had occurred on January 1, 2018. The unaudited pro forma supplemental financial data of Curragh for the year ended December 31, 2017, presented in the table below, has been derived from the unaudited consolidated pro forma statements of operations included in this registration statement and give effect to each of the Curragh acquisition as if it had occurred on January 1, 2017.

	Pro forma	Post Acquisition	For Year Ended December 31,			
	January 1, 2018 - March 29, 2018	March 30, 2018 - December 31, 2018	Pro forma 2018	Pro forma 2017	$ Change	% Change
			($ in thousands, except per Mt amounts)			
Revenue	313,494	1,165,580	1,479,074	1,373,824	105,246	7.7%
Coal Revenue	313,494	1,136,059	1,449,553	1,373,824	75,728	5.5%
Cost of Coal Revenue	145,506	491,764	637,270	609,219	28,051	4.6%
Adjusted EBITDA	64,785	314,227	379,012	339,617	39,395	11.6%
Sales volumes (MMt)	2.7	9.3	12.0	12.3	(0.3)	(1.9)%
Average realized price per Mt sold	116.1	122.1	120.5	114.3	6.2	5.4%
Cost per Mt sold	53.9	52.9	53.1	49.8	3.3	6.6%

($ in thousands)	Historical Curragh in US GAAP	Post-Acquisition	For Year Ended December 31,	
Curragh Segment Pro forma Reconciliation to Adjusted EBITDA:	January 1, 2018 - March 29, 2018	March 30, 2018 - December 31, 2018	Total Pro forma 2018	Pro forma 2017
Net Income (loss)	**(308,947)**	**164,331**	**(144,616)**	**24,600**
Add: Income tax expense (benefit)	17,772	72,015	89,787	90,301
Add: Interest expense (net of income)	341,703	6,515	348,218	181,859
Add: Loss on debt extinguishment	—	—	0	
Add: Other foreign exchange gains	—	(6,168)	(6,168)	
Add: Depreciation, depletion and amortization	14,257	77,534	91,791	42,857
Adjusted EBITDA	**64,785**	**314,227**	**379,012**	**339,617**

Revenues

Pro forma revenue increased by $105.2 million, or 7.7%, to $1,479.1 million for the year ended December 31, 2018 as compared to $1,373.8 million for the year ended December 31, 2017. This increase was primarily a result of higher average realized price and favorable sales mix. Overall sales volumes were lower on prior year due to lower production as a result of adverse mining conditions.

Adjusted EBITDA

Pro forma Adjusted EBITDA increased by $39.4 million, or 11.6%, to $379.0 million for the year ended December 31, 2018 as compared to $339.6 million for the year ended December 31, 2017. The favorable increase in Adjusted EBITDA was a result of increased revenues from coal sales, partially offset by higher cost of coal revenues (unplanned outages, maintenance and adverse weather), higher

export royalties on increased sales revenues and increased Stanwell rebate cost, which represent variable costs payable to Stanwell on increased realized export sales price.

Cost per Mt sold

Pro forma cost of coal revenues increased by $28.1 million to $637.3 million for the year ended December 31, 2018 as compared to $609.2 million for the year ended December 31, 2017. This was $3.3 per Mt higher for the year ended December 31, 2018 compared to $49.8 per Mt for the year ended December 31, 2017. The higher cost per Mt sold was a result of a combination of lower production, due to unplanned outages at the wash plant as a result of inclement weather conditions experience in the fourth quarter of 2018, and higher fuel cost.

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

	Three Months Ended March 31,	
	2019	2018
	($ in thousands)	
Reconciliation to Adjusted EBITDA:		
Net Income (loss)	$ 96,820	$ (23,671)
Add: Income tax expense (benefit)	42,010	(7,460)
Add: Interest expense (net of income)	8,179	6,500
Add: Loss on debt extinguishment	—	3,905
Add: Other foreign exchange gains	(3,714)	1,558
Add: Depreciation, depletion and amortization	39,771	21,808
Adjusted EBITDA	$ 183,066	$ 2,640

	Year Ended December 31,		
	2018	2017	2016
		($ in thousands)	
Reconciliation to Adjusted EBITDA:			
Net Income	$ 114,589	$ 142,283	$ 36,332
Add: Income tax expense	75,212	—	—
Add: Interest expense (net of income)	57,978	9,955	98
Add: Loss on debt extinguishment	58,085	—	—
Add: Other foreign exchange (gains) losses	(9,004)	—	—
Add: Depreciation, depletion and amortization	162,117	75,503	59,737
Adjusted EBITDA	$ 476,985	$ 227,741	$ 96,167

Reconciliation of Pro forma Non-GAAP Financial Measures

Pro forma Adjusted EBITDA

	Year Ended December 31, 2018	Year Ended December 31, 2017
	($ in thousands)	
Reconciliation to Adjusted EBITDA:		
Net Income	$ 168,926	$ 237,859
Add: Income tax expense	(118,488)	(127,495)
Add: Interest expense (net of income)	(63,623)	(67,868)
Add: Loss on debt extinguishment	(54,180)	—
Add: Other foreign exchange losses	(9,004)	—
Add: Depreciation, depletion and amortization	184,351	165,579
Adjusted EBITDA	$ 598,572	$ 598,801

Liquidity and Capital Resources

Overview

Our objective is to maintain a prudent capital structure and gearing level and to have access to undrawn committed debt facilities to mitigate the risk of volatile external factors and financial risks in our business. Our principal sources of funds are cash flow from operations and borrowings under the Syndicated Facility Agreement.

Our main uses of cash have historically been and are expected to continue to be the funding of our operations, working capital and capital expenditure, debt service obligations and payment of dividends. Based on our outlook for the next 12 months, which is subject to continued changing demand from our customers and volatility in coal prices, we expect to generate cash from operations sufficient to meet the needs of our existing operations, service our debt obligations and fund our dividends.

Our ability to generate sufficient cash depends on our future performance which may be subject to a number of factors beyond our control, including general economic, financial and competitive conditions and other risks described in Item 1A. "Risk Factors." Over time, we may seek additional funding from a range of sources to diversify our funding sources in order to reduce our reliance on the bank finance market and to manage our exposure to interest rate risk on any long-term borrowings.

Liquidity as of March 31, 2019, December 31, 2018 and December 31, 2017 was as follows:

	March 31, 2019	December 31, 2018	December 31, 2017
		($ in thousands)	
Cash, excluding restricted cash	$ 12,043	$ 124,656	$ 28,069
Availability under Revolving Syndicate Facility Agreement	266,000	350,000	100,000
Total	$ 278,043	$ 474,656	$ 128,069

Total Indebtedness. Our total indebtedness as of March 31, 2019, December 31, 2018 and December 31, 2017 consisted of the following:

	March 31, 2019	December 31, 2018	December 31, 2017
		($ in thousands)	
Current instalments of interest-bearing liabilities	$ —	$ 9,035	$ 7,107
Current instalments of other financial liabilities and capital lease obligations	5,274	—	1,750
Interest bearing liabilities, excluding current instalments	84,000	—	128,516
Other financial liabilities, excluding current instalments	3,329	4,073	7,150
Total	$ 92,603	$ 13,108	$ 144,523

Liquidity

As of March 31, 2019, available liquidity was $278.0 million, comprised of cash and cash equivalents of $12.0 million and $266.0 million of availability under borrowing facilities. As of December 31, 2018, available liquidity was $474.7 million, comprised of cash and cash equivalents of $124.7 million and $350 million of availability under borrowing facilities.

Cash

Cash is held in multicurrency interest bearing bank accounts available to be used to service the working capital needs of the Company. Cash balances surplus to immediate working capital requirements are invested in short-term interest-bearing deposit accounts.

Secured Credit Facilities

To assist in managing the potential volatility in economic and operational changes, which may influence the generation of cash flow from operating activities, the Company entered into a the Syndicated Facility Agreement on September 15, 2018 providing two borrowing facilities:

- Facility A—$350 million multi-currency facility available for general working capital and corporate purposes; and
- Facility B—A$370 million bank guarantee facility.

The right to draw upon on these facilities is conditional upon a number of provisions being satisfied at the time that each drawdown request is issued. These conditions include, among other things, that:

- no Event of Default is continuing or would result from the proposed loan;
- the representations, as defined in the Syndicated Facility Agreement, that are made are true in all material respects and not misleading; and
- the amount of the proposed loan will not cause the committed facility limit to be exceeded.

At March 31, 2019, Facility A had $84.0 million of borrowings outstanding, leaving $266.0 million of undrawn availability.

Bank Guarantees

We are required to provide financial assurances and securities to satisfy contractual and other requirements generated in the normal course of business. Some of these assurances are provided to comply with state or other government agencies' statutes and regulations. Facility B is available for this purpose and as of March 31, 2019, we had issued Bank Guarantees totaling A$343 million to satisfy these requirements, leaving A$27 million available under Facility B. 50% of the value of issued bank guarantees is included in Net Debt for the purposes of calculating the financial covenants.

Secured Credit Facilities Terms

Interest Rate

Borrowings under our Syndicated Facility Agreement bear interest at a floating rate which is either (i) LIBOR plus an applicable margin for US$ loans and (ii) Bank Bill Swap Bid Rate, or BBSY, bid plus an applicable margin for the A$ loan. The applicable margin for Facility A depends on the Net Debt to EBITDA ratio (as defined in the Syndicated Facility Agreement). The below table summarizes the margin for Facility A.

Net Debt to EBITDA in most recent Compliance Certificate	**Facility A Margin**
> 2.00 times	3.25% per annum
> 1.50 times and ≤ 2.00 times	3.00% per annum
≤ 1.50 times	2.85% per annum

Undertakings and Representations

The Syndicated Facility Agreement contains a number of undertakings including:

- Information Undertakings—providing financial statements, compliance certificates, reserves statements;
- Financial Covenants—leverage ratio, interest coverage ratio, tangible net worth; and
- General Undertakings—affirmative covenants (compliance with laws, payment of taxes, maintaining a corporate existence and continuity of business) and negative covenants (subject to certain exceptions) such as limitations on lending to other parties, incurring additional indebtedness, disposal of secured assets and hedging.

Financial Covenants

The following financial covenants must be satisfied at all times:

a) the ratio of Net Debt to EBITDA for the preceding 12-month period must not exceed 2.50 times;

b) the ratio of EBITDA to Net Interest Expense for the preceding 12-month period must be at least 3.00 times; and

c) the ratio of Net Debt to Net Debt plus Tangible Net Worth, expressed as a percentage, must not exceed 40%.

Each financial covenant is calculated with reference to the definitions contained in the Syndicated Facility Agreement. As of December 31, 2018, which was the last applicable compliance date under the Syndicated Facility Agreement, we were in compliance with all applicable financial covenants under the Syndicated Facility Agreement.

Events of Default

The Syndicated Facility Agreement contains a number of customary events of default provisions, including (amongst other things) breaching the financial covenants, failing to make payments when due,

cross-default, certain bankruptcy and insolvency events, cessation of business and any event that may have a material adverse effect.

The consequences of an event of default occurring and continuing may lead to the agent (on instruction from the majority of lenders) doing the following:

a) cancelling the total commitments;

b) declare that all loans outstanding and accrued interest under the finance documents are immediately due and payable;

c) declare that full cash cover is immediately due to be provided in respect of each bank guarantee issued; and/or

d) direct the security trustee under the security trust deed to exercise any or all of its rights, remedies, powers or discretions under the finance documents including enforcing the rights of the secured lenders.

Any unpaid amount due and payable from an event of default will incur default interest.

Dividend

We paid an aggregate dividend of $299.7 million on March 29, 2019 in A$ to holders of CDIs on the ASX as of March 5, 2019, based on the exchange rate on March 5, 2019.

Intercreditor Deed

The intercreditor deed regulates the priority of security interests and provides that our security interests granted in connection with the intercompany loans are subordinate in priority to the Syndicated Facility Agreement lenders and to Stanwell. The intercreditor deed also provides that the security interest granted to Wesfarmers under a value share mechanism deed ranks after the security interests of the Syndicated Facility Agreement lenders, Stanwell and us.

Capital Requirements

Our main uses of cash have historically been and are expected to continue to be the funding of our operations, working capital and capital expenditure and the payment of interest and dividends.

Historical Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2019 and 2018 and the years ended December 31, 2018, 2017 and 2016, as reported in the accompanying consolidated financial statements:

Cash Flow

	Three Months Ended March 31,		Year Ended December 31,		
	2019	2018	2018	2017	2016
			($ in thousands)		
Net cash provided by operating activities	$ 141,508	$ 59,700	$ 364,753	$ 255,578	$ 20,176
Net cash (used in) investing activities	(28,378)	(553,098)	(666,417)	(59,323)	(464,350)
Net cash (used in) provided by financing activities	(225,366)	705,685	407,275	(258,117)	498,547
Net change in cash and cash equivalents	(112,236)	212,287	105,611	(61,862)	54,373
Effect of exchange rate changes on cash and restricted cash	(351)	—	(8,799)	—	—
Cash and restricted cash at beginning of period	124,881	28,069	28,069	89,931	35,558
Cash and restricted cash at end of period	$ 12,294	$ 240,356	$ 124,881	$ 28,069	$ 89,931

Operating activities

Net cash provided by operating activities was $141.5 million and $59.7 million for the three months ended March 31, 2019 and 2018, respectively. The increase in cash provided by operating activities during the first three months of 2019 was primarily due to the additional cash contributed by Curragh because it was acquired on March 29, 2018, and an improvement in operating performance of the U.S. Operations and cash flows for working capital.

Net cash provided by operating activities was $364.8 million and $255.6 million for the years ended December 31, 2018 and December 31, 2017, respectively. The increase in cash provided by operating activities during 2018 was primarily due to the additional cash contributed by Curragh because it was acquired on March 29, 2018, offset partially by a decline in operating performance of the U.S. Operations and cash outflows for working capital.

Net cash provided by operating activities increased to $255.6 million for the year ended December 31, 2017 compared to net cash provided by operating activities of $20.2 million for 2016. The increase in 2017 was primarily due to the improved operating results of the U.S. Operations, including a full year of operating results for Buchanan compared to nine months in 2016.

Investing activities

Net cash used in investing activities was $28.4 million for the three months ended March 31, 2019, compared to $553.1 million for the three months ended March 31, 2018. Capital expenditure for the three months ended March 31, 2019 was $28.3 million, of which $6.1 million related to Curragh and the remainder related to the U.S. Operations. Capital expenditure for our U.S. Operations was $22.2 million and $15.8 million for the three months ended March 31, 2019 and March 31, 2018, respectively. During the three months ended March 31, 2018, Coronado purchased Curragh for cash consideration of $537.2 million.

Net cash used in investing activities was $666.4 million for the year ended December 31, 2018, compared to $59.3 million for the year ended December 31, 2017. During 2018, Coronado expended $537.2 million as cash consideration for the acquisition of Curragh, which was the largest acquisition in our history. Capital expenditure for the year ended December 31, 2018 was $114.3 million of which $47.2 million related to Curragh with the remainder relating to the U.S. Operations. Capital expenditure for our U.S. Operations of $67.0 million for the year ended December 31, 2018 remained relatively consistent to 2017. Capital expenditure for year ended December 31, 2018 focused on stay in business and wash plant improvements to assist with throughput in future periods.

Net cash used in investing activities was $59.3 million for the year ended December 31, 2017, compared to $464.4 million for the year ended December 31, 2016. Cash spent on capital expenditure was $63.9 million and $37.6 million for the years ended December 31, 2017 and December 31, 2016, respectively. During 2016, we expended $425.9 million as cash consideration for the acquisition of Buchanan, one of the largest metallurgical coal mines in the United States.

Financing activities

Net cash used in financing activities was $225.4 million for the three months ended March 31, 2019, compared to $705.7 million of net cash provided by financing activities for the three months ended March 31, 2018. Uses of cash from financing activities during the three months ended March 31, 2019 included $299.7 million for dividends paid to the shareholders of the Company, partially offset by the proceeds from the borrowing of $84.0 million under the Syndicated Facility Agreement.

Net cash provided by financing activities was $407.3 million for the year ended December 31, 2018 compared to $258.1 million of net cash used in financing activities for the year ended December 31, 2017. Cash provided by financing activities during 2018 included proceeds from the Australian IPO of $442.3 million (net of share issuance costs of $30.6). These proceeds, together with a significant portion of our available cash, were used to repay all outstanding borrowings, including the $700 million borrowed for the acquisition of Curragh, as at October 24, 2018.

Net cash used in financing activities was $258.1 million for the year ended December 31, 2017 compared to $498.5 million of net cash provided by financing activities for the year ended December 31, 2016. Uses of cash from financing activities during 2017 included $383.1 million of distributions to former members of Coronado Group LLC, $44.9 million of principal payment on interest bearing liabilities and capital leases, and $5.8 million relating to debt issuance costs. Sources of cash from financing activities during 2017 included $175.6 million in borrowings, comprised mainly by the $175 million asset backed loan entered into on June 6, 2017 and repaid on March 29, 2018, and the remainder relating to financing of property, plant and equipment purchases.

Contractual Obligations

The following is a summary of our contractual obligations at December 31, 2018:

	Payments Due By Year				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			($ in thousands)		
Long-term debt obligations(1)	$ 11,801	$ 7,728	$ 4,073	$ —	$ —
Operating and mineral lease commitments(2)	93,107	19,917	31,861	24,468	16,861
Capital lease commitments	4,074	1,505	2,569	—	—
Unconditional purchase obligations(3)	19,737	19,737	—	—	—
Take-or-pay contracts(4)	1,130,819	111,315	222,630	222,630	574,224
Total contractual cash obligations	$ 1,259,538	$ 160,202	$ 261,133	$ 247,098	$ 591,085

(1) Represents financial obligation relating to amounts outstanding from financing equipment purchases and insurance premiums.

(2) Represents future minimum royalties and payments under mineral and operating leases. Refer to Note 23. "Commitments" in the accompanying audited consolidated financial statements for additional discussion.

(3) Represents firm purchase commitments for capital expenditures (based on order to suppliers for capital purchases) and for the purchase of diesel fuel for the U.S. Operations for 2019.

(4) Represents various short- and long-term take or pay arrangements in Australia and the United States associated with rail and port commitments for the delivery of coal.

This table does not include our estimated AROs. As discussed in "—Critical Accounting Policies and Estimates—Carrying Value of Asset Retirement Obligations" below, the current and non-current carrying amount of our AROs involves several estimates, including the amount and timing of the payments required to satisfy these obligations. The timing of payments is based on numerous factors, including projected mine closure dates. Based on our assumptions, the carrying amount of our AROs as determined in accordance with U.S. GAAP was $125.8 million as of December 31, 2018.

Off-Balance Sheet Arrangements

In the normal course of business, we are a party to certain off-balance sheet arrangements. These arrangements include guarantees, operating leases, indemnifications and financial instruments with off-balance sheet risk, such as bank letters of credit, bank guarantees and performance or surety bonds (including reclamation bonds). Obligations related to these arrangements are not reflected in our balance sheet. However, the underlying liabilities that they secure, such as asset retirement obligations, workers' compensation liabilities, and royalty obligations, are reflected in our balance sheet.

We are required to provide financial assurance in order to perform the post-mining reclamation required by our mining permits, pay our federal production royalties, pay workers' compensation claims under workers' compensation laws in various states, pay federal black lung benefits, and perform certain other obligations.

For our U.S. Operations in order to provide the required financial assurance, we generally use surety bonds for post-mining reclamation and workers' compensation obligations. We can also use bank letters of credit to collateralize certain obligations.

As of December 31, 2018 and March 31, 2019, at our U.S. Operations, we had outstanding surety bonds with a total face amount of $37.1 million and $37.2 million, respectively, to secure various obligations and commitments. There are no cash collateral requirements to secure these surety bond obligations.

We meet frequently with our surety providers and have discussions with certain providers regarding the extent of and the terms of their participation in the program. These discussions may cause us to shift surety bonds between providers or to alter the terms of their participation in our program. To the extent that surety bonds become unavailable or our surety bond providers require additional collateral, we would seek to secure our obligations with letters of credit, cash deposits or other suitable forms of collateral. Our failure to maintain, or inability to acquire, surety bonds or to provide a suitable alternative would have a material adverse effect on our liquidity as letters of credit may be more costly and may reduce the amounts that we can borrow under our credit facility for other purposes. These failures could result from a variety of factors including lack of availability, higher cost or unfavorable market terms of new surety bonds, and the exercise by third-party surety bond issuers of their right to refuse to renew the surety.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with the audit committee of our board of directors.

Fair Value of Non-Financial Instruments

Our non-financial instrument valuations are primarily comprised of our determination of the estimated fair value allocation of net tangible and identifiable intangible assets acquired in business combinations, our annual assessment of the recoverability of our goodwill, and our evaluation of the recoverability of our other long-lived assets upon certain triggering events.

Long-Lived Assets

We review the carrying value of intangible assets with definite lives and other long-lived assets to be used in operations annually or whenever events or changes in circumstances indicate that the carrying amount of the assets or asset groups might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset group, or a significant decline in the observable market value of an asset group, among others. If such facts indicate a potential impairment, the recoverability of the asset group is assessed by determining whether the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the asset group over the remaining economic life of the asset group. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, including its ultimate disposition, an impairment adjustment is recognized.

If the carrying value of our intangible or long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such write down is included in impairment expense in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our intangible and long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our intangible or long-lived assets may differ from our estimate of fair value.

Business Combinations

We utilize the cost approach as the primary method used to establish fair value for our property and equipment in connection with business combinations. The cost approach considers the amount required to replace an asset by constructing or purchasing a new asset with similar utility, then adjusts the value in consideration of physical depreciation and functional and technological obsolescence as of the appraisal date. The cost approach relies on management's assumptions regarding current material and labor costs required to rebuild and repurchase significant components of our property and equipment along with assumptions regarding the age and estimated useful lives of our property and equipment.

Goodwill Impairment

We had a balance of goodwill of $28.0 million recorded at March 31, 2019, which was generated upon the acquisition of Buchanan in 2016. We perform our annual assessment of the recoverability of our goodwill in the fourth quarter each year. We utilize a qualitative assessment for determining whether the quantitative goodwill impairment analysis is necessary. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. In evaluating goodwill on a qualitative basis, we review the business performance of the Buchanan segment (the only segment with a goodwill balance) and evaluate other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicator of impairment exists at Buchanan. We consider whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, we also consider fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes to ensure there is no contrary evidence to our analysis. At March 31, 2019, we did not perform a quantitative impairment assessment as we determined, based our qualitative assessment, that no impairment indicators existed.

Fair Value of Contingent Consideration

As part of the acquisition of the Buchanan business on March 31, 2016, we agreed to additional contingent royalty consideration payable to the seller, CONSOL Energy. This payment is in the form of a share of the revenues on export coal sold out of Buchanan if it is above a certain floor price until March 2021. The valuation is updated quarterly using a Black-Scholes option pricing formula for call options in a risk-neutral framework with fluctuations recorded in the statement of operations. This model uses assumptions such as our gross sales price forecast, export volume forecast, volatility, the U.S. risk-free rate, and credit-spread.

As part of the acquisition of Curragh on March 29, 2018, we agreed to pay a 25% royalty to the sellers, Wesfarmers, on sales from metallurgical coal mined at Curragh over a two-year period ending in March 2020 in the form of a Value Share Mechanism, or VSM. The VSM only applies to realized prices on metallurgical coal sales above $145 per metric ton. We estimate fair value of the royalty on a quarterly basis using a Monte Carlo pricing simulation. The Monte Carlo simulation performs risk analysis by building scenarios of possible results by substituting a range of values for any factor that has inherent uncertainty (in this case the future coal prices). It then calculates results over and over, each time using a different set of random values from the probability functions. Key assumptions in the valuation include the risk-free rate, the tax rate, distribution, price volatility, and foreign exchange rate. Changes in estimates quarterly, the royalty due for the previous quarter is settled and paid, resulting in a decrease in the contingent consideration liability.

Carrying Value of Asset Retirement Obligations

The Company is required to maintain a liability (and associated asset) for the expected value of future retirement obligations on their mines, in line with ASC 410, *Asset Retirement and Environmental Obligations*.

Reclamation of areas disturbed by mining operations must be performed by us in accordance with approved reclamation plans and in compliance with state and federal laws. For areas disturbed, a significant amount of the reclamation will take place in the future, when operations cease. All mines are bonded for reclamation and mine plans are approved by the states of West Virginia and Virginia, United States and Queensland, Australia. In addition, state agencies monitor compliance with the mine plans, including reclamation.

We record the fair value of its asset retirement obligations using the present value of projected future cash flows discounted using a credit-adjusted risk-free rate, with an equivalent amount recorded as a long-lived asset. An accretion cost is recorded each period and the capitalized cost is depreciated over the useful life of the related asset. As reclamation work is performed or liabilities otherwise settled, the recorded amount of the liability is reduced.

A review of restoration and decommissioning provisions is carried out annually on a mine-by-mine basis, and adjustments made to reflect any changes in estimates, if necessary. On an interim basis, we may update the liability based on significant changes to the life of mine or significant increases in disturbances during the period.

Recoverable Coal Reserves

There are numerous uncertainties inherent in estimating quantities and values of economically recoverable coal reserves, including many factors beyond our control. As a result, estimates of economically recoverable coal reserves are by their nature uncertain. Information about our reserves consists of estimates based on engineering, economic and geological data assembled and analyzed by our staff and third-party qualified persons. Our reserves are periodically reviewed by an independent third party consultant. Some of the factors and assumptions which impact economically recoverable reserve estimates include:

- geological settings;
- historical production from the area compared with production from other producing areas;
- the assumed effects of regulations and taxes by governmental agencies;
- assumptions governing future prices; and
- future operating costs.

Each of these factors may in fact vary considerably from the assumptions used in estimating reserves. For these reasons, estimates of the economically recoverable quantities of coal attributable to a particular group of properties, and classifications of these reserves based on risk of recovery and estimates of future net cash flows, may vary substantially. Actual production, revenues and expenditures with respect to our reserves will likely vary from estimates, and these variances may be material. See Item 1A. "Risk Factors—We rely on estimates of our recoverable reserves, which is complex due to geological characteristics of the properties and the number of assumptions made" and Item 3. "Properties" for discussions of the uncertainties in estimating our proven and probable coal reserves.

Income Taxes

We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Newly Adopted Accounting Standards and Accounting Standards Not Yet Implemented

See Note 2. "Summary of Significant Accounting Policies" to the accompanying audited consolidated financial statements for a discussion of newly adopted accounting standards and accounting standards not yet implemented.

Quantitative and Qualitative Disclosures About Market Risk

Our activities expose us to a variety of financial risks, including market risk such as commodity price risk, interest rate risk, foreign currency risk, liquidity risk and credit risk. Our overall risk management objective is to minimize potential adverse effects on our financial performance from those risks which are not coal price related.

We manage financial risk through policies and procedures approved by our Board of Directors. These specify the responsibility of the Board of Directors and management with regard to the management of financial risk. Financial risks are managed centrally by our finance team under the direction of the Group Chief Financial Officer. The finance team manages risk exposures primarily through delegated authority limits approved by the Board of Directors. The finance team regularly monitors our exposure to these financial risks and reports to management and the Board of Directors on a regular basis. Policies are reviewed at least annually and amended where appropriate.

We may use derivative financial instruments such as interest rate swaps and foreign exchange rate contracts to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and hedging for speculative instruments. We use different methods to measure the extent to which we are exposed to various financial risks. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk.

Commodity Price Risk

Coal Price Risk

We are exposed to domestic and global coal prices. Our principal philosophy is that our investors would not consider hedging of coal prices to be in the long-term interest of our stockholders. Therefore, any potential hedging of coal prices through long-term fixed price contracts is subject to the approval of our Board of Directors and would only be adopted in exceptional circumstances.

We manage our commodity price risk for our non-trading, thermal coal sales through the use of long-term coal supply agreements in our U.S. Operations. In Australia, thermal coal is sold to Stanwell on a supply contract. See Item 1A. "Risk Factors—Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations."

Sales commitments in the metallurgical coal market are typically not long-term in nature, and we are therefore subject to fluctuations in market pricing. For example, a 10% decrease in the HCC benchmark price would have decreased reported pretax income for the year ended December 31, 2018 by approximately $55 million. See Item 1A. "Risk Factors—Our profitability depends upon the prices we receive for our coal. Prices for coal are volatile and can fluctuate widely based upon a number of factors beyond our control."

Diesel Fuel

We may be exposed to price risk in relation to other commodities from time to time arising from raw materials used in our operations (such as gas or diesel). These commodities may be hedged through financial instruments if the exposure is considered material and where the exposure cannot be mitigated through fixed price supply agreements.

As of December 31, 2018, we entered into fixed price contracts with our fuel suppliers to purchase fuel for our U.S. Operations with a total commitment of $11.3 million for 2019. Any additional fuel required will be purchased under fixed-price contracts or on a spot basis. In addition, we have entered into forward derivative contracts to purchase 93.4 million liters of diesel fuel in 2019 with respect to the fuel requirements for the Curragh operations in Australia. The fair value of the forward derivative contract as of March 31, 2019 was $2.6 million. We expect to consume approximately 123 to 136 million liters of diesel fuel in 2019. A 10% increase in the price of diesel fuel would increase our diesel fuel costs by approximately $8 million.

Interest Rate Risk

Interest rate risk is the risk that a change in interest rates on our borrowing facilities will have an adverse impact on financial performance, investment decisions and stockholder returns. Our objectives in managing our exposure to interest rates include minimizing interest costs in the long term, providing a reliable estimate of interest costs for the annual work program and budget and ensuring that changes in interest rates will not have a material impact on our financial performance.

As of March 31, 2019, we had $7.4 million of fixed-rate borrowings and $84.0 million of variable-rate borrowings outstanding. As discussed in "—Liquidity," as of March 31, 2019, we had undrawn debt facility availability of $266.0 million with a variable interest rate of LIBOR or BBSY bid plus a margin. We intend to draw these funds for working capital requirements and general corporate purposes. A significant increase in the market interest rate following a drawdown could result in a material increase in the interest expense dependent on the amount drawn.

Foreign Exchange Risk

A significant portion of our sales are denominated in US$. Foreign exchange risk is the risk that our earnings or cash flows are adversely impacted by movements in exchange rates of currencies that are not in US$.

Our main exposure is to the A$-US$ exchange rate through our Australian Operations, which have predominantly A$ denominated costs. Greater than 90% of expenses incurred at Curragh are denominated in A$. Approximately 10% of Curragh's purchases are made with reference to US$, which provides a natural hedge against foreign exchange movements on these purchases (including fuel, the WICET Terminal Handling Charge, demurrage, purchased coal and some insurance premiums).

Appreciation of the A$ against US$ will increase Curragh's US$ reported cost base and reduce US$ reported net income. Assuming we had no foreign currency hedging instruments in place, a 5% increase in the A$ to US$ exchange rate would increase reported expenses by approximately $8 million and $31 million for the three months ended March 31, 2019 and the year ended December 31, 2018, respectively.

Under normal market conditions, we generally do not consider it necessary to hedge our exposure to this foreign exchange risk. However, there may be specific commercial circumstances, such as the hedging of significant capital expenditure, acquisitions, disposals and other financial transactions, where we may deem foreign exchange hedging as appropriate and where a US$ contract cannot be negotiated directly with suppliers and other third parties.

During 2018, we entered into a foreign exchange swap to hedge the exposure to fluctuations in the A$-US$ in connection with the acquisition of Curragh. At March 31, 2019, we did not have any foreign exchange contracts outstanding.

For our Australian Operations, we translate all monetary assets and liabilities at the period-end exchange rate, all non-monetary assets and liabilities at historical rates and revenue and expenses at the average exchange rates in effect during the periods. The net effect of these translation adjustments is shown in the accompanying consolidated financial statements within components of net income.

We currently do not hedge our non-US$ exposures against exchange rate fluctuations.

Liquidity Risk

Liquidity risk is the risk that we will not have sufficient liquid funds to meet our financial commitments as and when they fall due. Liquidity risk is managed centrally through short-term cash forecasting and longer-term strategic planning. Our objective is to ensure that we have sufficient liquid assets and funding to meet both our anticipated and unexpected financial obligations.

Access to capital is also an important feature of liquidity risk management. We manage this risk through proactive management of our funding profile by ensuring that we have access to diverse sources of funds and that we do not have material refinancing risk in any single reporting period.

Credit Risk

Credit risk is the risk of sustaining a financial loss as a result of a counterparty not meeting its obligations under a financial instrument or customer contract.

We are exposed to credit risk when we have financial derivatives, cash deposits, lines of credit, letters of credit or bank guarantees in place with financial institutions. To mitigate against credit risk from financial counterparties, we have minimum credit rating requirements with financial institutions where we transact.

We are also exposed to counterparty credit risk arising from our operating activities, primarily from trade receivables. Customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation. We monitor the financial performance of counterparties on a routine basis to ensure credit thresholds are achieved. Where required, we will request additional credit support, such as letters of credit, to mitigate against credit risk. Credit risk is monitored regularly, and performance reports are provided to our management.

Internal Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable

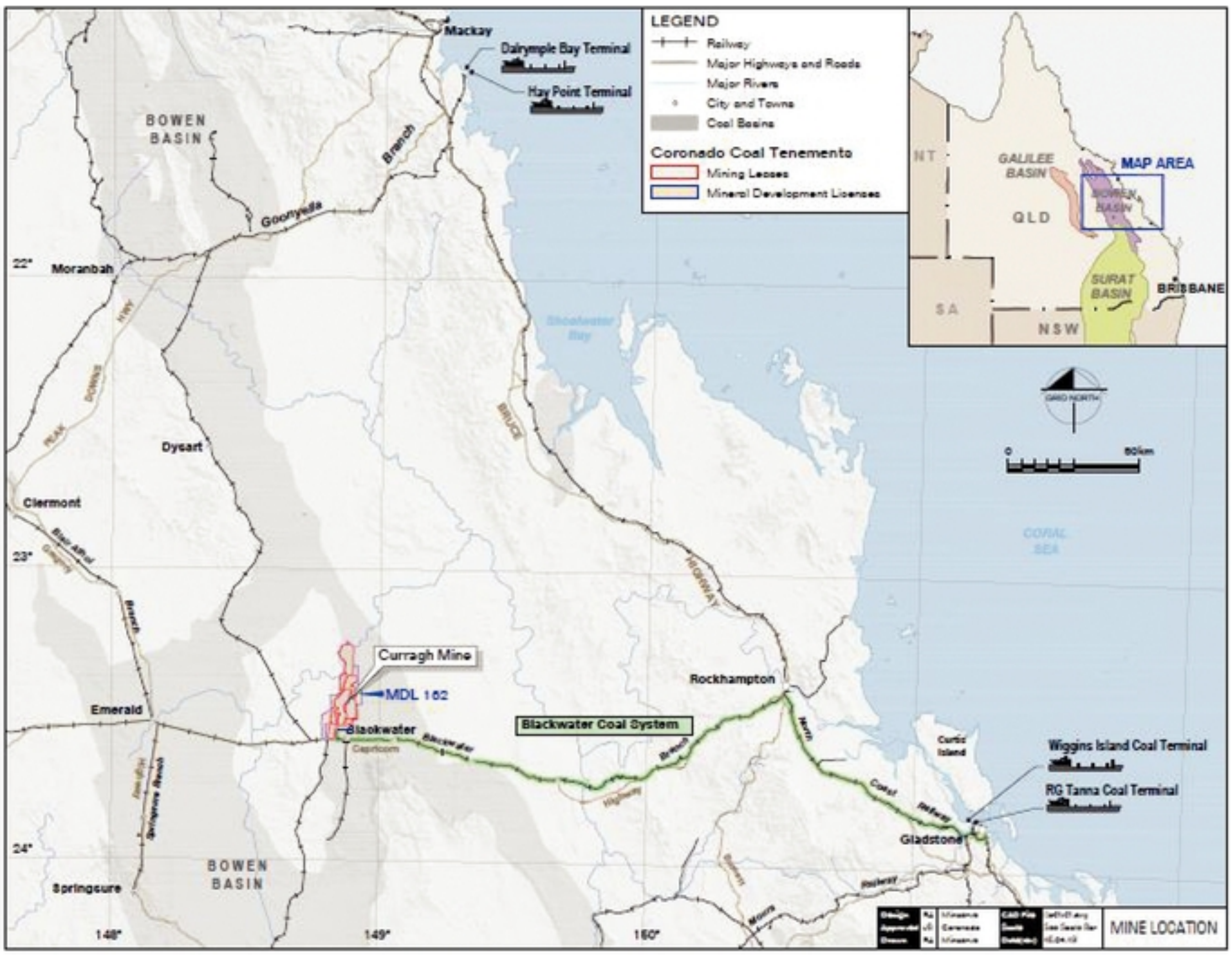
assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. As a result of becoming a public company, we will be required, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of the registration statement. This assessment will need to include disclosures of any material weaknesses identified by our management in our internal control over financial reporting.

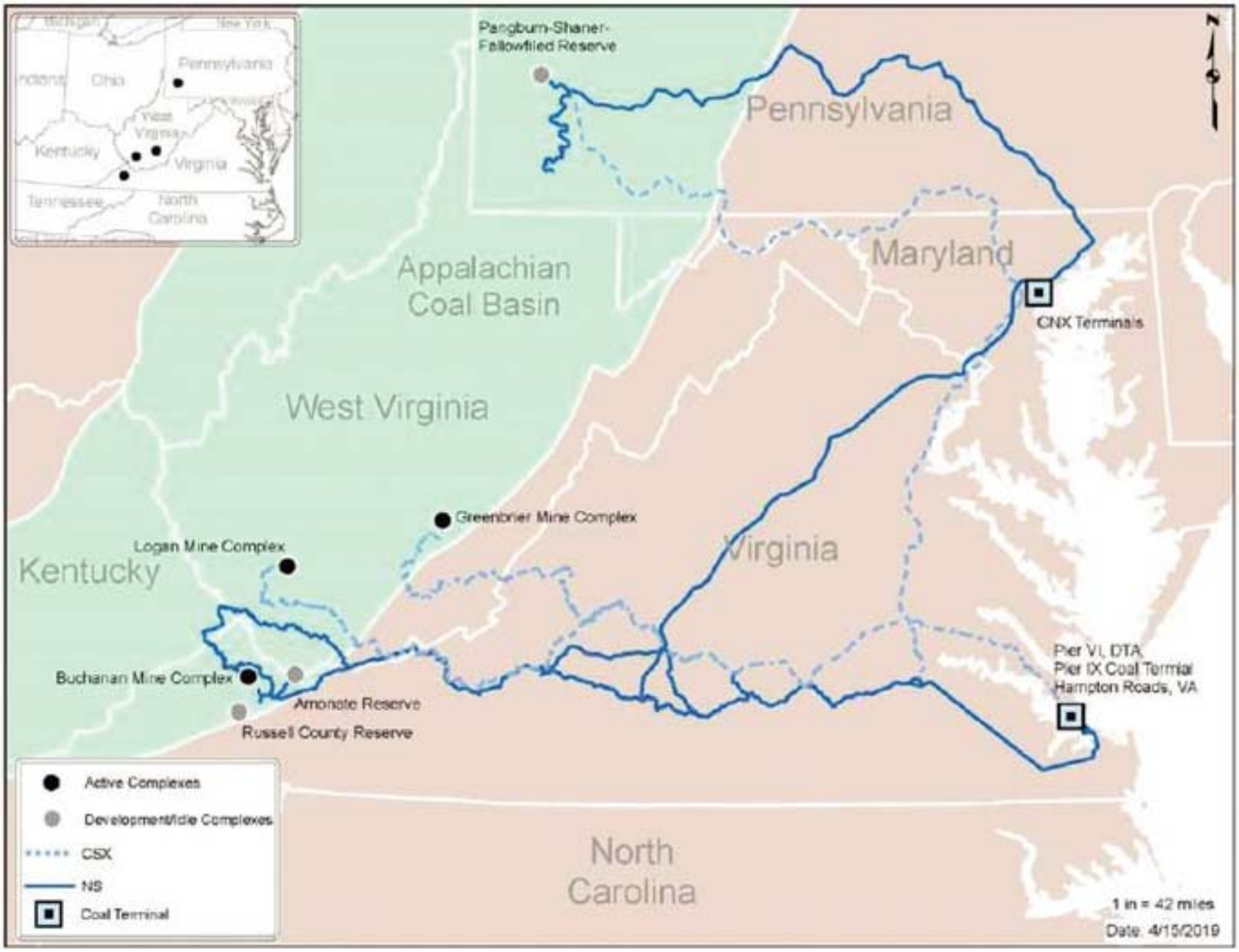
We intend to complete our first assessment of our disclosure controls and procedures and our internal control over financial reporting during fiscal year 2019. With the oversight of senior management and our audit committee, we have begun taking steps to evaluate our control environment in order to allow us to broaden the scope and quality of our internal review of underlying information related to financial reporting and to formalize and enhance our internal control procedures.

ITEM 3. PROPERTIES.

We had an estimated 710.5 MMt of proven and probable coal reserves as of December 31, 2018. An estimated 251.0 MMt and 459.5 MMt of our proven and probable coal reserves are in Australia and the United States, respectively. Approximately 75% of our Australian Operations' proven and probable coal reserves, or 187.0 MMt, are metallurgical coal, composed of HCC, semi-hard coking coal, or SHCC, and pulverized coal injection, or PCI, coal. The remainder of our Australian Operations' coal reserves are thermal coal. Approximately 83% of our U.S. Operations' proven and probable coal reserves, or 382.0 MMt, are metallurgical coal, composed of coal with high volatile content, or High-Vol (including sub-category A of High-Vol, or HVA, and sub-category B of High-Vol, or HVB), coal with medium volatile content, or Mid-Vol, and coal with low volatile content, or Low-Vol. The remainder of our U.S. Operations' coal reserves are thermal coal.

The following maps show the locations of our mining properties in Australia and the United States, respectively.




Pangburn-Shaner-
Fallowfiled Reserve
Pennsylvania
Maryland
CNX Terminals
Appalachian
Coal Basin
West Virginia
Greenbrier Mine Complex
Logan Mine Complex
Kentucky
Virginia
Buchanan Mine Complex
Amonate Reserve
Russell County Reserve
Pier VI, DTA
Pier IX Coal Termial
Hampton Roads, VA
Active Complexes
Development/Idle Complexes
CSX
NS
Coal Terminal
North
Carolina
1 in = 42 miles
Date: 4/15/2019

The following is a summary of general characteristics about our mining properties as of December 31, 2018.

Mining Property (Status)	Location	Mine Type	Mining Method	Coal Type	Coal Seams of Economic Interest (Formation)	Average Coal Seam Thickness (Meters)
Curragh (Production)	Queensland, Australia (14 km north of the town of Blackwater)	Surface	Open-pit	HCC, SHCC, PCI, Thermal	Various (Rangal Coal Measures)	1.5 - 6.5
Buchanan (Production)	Buchanan County, VA (6.4 km southeast of Oakwood, VA)	Underground	Longwall	Low-Vol	Pocahontas #3 (Pocahontas Formation)	1.9
Logan (Production)	Boone, Logan and Wyoming Counties, WV (encompasses towns of Lorado, Pardee, Cyclone and Lacoma, WV)	Surface, Underground	Contour, Highwall, Room-and-pillar	HVA, HVB, Thermal	Various (Kanawha Formation)	0.3 - 1.8
Greenbrier (Production)	Greenbrier and Nicholas Counties, WV (27 km northwest of Lewisburg, WV)	Surface, Underground	Auger, Contour, Highwall, Room-and-pillar	Mid-Vol, PCI, Thermal	Pocahontas #6, #7, #8 (Pocahontas Formation); Various (New River Formation)	0.3 - 1.8
Pangburn-Shaner-Fallowfield (Development)	Allegheny, Washington and Westmoreland Counties, PA (22.5 km southeast of Pittsburgh, PA)	Underground(1)	Room-and-pillar(1)	High-Vol, Thermal	Upper Freeport (Freeport Formation)	1.9
Amonate (Idle)	Tazewell County, VA and McDowell County, WV (16 km northwest of Tazewell, VA)	Underground	Room-and-pillar	High-Vol, Mid-Vol, Low-Vol	Pocahontas #11 (Middle Lee Formation); Pocahontas #3, #4, #5 and Squire Jim (Pocahontas Formation)	0.8 - 1.8
Russell County (Development)	Russell and Tazewell Counties, VA (just north and west of Raven, VA)	Underground(1)	Room-and-pillar(1)	High-Vol	Lower Castle (Norton Formation); Upper Horsepen (Middle Lee Formation)	0.8 - 1.8

(1) Proposed mine type and mining method.

We control the coal mining rights across Curragh under 14 MLs and three MDLs from the Queensland government. We refer to Curragh's MLs and MDLs, collectively, as the Tenements. The Tenements have expirations ranging from August 31, 2021 to July 31, 2044. With respect to certain of the Tenements, our rights to mine coal overlap with a petroleum tenure. Pursuant to the Mineral and Energy Resources (Common Provisions) Act 2014 (Qld), we are required to share information and coordinate our operations with the petroleum tenement holder. We do not believe that the presence of the overlapping petroleum tenure will restrict our coal mining operations at Curragh.

Subject to the exercise of our renewal rights thereunder, most of the leases at our U.S. mining properties expire upon exhaustion of the relevant reserves, which is expected to occur in 2048 at Buchanan; 2050 at Logan; 2067 at Greenbrier; 2070 at Pangburn-Shaner-Fallowfield; and 2051 at both Amonate and Russell County. One lease at Logan expires in 2032, but we expect to have mined the relevant reserves prior thereto. One lease at Greenbrier, covering approximately 2.4% of the total estimated reserves at Greenbrier, expires in 2020.

Our right to commercially mine and recover coal reserves at Buchanan overlaps with the right of CNX Gas, LLC to commercially recover and develop coal gas interests from the mine area. We have entered into certain agreements with CNX Gas, LLC to regulate the interaction between, and coordinate, our respective operations.

We are not aware of any significant encumbrances or defects in title with respect to any of our mining properties. We believe we have secured all applicable environmental licenses and permits under applicable law and have all necessary permits and licenses regarding cultural heritage, native title and various other social issues. See Item 1. "Business—Regulatory Matters—Australia" for a discussion of the permitting conditions applicable to Curragh. See Item 1. "Business—Regulatory Matters—United States" for a discussion of the permitting conditions applicable to our U.S. Operations' mining properties.

The following table provides information about the principal equipment and facilities at, and infrastructure available to, our mining properties as of December 31, 2018.

			Transportation			
Mining Property (Status)	**Mining Equipment**	**Coal Preparation Plant Capacity (Raw Mt per Hour)**	**Source of Power**	**Primary**	**Other**	**Export Facilities**
Curragh (Production)	Draglines, Dozers, Excavators, Shovels, Trucks	1,200 and 1,300	On-site substation connected to main grid	Aurizon-operated Blackwater rail link	Pacific National rail line	RG Tanna Coal Terminal, WICET (Port of Gladstone)
Buchanan (Production)	Longwall Mining System, Continuous Miners	1,270	Electric utility company	Norfolk Southern rail line	Truck, Barge	Lamberts Point Coal Terminal Pier 6 (Hampton Roads, VA); CNX Terminal (Port of Baltimore)
Logan (Production)	Surface: Loaders, Shovel, Dozers, Trucks; Underground: Continuous Miners	952	Electric utility company	CSX rail line	Truck, Barge	Kinder Morgan Pier IX Terminal, DTA Terminal (Hampton Roads, VA); CNX Terminal (Port of Baltimore)
Greenbrier (Production)	Surface: Loaders, Dozers, Excavators, Trucks; Underground: Continuous Miner	544	Electric utility company	CSX rail line	Truck, Barge	Kinder Morgan Pier IX Terminal, DTA Terminal (Hampton Roads, VA); CNX Terminal (Port of Baltimore)
Pangburn-Shaner-Fallowfield (Development)	N/A	N/A	Electric utility company	Barge	CSX rail line, Truck	Kinder Morgan Pier IX Terminal (Hampton Roads, VA)
Amonate (Idle)	Continuous Miners	508	Electric utility company	Norfolk Southern rail line	Truck	Lamberts Point Coal Terminal Pier 6 (Hampton Roads, VA); CNX Terminal (Port of Baltimore)
Russell County (Development)	N/A	N/A	Electric utility company	Norfolk Southern rail line	Truck	Lamberts Point Coal Terminal Pier 6 (Hampton Roads, VA); CNX Terminal (Port of Baltimore)

Generally, the mining equipment and facilities at our mining properties are in good condition. We focus on the long-term potential of each mining property and regularly monitor developments in the mining industry for technology improvements and new equipment that could help us increase efficiency and lower our costs. From time to time, we also update and improve other equipment and facilities to maintain their usefulness and optimize our competitiveness. We also partner with major vendors to replace equipment on a scheduled basis to maximize equipment productivity. As of December 31, 2018, the total book value for each of our operating mining properties and its associated plant and equipment was $401 million for Curragh; $404 million for Buchanan; $221 million for Logan; and $127 million for Greenbrier.

The following table shows total coal production at our operating mining properties for the years ended December 31, 2018, 2017 and 2016.

	Year Ended December 31,		
	2018	2017	2016
		(MMt)	
Curragh	12.1(1)	12.2	10.6
Buchanan	4.7	4.9	4.5(2)
Logan	2.6	2.6	1.8
Greenbrier	0.6	0.5	0.2
Total	20.0	20.2	17.1

(1) Reflects production for the full year ended December 31, 2018. For the period following our acquisition of Curragh on March 29, 2018 through December 31, 2018, total coal production at Curragh was 9.3 MMt.

(2) Reflects production for the full year ended December 31, 2016. For the period following our acquisition of Buchanan on March 31, 2016 through December 31, 2016, total coal production at Buchanan was 3.5 MMt.

Our development and idle mining properties represent potential future coal production in addition to that of our current operating mining properties. Prior owners extensively explored each of the development and idle mining properties using continuous coring and rotary drilling methods. Based on previous exploration and the experience of other historical operations in the respective regions in which the properties are located, we have determined that the target coal seams at each such property are relatively consistent, with little structural deformation, making extraction of coal therefrom potentially profitable. Consequently, a significant amount of the total reserves at each of Pangburn-Shaner-Fallowfield, Amonate and Russell County are classified at the higher "proven" assurance level.

We anticipate conducting further exploration at each of the development and idle mining properties. Because each property has been extensively explored, however, we do not expect that any exploration program will require multiple phases. Currently, we have developed a detailed five-year exploration plan at the Pangburn property and have budgeted a total of $1,050,000 therefor. Under the plan, most of the exploration will be focused on geotechnical and coalbed methane assessments of the reserves, for which we estimate $146,000 will be required. Also, approximately $76,000 will be spent on quality analysis of all coal samples that penetrate the target seam. Continuous core drilling combined with downhole geophysical surveys will be the primary method of exploration, for which we estimate $828,000 will be required. We anticipate that further exploration of the reserve at the Pangburn property will be necessary.

Other than with respect to the Pangburn portion of the Pangburn-Shaner-Fallowfield development mining property, the Company has not developed any current detailed plans or budget to conduct further exploration on its development and idle mining properties. Presently, the Company has conceptual exploration plans for these properties, which include continuous core drilling combined with downhole geophysical surveys. The Company expects to conduct minimal exploration with respect to these properties prior to production, the earliest of which is scheduled to occur at the Amonate property in 2025. The Company anticipates that scheduled production at Russell County and the Shaner and Fallowfield portions of the Pangburn-Shaner-Fallowfield mining properties to begin in 2035, 2033 and 2029, respectively.

The exploration programs at all of our development and idle properties will be funded through a corporate development budget and will be conducted under the supervision of Coronado's Chief Geologist, Joe Wickline, BS (Geol.), West Virginia University; PBACC (Mining Eng.), University of Pittsburgh; PG—Pennsylvania (PG005198); SME Registered Member (4264656). Mr. Wickline plans and supervises all exploration projects and conducts geologic and geotechnical evaluations on reserves for Coronado's U.S. Operations. His experience includes geologic modeling, quality forecasting and reserve calculations using ABB MineScape computer software. Mr. Wickline also provides direct support to the U.S. Operations through roof scoping, in-mine geologic mapping and hazard identification.

The following table provides a summary of our proven and probable coal reserves as of December 31, 2018.

	Demonstrated Coal Reserves (Moist Basis, Washed or Direct Shipped, MMt)(1)(2)(3)							Quality (Air-Dried Basis)		
	Total	Proven(4)	Probable(5)	Owned	Leased	Assigned(6)	Unassigned(7)	Ash%	Sulfur%	VM%(8)
Australian Operations										
Curragh	251.0	221.0	30.0	—	251.0	251.0	—	10.6%	0.4%	19.0%
	251.0	221.0	30.0	—	251.0	251.0	—			
U.S. Operations										
Buchanan	112.1	105.2	6.9	19.1	93.0	112.1	—	6.0%	0.7%	19.0%
Logan	88.2	59.4	28.9	—	88.2	70.6	17.7	10.0%	0.9%	33.0%
Greenbrier	27.9	14.3	13.6	—	27.9	23.9	4.0	7.0%	0.9%	25.0%
Pangburn-Shaner-Fallowfield	147.2	88.5	58.7	145.8	1.4	—	147.2	10.0%	1.3%	34.0%
Amonate	56.6	24.9	31.7	47.9	8.7	43.2	13.5	8.0%	0.7%	23.0%
Russell County	27.5	22.6	4.8	27.5	—	—	27.5	8.0%	0.9%	31.0%
	459.5	314.9	144.6	240.3	219.2	249.7	209.8			
Total	710.5	535.9	174.6	240.3	470.2	500.7	209.8			

(1) Reported on a 10.0% moisture basis at Curragh and a 4.5% - 6.0% moisture basis at the mining properties within the U.S. Operations, in each case including a combination of surface moisture and inherent moisture.

(2) Reported on a recoverable basis, after giving effect to estimated dilution and losses during mining and processing, assuming 100% longwall mining recovery, 40% - 70% continuous miner recovery and 95% CPP efficiency.

(3) The ranges of metallurgical coal sales prices used to estimate our proven and probable reserves as of December 31, 2018 were: $98 - $125 per Mt for Curragh; $79 - $126 per Mt for Buchanan; $84 - $142 per Mt for Logan; $90 - $147 per Mt for Greenbrier; $104 - $142 per Mt for Pangburn-Shaner-Fallowfield; and $100 - $148 per Mt for Amonate and Russell County. The ranges of thermal coal sales prices used to estimate our proven and probable reserves as of December 31, 2018 were: $54 - $100 per Mt for Curragh; and $56 - $68 per Mt for Logan, Greenbrier and Pangburn-Shaner-Fallowfield.

(4) Estimated coal reserves were classified as proven reserves if they lay within 0.4 kilometers of a valid point of observation, resulting in an accuracy of plus or minus: 10% at Curragh; 21% at Buchanan; 20% at Logan; 19% at both Greenbrier and Pangburn-Shaner-Fallowfield; and 15% at both Amonate and Russell County.

(5) Estimated coal reserves were classified as probable reserves if they lay between 0.4 kilometers and 1.2 kilometers from a valid point of observation, resulting in an accuracy of plus or minus: 20% at Curragh; 13% at Buchanan; 30% at Logan; 28% at Greenbrier; 17% at Pangburn-Shaner-Fallowfield; and 19% at both Amonate and Russell County.

(6) Assigned coal reserves represent coal which we have committed to operating mineshafts, mining equipment, and CPP facilities.

(7) Unassigned reserves represent coal which has not been committed, and which would require new mineshafts, mining equipment, or CPP facilities before operations could begin at the property.

(8) Volatile matter, or VM, percentage represents the mass of the components of coal, except for moisture, that are liberated from coal at high temperatures in the absence of air.

Reserves are defined by SEC Industry Guide 7 as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Proven and probable coal reserves are defined by SEC Industry Guide 7 as follows:

Proven (Measured) Reserves—Reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Probable (Indicated) Reserves—Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.

Barry Saunders, B. App. Sc. (App. Geol.); MAusIMM(CP); MAIG, a director of QGESS Pty Ltd., prepared a coal resource estimate for Curragh. From this, Paul Wood, B. Eng.; MAusIMM(CP), who is employed full-time as the Senior Life of Mine Planner of our subsidiary, Coronado Curragh, prepared the estimates of proven and probable coal reserves at Curragh. Together, we refer to them as the Australian QPs. K. Scott Keim, CPG, and Justin S. Douthat, PE, MBA, of Marshall Miller & Associates, Inc., whom we refer to as the U.S. QPs, prepared the estimates of proven and probable coal reserves at each of the U.S. Operations' mining properties. We refer to the Australian QPs and the U.S. QPs, collectively, as the QPs.

The QPs estimated our proven and probable coal reserves in accordance with SEC Industry Guide 7 considering "modifying factors," including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Estimates within the proven category have the highest degree of assurance, while estimates within the probable category have only a moderate degree of geologic assurance. Further exploration is necessary to place probable reserves into the proven reserve category.

The QPs estimated coal reserves at each of our mining properties using historical geotechnical data available from numerous entities over time. Most of this information was obtained prior to our acquisition of the properties, using varying drilling and core-logging techniques, survey methods and testing procedures. As a result, in verifying such data, the QPs made certain assumptions about the adequacy of the processes performed and comparability of the data based on their professional experience and familiarity with the applicable property. The QPs then developed geological models for each of the properties using cut-off parameters for classifying reserves based on the geotechnical data they reviewed, their experience with coal mining in the applicable region and, for the production-stage properties, results of mining operations.

Our staff of geologists and engineers worked with the QPs throughout this process and provided data from our own exploration and operating activities at the properties. We have internal control

procedures, including internal verification of input data and geological modelling, subject to multi-level review, to help ensure the validity of the data.

The pricing information used to estimate our proven and probable coal reserves at December 31, 2018 was based on prices under our existing contracts and price forecasts. Below is a description of some of the factors that could affect price forecasts for metallurgical and thermal coal products on a mine-by-mine and product-by-product basis. Differences between the assumptions and analyses included in the price forecasts and realized factors could cause actual pricing to differ from the forecasts.

Metallurgical. Several factors can influence metallurgical coal supply and demand and pricing. Demand is impacted by economic conditions and demand for steel, and is also impacted by competing technologies used to make steel, some of which do not use coal as a manufacturing input. Competition from other types of coal is also a key price consideration and can be impacted by coal quality and characteristics, delivered energy cost (including transportation costs), customer service and support and reliability of supply.

Seaborne metallurgical coal import demand can be significantly impacted by the availability of indigenous coal production, particularly in leading metallurgical coal import countries such as China and India, among others, as well as country-specific policies restricting or promoting domestic supply. The competitiveness of seaborne metallurgical coal supply from leading metallurgical coal exporting countries, such as Australia, the United States, Russia, Canada and Mongolia, among others, is also an important price consideration.

In addition to the factors noted above, the prices which may be obtained at each individual mine or future mine can be impacted by factors such as (i) the mine's location, which impacts the total delivered energy costs to its customers, (ii) quality characteristics, particularly if they are unique relative to competing mines, (iii) assumed transportation costs and (iv) other mine costs that are contractually passed on to customers in certain commercial relationships.

Thermal. Several factors can influence thermal coal supply and demand and pricing. Demand is sensitive to total electric power generation volumes, which are determined in part by the impact of weather on heating and cooling demand, inter-fuel competition in the electric power generation mix, changes in capacity (additions and retirements), inter-basin or inter-country coal competition, coal stockpiles and policy and regulations. Supply considerations impacting pricing include reserve positions, mining methods, strip ratios, production costs and capacity and the cost of new supply (new mine developments or extensions at existing mines).

The cost information that the QPs used to estimate our proven and probable reserves were generally internal projected future costs based on historical costs and expected future trends. The estimated costs normally include mining, processing, transportation, royalty, tax and other mining-related costs. Our estimated mining and processing costs reflect projected changes in prices of consumable commodities (mainly diesel fuel, natural gas, explosives and steel), labor costs, geological and mining conditions, targeted product qualities and other mining-related costs. Estimates for other sales-related costs (mainly transportation, royalty and tax) are based on contractual prices or fixed rates. Specific factors that may impact the cost at our various operations include:

- *Geological settings.* The geological characteristics of each mine are among the most important factors that determine the mining cost. Our geology department conducts the exploration program and provides geological models for the life-of-mine process. Coal seam depth, thickness, dipping angle, partings and quality constrain the available mining methods and size of operations. Shallow coal is typically mined by surface mining methods by which the primary cost is overburden removal. Deep coal is typically mined by underground mining methods where the primary costs include coal extraction, conveyance and roof control.

- *Scale of operations and the equipment sizes.* For surface mines, our dragline systems generally have a lower unit cost than truck-and-shovel systems for overburden removal. The longwall operations generally are more cost effective than room-and-pillar operations for underground mines.

- *Commodity prices.* For surface mines, the costs of diesel fuel and explosives are major components of the total mining cost. For underground mines, the steel used for roof bolts represents a significant cost. Commodity price forecasts are used to project those costs in the financial models we use to establish our reserves.

- *Target product quality.* By targeting a premium quality, product, our mining and processing processes may experience more coal losses. By lowering product quality the coal losses can be minimized and therefore a lower cost per Mt can be achieved. In our mine plans, the product qualities are estimated to correspond to existing contracts and forecasted market demands.

- *Transportation costs.* We have entered into arrangements with third parties to gain access to transportation infrastructure and services where required, including rail carriers and port owners. Where coal is exported or sold other than at the mine gate, the costs associated with these arrangements represent a significant portion of both the total cost of supplying coal to customers and of our production costs. As a result, the cost of transportation is not only a key factor in our cost base but also in the purchasing decision of customers. Our transportation costs vary by region. Our U.S. Operations' domestic contracts are generally priced F.O.R. at the mine with customers bearing the transportation costs from the mine to the applicable end user. For direct sales from our U.S. Operations to export customers, we hold the transportation contract and are responsible for the cost to the export facility, and the export customer is responsible for the transportation/freight cost from the export facility to the destination. For sales of Curragh thermal coal to Stanwell, Stanwell is responsible for the transport of coal to the Stanwell Power Station. Our Australian Operations typically sell export metallurgical coal F.O.B., with the customer paying for transportation from the outbound shipping port. Our Australian Operations generally contract for port and rail capacity via long-term take-or-pay contracts. Our U.S. Operations generally enter into quarterly or spot contracts for port and rail access; however, we do have a long-term take-or-pay agreement for terminal services at Kinder Morgan Pier IX Terminal in Hampton Roads, Virginia. See Item 1. "Business—Transportation" for more information regarding these agreements.

- *Royalty costs.* As conditions to certain of the Tenements, Curragh is subject to royalties payable to the Queensland government of 7.0% of revenues from coal sales to Stanwell (which could increase as described in Item 1. "Business—Regulatory Matters—Australia—Mineral Resources Act 1989 (Qld)) and 8.22% - 10.42% of revenues from exported coal. These royalties are in addition to the Stanwell rebate, as described in Item 1. "Business—Customers—Australia Sales and Marketing—Stanwell." Additionally, if MDL 162 advances from development to production, we would be required to pay under a private royalty deed a base royalty of A$0.50 per Mt of coal and a royalty of A$0.70 for every Mt of SHCC produced above 2.5 MMt per year. Royalty costs at our U.S. Operations are based upon contractual agreements for the coal leased from private owners and vary from property to property and by the type of mine (i.e., surface or underground). The royalty rates under leases at our U.S. Operations range between 3% - 9% of revenues from coal sales. Under some of the leases, we are required to pay minimum royalties, regardless of production, and/or "wheelage fees" (i.e., fees payable on coal mined and removed from properties other than the particular leasehold and hauled across the leasehold premises). Additionally, as part of the agreement we reached with CONSOL Energy to acquire Buchanan and certain other assets in 2016, we agreed to pay CONSOL Energy a royalty of 20% of the gross sales price on all coal mined from the Buchanan mine complex and sold or shipped to a location outside the United States and Canada, where the actual sales price that we receive exceeds certain agreed benchmarks. The royalty payments are triggered where the gross sales price per Mt of coal exceeds the following thresholds: from April 1, 2016 to March 30, 2017, $82.67; from March 31, 2017 to March 30, 2018, $86.81; from March 31, 2018 to March 30, 2019, $91.15; from March 31, 2019 to March 30, 2020, $95.70; and from March 31, 2020 to March 31, 2021, $100.49.

- *Black lung, severance and reclamation taxes.* Our U.S. Operations are subject to a federal black lung excise tax on coal sold domestically. As of January 1, 2019, the federal black lung excise tax is $0.55 per Mt for underground mining and $0.28 per Mt for surface and highwall mining. Our U.S. Operations are also subject to a federal reclamation tax of $0.13 per Mt for underground mining and $0.31 per Mt for surface and highwall mining. Additionally, Buchanan is, and Amonate and Russell County would be, subject to a Virginia reclamation tax of $0.05 per Mt (which amount is contributed to a state-funded bond pool) and a Virginia severance tax of 2% for all coal sold. Logan and Greenbrier are subject to a West Virginia reclamation tax of $0.308 per Mt and a West Virginia severance tax of 1.0% - 5.0% of revenues for all coal produced. Amonate would also be subject to West Virginia reclamation and severance taxes to the extent that it produces any coal from those parts of the property that lie within West Virginia. Pangburn-Shaner-Fallowfield would not be subject to state reclamation or severance taxes, as neither are required under Pennsylvania law.

- *Exchange rates.* Costs related to our Australian Operations are predominantly denominated in A$, while the coal that our Australian Operations export is sold in US$. As a result, A$-US$ exchange rates impact the U.S. dollar cost of our Australian Operations' production.

Based on their mine-by-mine and product-by-product evaluations of the estimated prices for our coal, and the costs and expenses of mining and selling our coal, the QPs concluded our reserves were economically recoverable as of December 31, 2018. We periodically update our coal reserve estimates to reflect production of coal from those reserves and new drilling or other data received. Accordingly, our coal reserve estimates will change from time to time to reflect the effects of our mining activities, analysis of new engineering and geological data, changes in coal reserve holdings, modification of mining methods and other factors.

During 2018, the SEC adopted amendments to modernize the property disclosure requirements for mining registrants and related guidance under the Securities Act and the Exchange Act. The final rules provide a three-year transition period, and we will be required to comply with the new rules for the fiscal year beginning on January 1, 2021. We are in the process of assessing the impact the new rules will have on our disclosures.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of June 1, 2019, information regarding beneficial ownership of shares of our common stock, including common stock held as CDIs, by the following:

- each person, or group of affiliated persons, who is known by us to beneficially own 5% or more of any class of our voting securities;
- each of our directors;
- each of our Named Executive Officers; and
- all current directors and executive officers, as a group.

Beneficial ownership is determined according to the rules of the SEC. Beneficial ownership generally includes voting or investment power of a security and includes shares underlying options that are currently exercisable or exercisable within 60 days of June 1, 2019. The officers, directors and principal stockholders supplied the information for this table. Except as otherwise indicated, we believe that the beneficial owners of the CDIs and common stock listed below, based on the information given to us by each of them, have sole investment and voting power with respect to their shares, except where community property laws may apply.

Percentage of ownership is based on 96,651,692 shares of our common stock, or common stock equivalent CDIs, outstanding on June 1, 2019. Unless otherwise indicated, we deem shares subject to options that are exercisable within 60 days of June 1, 2019 to be outstanding and beneficially owned by the person holding the options for the purpose of computing percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the ownership percentage of any other person.

Because CDIs represent one-tenth of a share of our common stock, converting the number of CDIs owned by the person holding them into the equivalent number of shares of our common stock may result in fractional shares of common stock. In the following table, the number of shares of our common stock owned by each beneficial owner is rounded down to the nearest whole share of common stock.

Unless otherwise indicated in the table, the address of each of the individuals named below is: c/o 100 Bill Baker Way, Beckley, West Virginia 25801, U.S.A.

Name and Address of Beneficial Owner	Number of Shares of Common Stock(1)	Percentage of Common Stock
5% Stockholder		
Entities affiliated with EMG(2)	77,308,103.6	79.99%
Directors and Named Executive Officers		
Garold Spindler	—	—
William (Bill) Koeck(3)	5,375	*
Philip Christensen	—	—
Greg Pritchard(4)	5,000	*
Ernie Thrasher	—	—
Laura Tyson	—	—
James Campbell	—	—
Ayten Saridas(5)	4,700	*
David Hegger	—	—
Richard Rose	—	—
Ellen Ewart	—	—
Emma Pollard	—	—
All current directors and executive officers (10) as a group	15,075	*

* Indicates less than 1%.

(1) Represents shares of common stock that may be held as CDIs. Each share of common stock is equivalent to 10 CDIs.

(2) Reflects 77,308,103.6 shares of common stock held by Coronado Group LLC. EMG CC HC, LLC, EMG Coronado II HC, LLC, EMG CC Coronado IV Holdings LLC and EMG CC Coronado Strategic LP, each of which is affiliated with The Energy & Minerals Group, collectively hold approximately 99 percent of the outstanding units of Coronado Group LLC. John T. Raymond is the chief executive officer of Coronado Group LLC and the chief executive officer of The Energy & Minerals Group, and as such, may be deemed to have sole voting and dispositive power with respect to the shares of common stock held by Coronado Group LLC; however, he disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for Coronado Group LLC is The Energy & Minerals Group, 2229 San Felipe, Suite 1300, Houston, Texas 77019.

(3) Reflects an indirect economic interest in the Company held through superannuation funds. Voting and investment power in these shares are held in the Koeck Super Fund. Mr. Koeck and Pamela Edith Koeck are trustees of this fund with shared voting and investment power.

(4) Reflects 50,000 CDIs held by JJ Discretionary Trust. Mr. Pritchard is a trustee and beneficiary of the JJ Discretionary Trust with voting and pecuniary interest.

(5) Reflects 47,000 CDIs held by Yellowstone Family Superannuation Fund. Ms. Saridas is the sole beneficiary of the Yellowstone Family Superannuation Fund and has sole voting and investment power.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS.

The names, ages and positions of our directors and executive officers as of June 1, 2019 are set forth below:

Name	Age	Position(s)
William (Bill) Koeck	66	Chairman
Garold Spindler	71	Managing Director and Chief Executive Officer
Philip Christensen	64	Director
Greg Pritchard	56	Director
Ernie Thrasher	63	Director
Laura Tyson	47	Director
James Campbell	66	President and Chief Operating Officer
Ayten Saridas	52	Group Chief Financial Officer
Richard Rose	58	Vice President, Chief Legal Officer and Secretary
Emma Pollard	46	Vice President, People and Culture

Non-Employee Directors

William (Bill) Koeck, Chairman

Mr. Koeck joined our Board of Directors on September 21, 2018 after the Reorganization Transaction. Mr. Koeck has over 40 years' experience in mergers and acquisitions, or M&A, equity capital markets, private equity, restructuring and workouts, company and securities law and corporate governance. Mr. Koeck retired as a partner of global law firm Ashurst in 2016 and continues as a part-time consultant to the firm. Since 2015, he has been a member of the Takeovers Panel, which is the primary forum for resolving disputes about Australian public company and fund takeovers, and which is an Australian government statutory appointment. Mr. Koeck has been a guest lecturer in post-graduate corporate and securities law in the Law Faculty at The University of Sydney for 20 years. Mr. Koeck has had extensive involvement as legal counsel in the coal industry in Australia and North America. Mr. Koeck earned a Bachelor of Laws—LLB and a Master of Laws—LLM (Hons) from The University of Sydney as well as a Diploma of Applied Corporate Finance (ASIA).

Mr. Koeck was selected to serve on our Board of Directors because of his extensive involvement as legal counsel in the coal industry in Australia and North America.

Philip Christensen, Director

Mr. Christensen joined our Board of Directors on September 21, 2018 after the Reorganization Transaction. Mr. Christensen is also currently a board member of EcoJoule Energy Pty Ltd., a manufacturer of power electronics products and technologies. In addition, Mr. Christensen prior board service includes ASX-listed Aston Resources, an Australian coal mining, exploration and development company, and Whitehaven Coal, an Australian coal mining company. Since 2013, Mr. Christensen has served as the sole partner of Christensen Legal Pty Ltd, or Christensen Legal, a Brisbane-based boutique law firm practicing general corporate law. Mr. Christensen's practice is focused on the coal mining sector. Mr. Christensen has more than 30 years' experience in the corporate/M&A area and was a partner at Herbert Smith Freehills, a law firm, for 23 years, predominantly advising companies within the resources sector. Prior to forming Christensen Legal, Mr. Christensen served in a number of roles, including as executive director of an Australian coal exploration company and Chairman of a non-listed base metals exploration company. Mr. Christensen earned both a Bachelor of Commerce and Bachelor of Laws from The University of New South Wales. He is a solicitor admitted to practice in Queensland.

Mr. Christensen was selected to serve on our Board of Directors because of his experience on the board of directors of coal exploration and resource companies.

Greg Pritchard, Director

Mr. Pritchard joined our Board of Directors on September 21, 2018 after the Reorganization Transaction. Mr. Pritchard is also currently a board member of The Port of Newcastle, a seaport in Australia. Mr. Pritchard was managing director of Energy Developments Limited, a global producer of sustainable distributed energy, from December 2007 until October 2016, having joined the company as finance director in June 2001. Mr. Pritchard previously served as chief financial officer of QCT Resources Limited, a coal production and distribution company, and as chief financial officer QNI Limited, an Australian nickel and cobalt refinery. Mr. Pritchard previously held senior positions at KPMG London and Europe, or KPMG, a global audit, tax and advisory services provider and Wardley James Capel (now known as HSBC Securities Asia Limited), a stock brokerage services provider, in Australia, the United Kingdom and Europe. Mr. Pritchard is a Fellow of Chartered Accountants Australia & New Zealand and earned a Bachelor of Commerce from The University of Melbourne and a Master of Applied Finance from Macquarie University.

Mr. Pritchard was selected to serve on our Board of Directors because of his extensive experience in finance and service with companies in the energy sector.

Ernie Thrasher, Director

Mr. Thrasher joined our Board of Directors on September 21, 2018 after the Reorganization Transaction. Mr. Thrasher's prior board service includes Barrick Gold Corporation, a Canadian gold mining company. Mr. Thrasher has over 40 years' experience in the coal industry. Mr. Thrasher's coal experience began in 1974 working for a family-owned mining company with operations in Maryland. He is the founder, Chief Executive Officer and Chief Marketing Officer of Xcoal, a global coal products supplier and one of the largest exporters of U.S. origin coal to Asia, whose activities also include the financing and development of mining and related infrastructure projects in West Virginia and in the anthracite coalfield in Northeastern Pennsylvania. Prior to forming Xcoal in 2003, Mr. Thrasher spent 22 years in various global marketing positions at Primary Coal, Inc., a coal company, and AMCI, a natural resources special investment company. In 2015, Mr. Thrasher founded XLNG Energy & Resources, which plans to market natural gas from reserves in the Marcellus and Utica Shale basins in the United States to customers in Europe and Asia. Mr. Thrasher also serves on the President's Leadership Council-Boy Scouts of America, is a member of the Council on Foreign Relations, serves as a director on the National Committee on U.S.-China Relations and as a director on the U.S. India Strategic Partnership Forum.

Mr. Thrasher was selected to serve on our Board of Directors because of his extensive experience in the coal industry.

Laura Tyson, Director

Ms. Tyson joined our Board of Directors on August 13, 2018, the effective date of the Reorganization Transaction, as a designee of the EMG Group. Ms. Tyson is also currently a board member for number EMG portfolio companies including Ascent Resources LLC, White Star Petroleum, LLC, Heritage NonOp Holdings, LLC and Sable Permian Resources, LLC. Ms. Tyson serves as a managing director, the chief operating officer and the general counsel for EMG. She has over 20 years' experience working on corporate and securities transactions. Prior to joining EMG in February 2014, Ms. Tyson was a Partner at Baker Botts L.L.P., a law firm, and was a member of the Master Limited Partnership, Energy and Private Equity practice groups. While at Baker Botts L.L.P., Ms. Tyson's practice was focused on the energy sector and master limited partnerships, including those engaged in coal mining, pipeline transportation and gathering, storage, oil and gas exploration and production, compression, shipping and propane, and she served as outside counsel to EMG on both portfolio company investments and co-investment structuring beginning in 2008. Ms. Tyson earned a

B.S. in Economics and Finance from McNeese State University and a J.D. from the University of Houston Law Center.

Ms. Tyson was selected to serve on our Board of Directors because of her extensive knowledge and understanding of our business and operations.

Executive Officers

Garold Spindler, Managing Director and Chief Executive Officer

Mr. Spindler served as the Chief Executive Officer of Coronado Group LLC from its formation in 2011 until October 2018. He served as the chief executive officer at Coronado Group HoldCo LLC from December 2017 until August 13, 2018, the effective date of the Reorganization Transaction. Mr. Spindler has served as our Managing Director and Chief Executive Officer since August 12, 2018, the effective date of the Reorganization Transaction. Mr. Spindler has more than 30 years' experience in the coal industry and has held several key executive positions at some of the world's largest coal companies, including chief executive officer of UK Coal, president and chief executive officer of Amax Coal Company (U.S.), and president and chief executive officer of Pittston Coal Company. Mr. Spindler is also the owner and chairman of St. Cloud Mining, a producer of natural zeolites in North America. Mr. Spindler earned both a B.S. and M.S. in Mining Engineering from West Virginia University, and a M.B.A. in Management from Stanford University.

Mr. Spindler was selected to serve on our Board of Directors because of his extensive knowledge and experience in the coal industry.

James Campbell, President and Chief Operating Officer

Mr. Campbell served as the President and Chief Operating Officer of Coronado Group LLC from 2011 until August 2018. Mr. Campbell has served as our President and Chief Operating Officer since August 13, 2018, the effective date of the Reorganization Transaction. Mr. Campbell has more than 40 years' experience in the coal industry including as owner and chief executive officer of Spring Creek Energy, a coal company, and Strata Fuels, a coal company, and as president and chief operating officer of Imagin Natural Resources, a natural resource company specializing in coal. Mr. Campbell also spent 22 years with Pittston Coal Company, where he held various roles including executive vice president of Pittston Coal Company and president of Pittston Coal Sales Company. Mr. Campbell earned a B.S. in Mining Engineering from West Virginia University, a B.S. in Civil Engineering from West Virginia Institute of Technology and an Executive M.B.A. from the University of Virginia, Darden School of Business.

Ayten Saridas, Group Chief Financial Officer

Ms. Saridas served as our Group Chief Financial Officer since June 2018. Ms. Saridas has nearly 30 years of international corporate finance experience across a broad range of ASX-listed companies in upstream oil and gas, infrastructure, retail, fast-moving consumer goods and property. Prior to joining the Company, Ms. Saridas was the Chief Financial Officer of ASX-listed AWE Limited, an Australian oil and gas producer, from 2011 to 2016, where she was responsible for corporate strategy, finance, strategic planning, tax, treasury, M&A and risk management. Ms. Saridas has held a number of senior executive finance roles including group executive & treasurer at Santos, chief financial officer at Babcock & Brown Japan Property Trust, a Japanese real estate trust, group treasurer at Woolworths Limited, a company with retail interests in Australia and New Zealand, and head of corporate finance at Ausgrid, an electricity distribution company. Ms. Saridas earned a Bachelor of Commerce from The Australian National University and a Master of Applied Finance from Macquarie University.

Richard Rose, Vice President, Chief Legal Officer & Secretary

Mr. Rose served as the Vice President, Chief Legal Officer & Secretary of Coronado Group LLC from June 2017 until October 2018. Mr. Rose has served as our Vice President, Chief Legal Officer & Secretary since August 13, 2018, the effective date of the Reorganization Transaction. Mr. Rose has been a practicing lawyer since 1988. Prior to joining the Company, Mr. Rose was interim senior vice president, general counsel and corporate secretary of Meritor, Inc., an American vehicle part manufacturer, from March 2016 to August 2016. Mr. Rose has also served as senior vice president, general counsel and secretary of Calgon Carbon Corporation from September 2009 to September 2015, a company in the activated carbon and reactivation industry, and was a shareholder in the Pittsburgh office of Buchanan Ingersoll & Rooney, PC, a law firm, where his practice included general corporate counseling, federal securities and M&A. Before becoming a lawyer, Mr. Rose was a certified public accountant and auditor with an international public accounting firm. Mr. Rose earned a B.S. in Accounting from The Pennsylvania State University and a J.D. from the University of Pittsburgh School of Law.

Emma Pollard, Vice President People and Culture

Ms. Pollard has served our Vice President People and Culture since October 1, 2018 and was previously our General Manager of Human Resources in Australia since January 2018. Ms. Pollard has more than 22 years' experience in human resources. Prior to joining us, Ms. Pollard served as the general manager people and sustainability of Wesfarmers, prior to its acquisition by us. Prior to that, Ms. Pollard served as head of human resources of European Operations at Mylan NV, a global generic and specialty pharmaceutical company, from January 2015 to September 2017 and senior director talent acquisition and development, Europe from August 2013 to January 2015. Ms. Pollard also served as a Director, Human Relations, Australia and New Zealand at Alphapharm Pty Limited, a subsidiary of Mylan NV, from 2011 until 2013 and as Executive General Manager, Human Resources at Capral Aluminum from 2005 until 2011. Ms. Pollard earned a B.A. in Human Resources from the University of Sunderland and a post-graduate diploma in human resource management from the University of Northumbria.

Board of Directors

Our business and affairs are managed under the direction of our Board of Directors. Our Board of Directors currently consists of six directors, comprised of our Chief Executive Officer, three independent directors, and two non-executive directors.

The number of directors is fixed by our Board of Directors, subject to the terms of our certificate of incorporation and bylaws. Pursuant to our certificate of incorporation, we have issued one Series A Share, which is beneficially owned by the EMG Group, through its ownership of Coronado Group LLC. Ownership of our Series A Share provides the EMG Group (or a permitted transferee thereof) with Board designation rights tied to the level of the EMG Group's aggregate beneficial ownership of shares of our common stock.

If the EMG Group elects, by written notice to us, the EMG Group will have the sole and exclusive right to nominate and elect, voting as a separate class and to the exclusion of all other series or classes of capital stock, a number of directors representing:

- a majority of the total number of directors so long as the EMG Group beneficially owns in the aggregate at least 50% of our outstanding shares of common stock;
- 40% of the total number of directors if the EMG Group beneficially owns in the aggregate 40% or more, but less than 50%, of our outstanding shares of common stock;

- 30% of the total number of directors if the EMG Group beneficially owns in the aggregate 30% or more, but less than 40%, of our outstanding shares of common stock;

- 20% of the total number of directors if the EMG Group beneficially owns in the aggregate 20% or more, but less than 30%, of our outstanding shares of common stock;

- 10% of the total number of directors if the EMG Group beneficially owns in the aggregate 10% or more, but less than 20%, of our outstanding shares of common stock.

In October 2018, the EMG Group exercised its right to designate Ms. Laura Tyson to our Board of Directors pursuant to the terms of our Series A Share. We will redeem our Series A Share to the fullest extent permitted by law (at a price of $1.00) if, at any time, the EMG Group no longer beneficially owns, in the aggregate, 10% or more of the outstanding shares of our common stock.

On September 24, 2018, we entered into a Stockholder's Agreement with Coronado Group LLC, which governs the relationship between the EMG Group and us while the EMG Group retains an interest in our ownership, including certain governance matters relating us. Pursuant to the Stockholder's Agreement, for so long as the EMG Group has the right to nominate and elect directors as a holder of our Series A Share and any such director has been elected, the EMG will have the right to designate one of such directors to be included in the membership of any Board Committee, except to the extent that such membership would violate applicable securities laws or stock exchange or stock market rules.

Each of our current directors will continue to serve as a director until the election and qualification of his successor, or until his earlier death, resignation, or removal.

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ITEM 6. EXECUTIVE COMPENSATION.

Compensation Discussion and Analysis

This compensation and discussion analysis section discusses our principles underlying the policies and decisions with respect to the compensation of the following officers, or our Named Executive Officers, for the fiscal year ended December 31, 2018:

NAME	POSITION
Garold Spindler	Managing Director and Chief Executive Officer
Ayten Saridas	Group Chief Financial Officer
David Hegger	Chief Financial Officer—U.S. Operations (Former Chief Financial Officer of Coronado Group LLC)
James Campbell	President and Chief Operating Officer
Richard Rose	Vice President, Chief Legal Officer and Secretary
Ellen Ewart(1)	Former Vice President, Investor Relations
Emma Pollard	Vice President, People and Culture

(1) Ms. Ewart resigned from her employment with us effective May 31, 2019.

Compensation Philosophy and Objectives

Prior to our Australian IPO, the compensation arrangements for our Named Executive Officers were based on individually negotiated agreements. Following the Australian IPO, we established our compensation and nominating committee, discussed in more detail below, which set forth the following overall objectives of our executive compensation framework:

- Ensuring our compensation structures are equitable and aligned with our and our stockholders' long-term interests;
- Attracting and retaining skilled executives; and
- Structuring short-term and long-term incentives that encourage high performance, are challenging and are linked to the creation of sustainable stockholder returns.

Executive compensation structures are designed to align the interest of stockholders with compensation outcomes by taking into account the performance of the company, the capability and experience of senior executives, and current economic and industry circumstances. Further, four aspirational principles generally guide our decisions about executive compensation:

- Fairness: provide a fair level of reward to all executives.
- Transparency: build a culture of achievement by transparent links between reward and performance.
- Alignment: promote mutually beneficial outcomes by aligning executive, customer and stockholder interests.
- Our culture: drive leadership performance and behaviors that create a culture that promotes safety, diversity and employee engagement.

Accordingly, we have designed our executive compensation program to reward our executives for achieving annual and long-term (three-year) financial and business goals that relate to the aforementioned principles. Specifically, the amount of incentive compensation received by our Named Executive Officers is directly related to performance against goals such as safety, production, EBITDA metrics, growth, share price performance and cash costs per metric ton as described in more detail below.

Elements of executive compensation

Base Salary

Our executives are offered a base salary that comprises the fixed component of their compensation. Base salary is paid in order to attract and retain high-quality and experienced individuals, meet competitive salary norms and reward performance on an annual basis. Base pay for executives is reviewed annually and may be increased if we deem it is in our best interest. There are no guaranteed base salary increases included in any of our senior executives' contracts. In setting base salaries, consideration is given to each executive's position, prior experience and qualifications, and competitive compensation data we review for similar positions within our industry. We also consider competitive industry norms when determining how to allocate between cash and non-cash compensation for our Named Executive Officers. The industry comparisons are used for guidance purposes only. It is the intention of the compensation and nominating committee to pay base salaries to our executive officers that are commensurate with their qualifications and demonstrated performance.

Short-term Performance Incentives

Prior to the Australian IPO, bonus arrangements for our U.S.-based Named Executive Officers were individually negotiated and were approved by EMG and Mr. Spindler, our Managing Director and Chief Executive Officer. Bonuses for Ms. Saridas and Ms. Pollard were paid pursuant to their respective employment contracts.

Following the Australian IPO, we created our Short-Term Incentive Plan, or the STI Plan, to provide our executive key management personnel with rewards for outstanding performance against short-term goals. The initial performance period under our STI Plan is from October 1, 2018 until December 31, 2019 and will correspond with our 12-month fiscal year thereafter. Under our STI Plan, bonus arrangements are based on both the achievement of Company performance goals, including safety, production and EBITDA metrics, and individual performance goals, which have been agreed on an individual basis based on the individual's defined roles and responsibilities within our Company. We believe that paying such cash bonuses will:

- ensure our executive compensation structures are equitable and aligned with our interests and those of our stockholders;
- attract and retain skilled executives; and
- challenge both us and our executives to create sustainable stockholder returns.

The amount of short-term incentive, or STI, award that each participant becomes entitled to each year (if any) will be determined by our Board of Directors and the compensation and nominating committee based on the achievement of set financial and non-financial performance targets. Executives will have at least 50% of their performance measured against predetermined targets and the other 50% will be based on operational and individual goals. The percentage mix between operational and individual performance targets will vary from individual to individual, but in most cases will be split evenly. The proposed STI targets for fiscal year ending December 31, 2019 will be based on safety, production and EBITDA metrics.

Any award of STI to Mr. Spindler, Mr. Campbell and Ms. Saridas, if earned, will be delivered as follows:

- 50% will be delivered in cash after the release of our audited full-year financial results; and
- 50% will be deferred for 12 months. The deferred component of the STI award will be delivered as restricted stock units, or RSUs, that will vest after the release of our audited full-year financial results for the year following the year of the award (e.g. the RSUs for the fiscal year

ending December 31, 2019 STI deferred component will be granted following the release of the Company's audited full-year financial results for fiscal year ending December 31, 2019 and will vest following release of our audited full-year financial results for fiscal year ending December 31, 2020).

Any award of STI to Mr. Rose, Mr. Hegger and Ms. Pollard will be delivered in cash without any deferral. Ms. Ewart resigned from the Company effective May 31, 2019. In connection with her resignation and in consideration for Ms. Ewart's forfeiture of her short-term and long-term incentive awards, we have made a one-time payment of $25,000 to Ms. Ewart.

As an employee, Mr. Spindler is the only director who is entitled to participate in the STI Plan, including with respect to the grant of RSUs under deferral arrangements. The compensation and nominating committee and our Board of Directors retain the right to exercise discretion not to award an STI where the participant has ceased employment with us or one of our entities during the performance period, or in limited other cases, including if a financial restatement is required or in cases of employee misconduct.

Long-term Performance Incentives

Prior to the Australian IPO, we did not have a formalized long-term performance incentive plan.

In connection with the Australian IPO, we established the Coronado Global Resources Inc. 2018 Equity Incentive Plan, or the Employee Plan, which allows us to grant equity awards to our consultants and employees. The objective of our Employee Plan is to foster sustained long-term performance and longer-term growth in stockholder value, while maintaining a total compensation opportunity that enables us to retain, attract and motivate qualified and high-performing executives. The Employee Plan was approved by our Board of Directors on September 21, 2018. The total number of shares that are available for awards under the Employee Plan is such maximum amount permitted by law and the ASX Listing Rules. As an employee director, Mr. Spindler is the only director who is entitled to participate in the grant of securities under the Employee Plan.

The initial grants made to certain of our Named Executive Officers under our Employee Plan in 2018 consisted of performance stock units, or PSUs, and option awards. The portions of these awards that are eligible to vest are determined by our Board of Directors and the compensation and nominating committee based on a scorecard, or the LTI Scorecard, set by our Board of Directors and our compensation and nominating committee.

The LTI Scorecard goals are determined and approved by our Board of Directors at the beginning of the performance period, taking into account budgeted cost forecasts, business plans and strategy. For the initial grants made to certain of our Named Executive Officers in 2018, our LTI Scorecard consisted of four equally-weighted performance measures based on the following categories:

- safety;
- production;
- our percentile ranking of total stockholder return, or TSR, relative to a peer group of similar companies; and
- cash costs per metric ton.

The performance metrics are measured over a predetermined performance period, which is from January 1, 2019 to December 31, 2021.

With the assistance of compensation consultants, as identified below, we determined that our peer group for the relative TSR metric would consist of the following companies: New Hope Corporation Limited, Peabody Energy Corporation, ArchCoal, Warrior Met Coal, Inc., Contura Energy, Inc., BHP

Group Limited (formerly BHP Billiton), South32 Limited, Yancoal Australia Ltd, Whitehaven Coal Ltd, Fortescue Metals Group Limited, Oz Minerals Limited, Evolution Mining Ltd, Rio Tinto Limited, Mineral Resources Limited, Newcrest Mining Limited, Saracen Mineral Holdings Limited, Sandfire Resources NL, Independence Group NL, Syrah Resources Ltd, Western Areas Ltd, Northern Star Resources Ltd, Teck Resources Limited, Anglo American Capital Plc and Vale S.A.

Management Incentive Units

In order to generate positive returns for Coronado Group LLC, prior to the Australian IPO, certain of our Named Executive Officers were granted management incentive units, or MIUs, in Coronado Group LLC. Some MIUs were granted as part of the employee's hiring arrangements (for example, in the case of Mr. Rose), while others were granted based on performance. Each MIU entitles the holder to a right to receive a portion of the distributions made by Coronado Group LLC. We currently do not intend to grant further MIUs to our management team in the future. For more information regarding the MIUs, see "—Coronado Group LLC Management Incentive Units."

Post-employment Compensation

Prior to the Australian IPO, the post-employment compensation arrangements for our Named Executive Officers were individually negotiated agreements.

In connection with our Australian IPO, we entered into employment agreements with our Named Executive Officers (with the exception of Mr. Hegger). Under these agreements, we formalized the post-employment compensation arrangements for our continuing Named Executive Officers. Upon termination of employment without cause or a resignation for good reason, our continuing Named Executive Officers are entitled to receive certain severance payments and other benefits. In determining whether to approve, and in setting the terms of such severance arrangements, our compensation and nominating committee and our Board of Directors recognize that executives, especially highly-ranked executives, often face challenges securing new employment following termination. Severance amounts for termination without cause or a resignation for good reason would be as follows: for our Chief Executive Officer, Chief Operating Officer, Chief Legal Officer and Former Vice President, Investor Relations, base annual salary over the prior 12 months paid in a lump sum six months following the date of termination; and for our Group Chief Financial Officer, six months continuance of her fixed annual salary. As our former Vice President, Investor Relations, Ms. Ewart, resigned from the Company effective May 31, 2019, she will not receive such payments. Our Vice President, People and Culture and former Chief Financial Officer are not contractually entitled to post-employment compensation, however, it would be customary to pay our former Chief Financial Officer six months of his base annual salary in the event of termination without cause or a resignation for good reason. In the event of a termination as a result of redundancy, our Vice President, People and Culture is entitled to three weeks of her fixed annual salary for every year of service.

In addition to these amounts, certain of our Named Executive Officers will also receive post-employment payments in connection with complying with the non-compete and non-solicitation covenants contained in their employment agreements. Payment would be made, in exchange for the provision of consultation services by such Named Executive Officers, to our Chief Executive Officer, Chief Operating Officer, Chief Legal Officer and Former Vice President, Investor Relations in the amount equal to 50% of each officer's base annual salary in 12 monthly payments, for a one-year period following termination of such officer's employment. However, in connection with Ms. Ewart's resignation and execution of the separation agreement and general release of claims, we agreed to release Ms. Ewart from all non-compete and non-solicitation covenants. As a result, Ms. Ewart is not entitled to the above-mentioned payment.

Change in Control Compensation

A portion of certain of our equity-based awards for our Named Executive Officers may vest in connection with a change in control, as determined by our compensation and nominating committee in its sole discretion. For more information regarding change in control compensation, see "—Potential Payments upon a Change in Control" and the accompanying table.

Other Compensation

As required by Australian law, we contribute to standard defined contribution superannuation funds on behalf of all Australian employees (including Ms. Saridas and Ms. Pollard). Superannuation is a compulsory savings program whereby employers are required to pay a portion of an employee's compensation to an approved superannuation fund that the employee is typically not able to access until they are retired. Superannuation is contributed up to a maximum amount of the lesser of 9.5% of each such employee's salary or the quarterly maximum contribution required under the Superannuation Guarantee (Administration) Act 1992 (Cth), currently $3,622.75 (A$5,132.85) per quarter. We permit employees to choose an approved and registered superannuation fund into which the contributions are paid.

Our employees located in the United States receive matching 401(k) contributions. We aim to match contributions at a market-appropriate level, which was a rate of 4% for fiscal year ended December 31, 2018.

Our executives in the United States and Australia participate in our 401(k) plan and superannuation plan on the same statutory basis as all other employees.

For certain of our Named Executive Officers, we also paid for insurance premiums, relocation expenses and parking expenses. Additionally, we paid for temporary housing costs for our Chief Legal Officer and our Chief Financial Officer, and housing costs for our Chief Executive Officer in Australia. We pay such perquisites in order to be competitive with industry norms.

Compensation Consultants

We hired two consulting companies in connection with developing our compensation arrangements. The first, Guerdon Associates, was used by us to develop compensation arrangements, such as our long-term and short-term incentive compensation plans. The second, Egan and Associates, was used by our Board of Directors to determine the appropriateness of the potential compensation programs.

No formal benchmarking of pay levels was performed; instead, our consultants utilized their general knowledge of the marketplace and made recommendations based on that knowledge.

Clawback Policy

All awards granted under the Employee Plan will be subject to recoupment under our clawback policy in the event our Board of Directors determines that (A) a participant has (i) acted fraudulently or dishonestly, (ii) engaged in gross misconduct, (iii) engaged in an act which has brought us into disrepute, (iv) breached his or her duties or obligations to us, or (v) been convicted of an offense or has a judgment entered against them in connection with our affairs; (B) there is a material misstatement or omission in our financial statements or any other circumstance which would affect our financial soundness or require a restatement of our financial accounts; (C) a participant's awards vest or may vest as a result of the fraud, dishonesty or breach of duties or obligations of any other person and, in the opinion of our Board of Directors, the awards would not have otherwise vested; or (D) we are required by or entitled under law or Company policy to reclaim remuneration from a participant.

In the event of a recoupment, our Board of Directors may determine that any of the following held by or on behalf of the participant will lapse or deem to be forfeited: (i) unvested awards, (ii) vested but unexercised awards, (iii) restricted stock units, (iv) restricted shares, and/or (v) CDIs or shares allocated under the Employee Plan.

Additionally, our Board of Directors may determine that a participant must pay or repay us as a debt: (i) all or part of the net proceeds of sale where CDIs or shares allocated under the Employee Plan have been sold; (ii) any cash payment received on vesting of awards or in lieu of an allocation of CDIs or shares; and/or (iii) any dividends received in respect of CDIs or shares allocated under the Employee Plan.

Our Board of Directors may specify in an award agreement additional circumstances in which a participant's entitlement to awards may be reduced or extinguished.

With respect to awards granted pursuant to the STI Plan, only those awards granted to the following Named Executive Officers are subject to the clawback policy: Mr. Spindler, Mr. Campbell, and Ms. Saridas.

Hedging Policy

We maintain a hedging policy, as part of our Securities Dealing Policy, that applies to our non-employee directors, executives, officers, employees, contractors and consultants. Under our policy, hedging includes entering into any arrangements that operate to limit the economic risk associated with holding our securities. We prohibit the practice of hedging any of our securities acquired under any employee, executive or director equity plan operated by us prior to vesting. Under our policy, our securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of an employee, executive or director equity plan operated by us.

Overview of the Compensation Process

As described above, the composition of compensation for our executive officers includes: base salary, short-term performance incentives, long-term performance incentives, post-employment or change in control based compensation and contributions to superannuation or 401(k) funds. The elements of executive compensation are discussed at the meetings of our compensation and nominating committee. The compensation and nominating committee meets as often as the members deem necessary, with the intent to meet approximately once each quarter. Responsibilities of the compensation and nominating committee include:

- evaluating from time to time the performance of, and determining the compensation of, our Chief Executive Officer and his direct reports;
- recommending to our Board of Directors whether grants are to be made under any or all of our employee equity incentive plans and approving major changes in relation to employee equity incentive plans;
- approving major changes and developments in our policies and procedures related to compensation;
- ensuring that compensation of our directors and executives are competitive within the market and appropriate to attract and retain talented directors and executives;
- reviewing and recommending compensation arrangements for the chair of our Board of Directors and the non-executive directors of our Board of Directors including fees, travel and other benefits; and
- reviewing and facilitating stockholder and other stakeholder engagement in relation to our compensation policies and practices.

Under its charter, the compensation and nominating committee must consist of a minimum of three non-executive directors, a majority of independent directors and an independent director as chair of the compensation and nominating committee. Non-committee members, including members of management, may attend the compensation and nominating committee meetings at the invitation of the compensation and nominating committee chair.

Summary Compensation Table

The following table sets forth information regarding the compensation of our Named Executive Officers for the fiscal year ended December 31, 2018. Our current Group Chief Financial Officer, Ms. Ayten Saridas, and Vice President, People and Culture, Ms. Emma Pollard, are employed through Coronado Curragh. As a result, their compensation is earned and paid in Australian dollars ("A$"). The salaries, bonuses and amounts disclosed as "all other compensation" set out below for the fiscal year ended December 31, 2018 for each of Ms. Saridas and Ms. Pollard is presented in U.S. dollars using the average exchange rate for the fiscal year ended December 31, 2018, which was approximately A$1.00 to US$0.75. PSUs and options issued with a grant date fair value in A$ have been translated into US$ using the spot exchange rate as at the date of grant (October 23, 2018), which was approximately A$1.00 to US$0.71.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Compensation ($)	All Other Compensation ($)(5)	Total ($)
Garold Spindler Chief Executive Officer	2018	921,347	—	189,033	97,197	—	50,182	1,257,759
Ayten Saridas Group Chief Financial Officer	2018	269,080	187,018	67,499	34,963	—	18,155	576,715
David Hegger Former Chief Financial Officer of Coronado Group LLC	2018	341,895	50,000	39,697	—	—	26,114	457,706
James Campbell President and Chief Operating Officer	2018	626,763	350,000	122,872	63,646	—	39,915	1,203,196
Richard Rose Vice President, Chief Legal Officer & Secretary	2018	318,019	155,000	21,952	11,371	—	40,726	547,068
Ellen Ewart Former Vice President, Investor Relations(6)	2018	246,265	125,000	14,177	7,344	—	26,114	418,900
Emma Pollard Vice President, People and Culture	2018	267,072	39,342	15,313	7,932	—	7,335	336,994

(1) Ms. Saridas' compensation is for the period from her June 18, 2018 employment commencement date to December 31, 2018. Mr. Hegger's salary includes both his salary while employed with us as Chief Financial Officer of Coronado Group LLC from January 1, 2018 until June 18, 2018

($350,000 per annum) and his salary while employed for the remainder of the year as Chief Financial Officer of Coronado Coal Corporation ($350,000 per annum). Ms. Pollard's reported salary amount is inclusive of payments paid to her by Coronado Curragh prior to the sale of Coronado Curragh to us. For Ms. Saridas and Ms. Pollard, their reported salary amounts are inclusive of government-mandated superannuation contributions of 9.5% of their respective base salaries.

(2) Amounts reflect discretionary bonuses awarded to each Named Executive Officer for the calendar year 2018. The amounts reported for Mr. Campbell and Ms. Saridas reflect payment earned for performance from January 1, 2018 until the date of the Australian IPO. The amounts reported for each of Mr. Rose, Mr. Hegger, Ms. Ewart and Ms. Pollard reflect payment for performance for the entire fiscal year ended December 31, 2018.

(3) The amounts reported reflect the aggregate grant date fair value of the PSUs awarded to each Named Executive Officer, computed in accordance with the provisions of the Financial Accounting Standards Board Codification Topic 718, Compensation—Stock Compensation, or FASB ASC Topic 718, based upon the probable outcome of the applicable performance conditions. The maximum grant date value (assuming the highest level of performance conditions) for each PSU award was $322,106 for Mr. Spindler's award, $115,016 for Ms. Saridas' award, $208,106 for Mr. Campbell's award, $37,405 for Mr. Rose's award, $67,642 for Mr. Hegger's award, $24,157 for Ms. Ewart's award and $26,093 for Ms. Pollard's award. PSUs granted in 2018 which vest according to relative total shareholder return (25% of total PSUs granted) are subject to market conditions as defined under FASB Topic 718 and were not subject to performance conditions as defined under FASB ASC Topic 718 and as such they had no maximum grant date fair value values that differed from the grant date fair values presented in this table. In accordance with the SEC's rules, dividend equivalents that accrue on executives' PSU awards are not reported in the table above because dividends were factored into the grant date fair value of these awards (if applicable based on the terms of the individual award). In accordance with our accounting policy and the provisions of FASB ASC Topic 718, forfeitures due to termination are recorded as incurred.

The performance period for the PSUs is from January 1, 2019 to December 31, 2021. A discussion of the assumptions used in determining grant date fair value may be found in Note 20 "Share-Based Compensation" in the notes to our consolidated financial statements. The achievement of performance metrics will be assessed following the release of our audited full year financial results for the financial year ended December 31, 2021 (generally no later than March 31, 2022). The number of earned PSUs is calculated based on the achievement of the performance conditions and will vest one year from such date (and no later than March 31, 2023, or the Vesting Date). PSUs will be settled no later than 30 days following the Vesting Date. While dividends will not be earned on PSUs over the performance period, the final number of PSUs will be increased to reflect distributions that would have been paid on any earned PSUs between the end of the performance period and the date the shares are settled. The PSUs will only vest if the grantee is, and has been, continuously employed by us through the Vesting Date.

(4) The amount reported reflects the aggregate grant date fair value of option awards computed in accordance with the provisions of FASB ASC Topic 718, based upon the probable outcome of the related performance conditions. The maximum grant date value (assuming the highest level of performance achievement) for each option award was $159,635 for Mr. Spindler's award, $57,001 for Ms. Saridas' award, $103,763 for Mr. Campbell's award, $18,539 for Mr. Rose's award, $11,973 for Ms. Ewart's award and $12,932 for Ms. Pollard's award. The performance period for the option awards is from January 1, 2019 to December 31, 2021. A discussion of the assumptions used in determining grant date fair value may be found in Note 20 "Share-Based Compensation" in the notes to our consolidated financial statements. The achievement of performance metrics will be assessed following the release of our audited full year financial results for the financial year ended

December 31, 2021 (generally no later than March 31, 2022). The number of earned options is calculated based on the achievement of the performance conditions and will vest one year from such date (and no later than the Vesting Date) and the remainder of the unearned options will immediately be forfeited. The options will only vest if the grantee is, and has been, continuously employed by us through the Vesting Date.

(5) The amount reported for Mr. Spindler includes a 401(k) matching contribution paid by the Company ($11,000), medical insurance reimbursement ($8,196), Company-paid basic life and accidental death and dismemberment insurance ($322) and Company-paid housing in Brisbane ($30,664). The amount reported for Ms. Saridas includes relocation assistance ($14,128) and Company-paid parking ($4,027). The amount reported for Mr. Hegger includes a 401(k) matching contribution paid by the Company ($11,000), Company-paid basic life and accidental death and dismemberment insurance ($714) and Company-paid vehicle allowance ($14,400). The amount reported for Mr. Campbell includes a 401(k) matching contribution paid by the Company ($11,000), Company-paid vehicle allowance ($14,400), medical insurance reimbursement ($14,050) and Company-paid basic life and accidental death and dismemberment insurance ($465). The amount reported for Mr. Rose includes a 401(k) matching contribution by the company ($11,000), Company-paid vehicle allowance ($7,000), Company-paid basic life and accidental death and dismemberment insurance ($714), relocation assistance ($8,762) and Company-paid temporary housing through May 2018 ($13,250). The amount reported for Ms. Ewart includes a 401(k) matching contribution paid by the Company ($11,000), Company-paid basic life and accidental death and dismemberment insurance ($714) and Company-paid vehicle allowance ($14,400). The amount reported for Ms. Pollard includes Company-paid parking ($7,335).

(6) Ms. Ewart resigned from her employment with us effective May 31, 2019. As a result, awards granted under the Employee Plan and the STI Plan have been forfeited.

2018 Grants of Plan-Based Awards Table

The following table provides information regarding the plan-based awards that were made to the Named Executive Officers during the fiscal year ended December 31, 2018.

Name	Type of Award(1)	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ($)(2) Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(3) Threshold (#)	Target (#)	Maximum (#)	Exercise or Base Price of Option Awards ($/Sh)(4)	Grant Date Fair Value of Stock and Option Awards ($)(7)
Garold Spindler	SO(4)	10/23/2018				—	29,318	58,636	28.42	97,917
	PSU(5)	10/23/2018				—	8,795	17,591		189,033
	FY19 STI(6)		—	500,000	1,000,000					
Ayten Saridas	SO(4)	10/23/2018				—	10,468	20,937	28.42	34,963
	PSU(5)	10/23/2018				—	3,140	6,281		67,499
	FY19 STI(6)		—	125,273	250,547					
David Hegger	PSU(5)	10/23/2018				—	1,847	3,694		39,697
	FY19 STI(6)		—	70,000	140,000					
James Campbell	SO(4)	10/23/2018				—	19,057	38,113	28.42	63,646
	PSU(5)	10/23/2018				—	5,717	11,434		122,872
	FY19 STI(6)		—	162,500	325,000					
Richard Rose	SO(4)	10/23/2018				—	3,404	6,809	28.42	11,371
	PSU(5)	10/23/2018				—	1,021	2,042		21,952
	FY19 STI(6)		—	82,950	165,900					
Ellen Ewart(8)	SO(4)	10/23/2018				—	2,198	4,397	28.42	7,344
	PSU(5)	10/23/2018				—	659	1,319		14,177
	FY19 STI(6)		—	62,500	125,000					
Emma Pollard	SO(4)	10/23/2018				—	2,375	4,750	28.42	7,932
	PSU(5)	10/23/2018				—	712	1,425		15,313
	FY19 STI(6)		—	71,051	142,101					

(1) Type of Award:

SO	Stock Option
PSU	Performance Stock Unit
FY19 STI	Award granted pursuant to the STI Plan

(2) The figures in these columns represent the estimated future payouts with respect to awards granted to the Named Executive Officers under our STI Plan based on performance conditions for the period from October 1, 2018 until December 31, 2019. Depending on the achievement of certain performance conditions outlined above, the Named Executive Officers have a maximum STI opportunity in the following amounts: Mr. Spindler is entitled to a maximum award equal to 100% of his $1,000,000 base salary; Ms. Saridas is entitled to a maximum award equal to 50% of her $501,093 fixed annual salary; Mr. Hegger is entitled to a maximum award equal to 40% of his $350,000 base salary; Mr. Campbell is entitled to a maximum award equal to 50% of his $650,000 base salary; Mr. Rose is entitled to a maximum award equal to 50% of his $331,800 base salary; Ms. Ewart was entitled to a maximum award equal to 50% of her $250,000 base salary; and Ms. Pollard is entitled to a maximum award equal to 50% of her $284,202 fixed annual salary. Meeting the target conditions would result in an STI opportunity for the Named Executive Officers in the following amounts: for Mr. Spindler, 50% of his base salary; for Ms. Saridas, Mr. Rose, Mr. Campbell, Ms. Ewart and Ms. Pollard, 25% of the applicable Named Executive Officer's base salary; and for Mr. Hegger, 20% of his base salary. There are no threshold performance levels or payout amounts under the STI Plan. STI awards are presented in U.S. dollars using the average exchange rate for the fiscal year ended December 31, 2018, which was approximately A$1.00 to US$0.75.

(3) Each share is equivalent to 10 CDIs. The share amounts have been rounded down to eliminate partial shares.

(4) Performance and market-based stock option awards were granted pursuant to the Employee Plan on October 23, 2018 at an exercise price of $28.42 (which is calculated based on the exercise price of our CDIs on the date of grant multiplied by ten to account for the ten CDIs that represent one share of our common stock). CDIs are quoted on the ASX in Australian dollars. The exercise price is based on the Australian IPO price of A$4.00 per CDI at the Australian IPO date (which is the date of grant) and has been converted into US$2.84 per CDI using the spot exchange rate as at October 23, 2018 of approximately A$1.00 to US$0.71.

(5) PSUs were granted pursuant to the Employee Plan on October 23, 2018.

(6) Awards granted under the current STI Plan to Mr. Spindler, Ms. Saridas and Mr. Campbell will be delivered as follows: 50% will be delivered in cash after the release of our audited full-year financial results, and 50% will be deferred for 12 months and delivered as RSUs. Awards granted under the current STI Plan to Mr. Hegger, Mr. Rose and Ms. Pollard will be delivered in cash without any deferral.

(7) Figures with respect to the stock options for each Named Executive Officer reflect the grant date fair value of the options granted to each Named Executive Officer (computed in accordance with the provisions of FASB ASC Topic 718). The portions of the option awards subject to market vesting conditions (25% of each Named Executive Officer's total option award) were measured using a Monte Carlo Simulation that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the grantee's entitlement to dividends, and the risk-free interest rate for the term of the option. The remaining options' grant date fair value was measured by adopting a Black-Scholes methodology, which considers factors such as estimating the expected term of stock options and the expected volatility of our stock. Figures with respect to the PSUs for each Named Executive Officer reflect the grant date fair value of the PSUs (computed in accordance with the provisions of FASB ASC Topic 718), with market vesting conditions (25% of total) measured using a Monte Carlo Simulation that takes into account the exercise price, the term of the PSU, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the grantee's entitlement to dividends, and the risk-free interest rate for the term of the PSU. Material terms of the plan-based awards, including criteria used in determining amounts payable and vesting of awards, are further discussed under "Compensation Discussion and Analysis" above. PSUs and options issued with a grant date fair value in A$ have been translated into US$ using the spot exchange rate as at the date of grant (October 23, 2018), which was approximately A$1.00 to US$0.71.

(8) Ms. Ewart resigned from the Company effective May 31, 2019. As a result, awards granted under the Employee Plan and the STI Plan have been forfeited.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment agreements

Garold Spindler. Prior to the Australian IPO, we did not have a formal employment agreement with Mr. Spindler. On September 21, 2018, we entered into an employment agreement with Mr. Spindler to govern his continued employment as our Chief Executive Officer. Under Mr. Spindler's employment agreement, his annual base salary is $1,000,000. The agreement also provides that Mr. Spindler is entitled to participate in all short-term incentive and long-term incentive plans offered by us. Mr. Spindler's employment will terminate automatically on December 31, 2019. However, each year the automatic end date will automatically extend to December 31 of the following year, if neither party gives notice of termination on or before September 30 of the year in which the automatic end date is scheduled to occur. Mr. Spindler's employment agreement provides for post-employment non-compete and non-solicitation covenants for a period of one year following termination of his employment, except in the case of a termination for "good reason" (as defined in Mr. Spindler's employment agreement). In order to enforce the restrictive covenants included in his employment agreement, we are required to pay Mr. Spindler 50% of his then-current base salary in equal installments for the duration of the non-competition period. See "—Potential Payments Upon Termination" for severance and other termination payment provisions applicable to Mr. Spindler.

David Hegger. Effective as of June 18, 2018, Mr. Hegger transitioned from the role of Chief Financial Officer of Coronado Group LLC to Chief Financial Officer of Coronado Coal Corporation, which is the ultimate parent of our US Operations. We did not enter into a formal employment agreement with Mr. Hegger.

Ayten Saridas. We hired Ms. Saridas to fill the role of Group Chief Financial Officer on June 18, 2018. Ms. Saridas' initial employment agreement with Coronado Curragh provided her with a salary of $501,093 (A$670,000) and a bonus opportunity with a maximum of 50% of her salary and a target of 25% of her salary. On August 31, 2018, Coronado Curragh entered into a revised employment agreement with Ms. Saridas to govern her continued employment as the Group Chief Financial Officer. Under this current employment agreement, her annual base salary is $501,093 (A$670,000). The agreement also provides that Coronado Curragh will contribute to standard defined contribution superannuation funds on Ms. Saridas' behalf, as required by Australian law, up to a maximum amount of the lesser of 9.5% of her earnings or the quarterly maximum contribution required under the Superannuation Guarantee (Administration) Act 1992 (Cth), currently $3,622.75 (A$5,132.85) per quarter. The agreement also provides that Ms. Saridas may be eligible to participate in incentive arrangements offered by Coronado Curragh or us. Ms. Saridas' employment can be terminated by either her or Coronado Curragh by giving the other party three months written notice (or by Coronado Curragh making payment in lieu of part or all of her notice period). Ms. Saridas' employment agreement provides for post-employment non-compete and non-solicitation covenants for a period of 12 months following termination of her employment. See "—Potential Payments Upon Termination" for the severance provisions applicable to Ms. Saridas.

Ms. Saridas' employment agreement also provides that she is entitled to receive certain relocation benefits, including a pre-relocation visit to the new location, moving costs, travel arrangements and temporary rental accommodations. If necessary, Coronado Curragh will also provide a hired car for up to one week pending the relocation of Ms. Saridas' personal vehicle. If Ms. Saridas leaves Coronado Curragh within 12 months of commencement of the relocated position, Coronado Curragh retains the right to recover all or part of all relocation costs covered by Coronado Curragh.

James Campbell. Prior to the Australian IPO, we did not have a formal employment agreement with Mr. Campbell. On September 21, 2018, we entered into an employment agreement with Mr. Campbell to govern his continued employment with us as our President and Chief Operating Officer. Under Mr. Campbell's employment agreement, his annual base salary is $650,000. Mr. Campbell's employment agreement provides that he is entitled to participate in all short-term incentive and long-term incentive plans offered by us. Mr. Campbell's employment will terminate automatically on December 31, 2019. However, each year the automatic end date will automatically extend to December 31 of the following year, if neither party gives notice of termination on or before September 30 of the year in which the automatic end date is scheduled to occur. Mr. Campbell's employment agreement provides for post-employment non-compete and non-solicitation covenants for a period of one year following termination of his employment except in the case of a termination for "good reason" (as defined in Mr. Campbell's employment agreement). In order to enforce the restrictive covenants included in his employment agreement, we are required to pay Mr. Campbell 50% of his then-current base salary in equal installments for the duration of the non-competition period in addition to any severance payments to which he may be entitled. See "—Potential Payments Upon Termination" for the severance and other termination payment provisions applicable to Mr. Campbell.

Richard Rose. Prior to the Australian IPO, Mr. Rose's employment was governed by an offer letter with Coronado Group LLC, dated May 24, 2017, which provided that his annual base salary was $300,000 and that he was eligible for an incentive bonus in a maximum amount of 50% of his base salary. On December 20, 2018, we entered into an employment agreement with Mr. Rose to govern his continued employment with us as Vice President, Chief Legal Officer, and Secretary. Under Mr. Rose's employment agreement, his annual base salary is $331,800. The agreement also provides that Mr. Rose is entitled to participate in all short-term incentive and long-term incentive plans offered by us. Mr. Rose's employment will terminate automatically on December 31, 2019. However, each year the automatic end date will automatically extend to December 31 of the following year, if neither party gives notice of termination on or before September 30 of the year in which the automatic end date is scheduled to occur. Mr. Rose's employment agreement provides for post-employment non-compete and non-solicitation covenants for a period of one year following termination of his employment, except in the case of termination for "good reason" (as defined in Mr. Rose's employment agreement). In order to enforce the restrictive covenants included in his employment agreement, we are required to pay Mr. Rose 50% of his then-current base salary in equal installments for the duration of the non-competition period. See "—Potential Payments Upon Termination" for the severance and other termination payment provisions applicable to Mr. Rose.

Ellen Ewart. Prior to the Australian IPO, Ms. Ewart's employment was governed by an offer letter with Coronado Group LLC, dated April 7, 2017, which provided that her annual base salary was $235,000 and that she was eligible for an incentive bonus in a maximum amount of 50% of her base salary. On December 25, 2018, we entered into an employment agreement with Ms. Ewart to govern her continued employment with us as Vice President, Investor Relations. Under Ms. Ewart's employment agreement, her annual base salary was $250,000. The agreement also provided that

Ms. Ewart was entitled to participate in all short-term incentive and long-term incentive plans offered by us. Ms. Ewart's employment would have terminated automatically on December 31, 2019, subject to certain automatic extensions. However, Ms. Ewart resigned from her employment with us effective May 31, 2019. Ms. Ewart's employment agreement provided for post-employment non-compete and non-solicitation covenants; however, pursuant to the separation agreement and general release we entered into with Ms. Ewart in connection with her resignation, we elected to release Ms. Ewart from these covenants. See "—Potential Payments Upon Termination" for the severance and other termination payment provisions applicable to Ms. Ewart.

Emma Pollard. Ms. Pollard was initially hired by Coronado Curragh to fill the role of General Manager, People and Sustainability, effective as of January 22, 2018. In October 2018, we asked Ms. Pollard to transition into the role of Vice President, People and Culture for Coronado Group LLC, though she remained employed by Coronado Curragh. In connection with this, on October 18, 2018, Coronado Curragh entered into an employment agreement with Ms. Pollard to govern her continued employment with us. Ms. Pollard's prior employment agreement provided that her base salary was $224,370 (A$300,000) and that she had a bonus opportunity with a maximum of 40% of her salary and target of 20% of her salary. Under Ms. Pollard's current employment agreement with Coronado Curragh, her annual base salary is $284,202 (A$380,000). The agreement also provides that we will contribute to standard defined contribution superannuation funds on Ms. Pollard's behalf, as required by Australian law, up to a maximum amount of the lesser of 9.5% of her earnings or the quarterly maximum contribution required under the Superannuation Guarantee (Administration) Act 1993 (Cth), currently $3,622.75 (A$5,132.85) per quarter. Pursuant to her employment agreement, Ms. Pollard may be eligible to participate in incentive arrangements offered by Coronado Curragh or the Group. Ms. Pollard's employment agreement provides for post-employment non-compete and non-solicitation covenants for a period of 12 months following termination.

Ms. Pollard's employment can be terminated by either Ms. Pollard or Coronado Curragh giving the other party four weeks written notice (or if we make a payment in lieu of part or all of her notice period). In the event Ms. Pollard terminates employment without required notice, she must pay us an amount equal to her compensation for the balance of the notice period not served. Coronado Curragh is entitled to terminate Ms. Pollard's employment immediately without notice in certain circumstances, including if she engages in serious or willful misconduct, engages in any other conduct which in our reasonable opinion is likely to adversely affect Coronado Curragh's reputation and/or her ability to effectively perform her duties, or is unwilling or unable to properly and effectively perform her duties.

Equity Incentive Plan (for Employees and Consultants)

We maintain the Employee Plan, which was adopted by our Board of Directors on September 21, 2018.

Purpose. The purpose of the Employee Plan is to attract, retain and motivate key employees and consultants; to align the interests of such persons with our stockholders; and to promote ownership of our equity.

Persons Eligible for Awards. Employees and consultants are eligible for awards under the Employee Plan.

Administration; Effectiveness. The Employee Plan will generally be administered by the compensation and nominating committee. The compensation and nominating committee has the authority to construe, interpret and implement the Employee Plan and all award agreements under the Employee Plan. Any determination by the compensation and nominating committee under the Employee Plan will be final, binding and conclusive. The Employee Plan is effective as of September 21, 2018.

Shares Available for Awards under the Employee Plan. The total number of shares that are available for awards under the Employee Plan is such maximum amount permitted by law and the ASX Listing Rules.

Repricing. Subject to the ASX Listing Rules and certain adjustments that the compensation and nominating committee may make under the Employee Plan, reducing the exercise price of stock options issued and outstanding under the Employee Plan, including through amendment, cancellation in exchange for the grant of a substitute award or repurchase for cash or other consideration (in each case that has the effect of reducing the exercise price), will require approval of our stockholders.

Types of Awards Under the Plan. Pursuant to the Employee Plan, we may grant stock options (including "incentive stock options" as defined in Section 422 of the Code), stock appreciation rights, restricted shares or CDIs, restricted stock units, dividend equivalent rights, and performance-based awards or other equity-based or equity-related awards (including PSUs), that the compensation and nominating committee determines to be consistent with the purposes of the Employee Plan and our interests.

Each grant of an award under the Employee Plan will be evidenced by an award agreement or agreements, which will contain such provisions and conditions as the compensation and nominating committee may determine, consistent with the Employee Plan. Those provisions and conditions include the number of shares of our common stock subject to each award and vesting terms that apply upon events such as retirement, death, or disability of the participant, or in the event of a change in control. A brief description of the types of awards that may be granted under the Employee Plan is set forth below.

Stock Options. Stock options granted under the Employee Plan may be either incentive stock options or non-qualified stock options. Incentive stock options may be granted only to employees. Except with respect to substitute awards, incentive stock options and non-qualified stock options must have an exercise price per share that is not less than the fair market value of a share of our common stock on the date of grant. The term of a stock option may not extend more than ten years after the date of grant.

Stock Appreciation Rights. The Employee Plan provides for the grant of appreciation rights. An appreciation right is a right to receive from us an amount equal to the spread between the base price and the value of shares of our common stock on the date of exercise.

Except in the case of an adjustment award, the base price of an appreciation right may not be less than the fair market value of a share of common stock on the date of grant. The term of an appreciation right may not extend more than ten years from the date of grant.

Restricted Shares or Restricted CDIs: Restricted shares or restricted CDIs constitute an immediate transfer of the ownership of shares of our common stock to the participant in consideration of the performance of services, entitling such participant to dividends, voting and other ownership rights, subject to any restrictions and conditions as determined by the compensation and nominating committee. During the restricted period applicable to the restricted shares or restricted CDIs, any ordinary cash dividends or other ordinary distributions paid upon any restricted share or restricted CDI will be paid to the relevant participant.

Restricted Stock Units. RSUs awarded under the Employee Plan constitute an unfunded and unsecured promise by us to deliver CDIs, shares, cash, or other securities, or a combination thereof, in the future to the participant in the future in consideration of the performance of services, subject to such conditions as specified by the compensation and nominating committee.

Dividend Equivalent Rights. The compensation and nominating committee may include in any award rights to dividend equivalents. In the event dividend equivalent rights are included in an award agreement, the compensation and nominating committee will determine: (i) whether payments will be in cash, CDIs, shares of common stock, or in another form; (ii) whether the rights are conditioned upon the exercise of the award to which they relate; (iii) the time or times at which they will be made; and (iv) other terms and conditions as the compensation and nominating committee deems appropriate.

Performance-Based Awards and Other Stock-Based or Cash-Based Awards. The compensation and nominating committee may, as it sees fit, grant such other types of equity-based, equity-related or cash-based awards including the grant or sale of unrestricted CDIs, shares of common stock, performance share awards and performance units settled in cash. The compensation and nominating committee may tie the receipt of these awards to the achievement of certain performance goals.

Adjustments; Corporate Transactions. The compensation and nominating committee will make or provide for such adjustments in the: (1) number of shares of our common stock that can be issued through incentive stock options under the Employee Plan and (2) award terms, as the compensation and nominating committee determines to be appropriate in order to prevent dilution or enlargement of the rights of participants that otherwise would result from a recapitalization, stock split, reverse stock split, stock dividend, spinoff, split up, combination, reclassification or exchange of CDIs or shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure, CDIs or shares of common stock, including any extraordinary dividend or extraordinary distribution.

In the event of any such transaction or event, or in the event of a change in control (as defined in the Employee Plan), the compensation and nominating committee may in its sole discretion: (i) settle such awards for an amount of cash or securities, where in the case of stock options and stock appreciation rights, the value of such amount, if any, will be equal to the in-the-money spread value (if any) of such awards; (ii) provide for the assumption of or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards; (iii) modify the terms of such awards to add events, conditions or circumstances upon which the vesting of such awards or lapse of restrictions thereon will accelerate; (iv) deem any performance conditions satisfied at target, maximum or actual performance through closing or provide for the performance conditions to continue after closing; (v) accelerate the vesting of awards in full or on a pro-rata basis as determined by the compensation and nominating committee; or (vi) provide that for a period of at least 20 days prior to the change in control, all stock options or stock appreciation rights will be exercisable as to all CDIs and shares of common stock subject thereto.

Transferability of Awards. Except as otherwise determined by the compensation and nominating committee in its discretion, no award may be transferred other than by will or by the laws of descent and distribution.

Amendment and Termination of the Plan. Our Board of Directors generally may suspend, discontinue, revise or amend the Employee Plan from time to time. However, no such amendment shall materially adversely impair the rights of the participants without the participant's consent. Stockholder approval will be obtained only to the extent necessary to comply with applicable laws, regulations or rules of securities exchange or self-regulatory agency. However, no amendment that would require stockholder approval under Section 422 of the Code will be effective without stockholder approval.

The Employee Plan will terminate on September 20, 2028. Additionally, our Board of Directors may, in its discretion, terminate the Employee Plan at any time. In either case, all awards will remain in effect until they have been satisfied or terminated in accordance with the terms and provisions of the Employee Plan and the applicable award agreement.

Coronado Group LLC Management Incentive Units

Under the Coronado Group LLC agreement (as amended, effective October 23, 2018), 2,900 MIUs were designated and authorized for issuance to certain members of management to motivate and retain senior management. The plan is designated to allow key members of management to share in the profits of the Company after certain returns are achieved by the equity investors. The MIUs constitute "profit interests" for the benefit of senior management in consideration of services rendered and to be rendered. At December 31, 2018, 2,900 MIUs were outstanding.

Coronado Coal LLC and Coronado II LLC merged to form Coronado Group LLC in July 2015. Coronado IV LLC was merged into Coronado Group LLC on June 30, 2016. Under the updated formation agreement dated June 30, 2016, the 2,500 designated and authorized units under the initial formation of Coronado Group LLC were replaced by these new units.

The new incentive units are comprised of three tiers, which entitle the holders to receive distributions from Coronado Group LLC subordinate to the distributions to be received by Members. As of December 31, 2018, a portion of the authorized units had been allocated to various members of Coronado management including Mr. Spindler, Mr. Campbell, Mr. Hegger, Ms. Ewart and Mr. Rose. In consideration for Ms. Ewart's execution of a separation agreement and general release in connection with her departure, our Board of Directors has agreed to allow Ms. Ewart to retain 100% of her MIUs, a portion of which would have otherwise been forfeited. Mr. Spindler holds 41% of MIUs on issue and also holds 1.0386% of class A units, reflecting his capital contribution. Mr. Campbell holds 35% of MIUs on issue and also holds 0.2464% of class A units, reflecting his capital contribution. Mr. Rose holds 2% of MIUs on issue, Ms. Ewart holds 1% of MIUs on issue and Mr. Hegger holds 3% of MIUs on issue.

Outstanding Equity Awards at 2018 Fiscal Year-End Table

The following table provides information as of December 31, 2018 regarding equity awards, including unexercised stock options that had not vested, for each of the Named Executive Officers, using the December 31, 2018 spot exchange rate, which was approximately A$1.00 to US$0.71.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(1)	Option Exercise Price ($)(2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares or Other Rights That Have Not Vested (#)(3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)(4)
Garold Spindler	—	—	58,636	28.42	10/23/28	—	—	17,591	340,439
Ayten Saridas	—	—	20,937	28.42	10/23/28	—	—	6,281	121,562
David Hegger	—	—	—	—	—	—	—	3,694	71,492
James Campbell	—	—	38,113	28.42	10/23/28	—	—	11,434	221,286
Richard Rose	—	—	6,809	28.42	10/23/28	—	—	2,042	39,534
Ellen Ewart(5)	—	—	4,397	28.42	10/23/28	—	—	1,319	25,532
Emma Pollard	—	—	4,750	28.42	10/23/28	—	—	1,425	27,578

(1) Depending upon the achievement of certain performance measures including our total stockholder return and other LTI Scorecard metrics (detailed above) and subject to certain conditions, the options will vest on the one-year anniversary (and no later than March 23, 2023) following the date upon which the achievement of performance metrics are determined (which will follow the release of our audited full-year financial results for the financial year ended December 31, 2021). The share amounts have been rounded down to eliminate partial shares.

(2) The exercise price is calculated based on the exercise price of our CDIs on the date of grant multiplied by ten to account for the ten CDIs that represent one share of our common stock.

(3) PSUs were granted on October 23, 2018. Depending upon the achievement of certain performance measures including our total shareholder return and other LTI Scorecard metrics (detailed above) and subject to certain conditions, the PSUs will vest on the one-year anniversary (and no later than March 23, 2023) following the date upon which the achievement of performance metrics are determined (which will follow the release of our audited full-year financial results for the financial year ended December 31, 2021). The share amounts have been rounded down to eliminate partial shares.

(4) The values are based on the closing share price as of December 31, 2018 of $19.35 (A$27.42).

(5) Ms. Ewart resigned from the Company effective May 31, 2019. As a result, awards granted to her under the Employee Plan and the STI Plan have been forfeited.

Pension Benefits

Superannuation Payment

We do not provide pension benefits to our Named Executive Officers. Instead, as required by Australian law, we contribute to standard defined contribution superannuation funds on behalf of all Australian employees (including Ms. Saridas and Ms. Pollard) at an amount that is the lesser of 9.5% of each such employee's salary or the maximum yearly contribution amount designated by law, which was $14,491 (A$20,531.40) in 2018. Superannuation is a compulsory savings program whereby employers are required to pay a portion of an employee's remuneration to an approved superannuation fund that employees are typically not able to access until they are retired. We permit employees to choose an approved and registered superannuation fund into which the contributions are paid.

401(k) Matching

Certain of our Named Executive Officers located in the United States, including Mr. Spindler, Mr. Hegger, Mr. Campbell and Mr. Rose, receive, and Ms. Ewart received, matching 401(k) contributions. We aim to match contributions at a market-appropriate level, which was a rate of 4% for the fiscal year ended December 31, 2018.

Potential Payments Upon Change in Control

Mr. Spindler's, Mr. Rose's, Mr. Campbell's, Ms. Saridas' and Ms. Pollard's option award agreements provide, and Ms. Ewart's option award agreement provided, that if a change in control (as defined in the Employee Plan) occurs between January 1, 2019 to December 31, 2021, a number of each grantee's options prorated from January 1, 2019 through the date of the change in control will vest subject to satisfaction of the performance metrics (as specified in the award agreement) measured at the time of the change in control, as determined by our compensation and nominating committee in its sole discretion. Any of the executives' options that do not vest as a result of the above will be forfeited for no consideration upon the change in control. Any vested but unexercised options will automatically be settled on a change in control, unless our Board of Directors determines otherwise.

Mr. Spindler's, Mr. Rose's, Mr. Campbell's, Ms. Saridas', Mr. Hegger's and Ms. Pollard's PSU award agreements provide, and Ms. Ewart's PSU award agreement provided, that if a change in control (as defined in the Employee Plan) occurs between January 1, 2019 to December 31, 2021, a number of each grantee's PSUs prorated from January 1, 2019 through the date of the change in control will vest subject to satisfaction of the performance metrics (as specified in the award agreement) measured at the time of the change in control, as determined by the compensation and nominating committee in its sole discretion. Any of the executives' PSUs that do not vest as a result of the above will be forfeited for no consideration upon the change in control. Any vested PSUs will automatically be settled on a change in control, unless our Board of Directors determines otherwise.

Our Board of Directors has the discretion to make STI payments in the event of specific circumstances relating to a change in control.

Potential Payments Upon Termination

Garold Spindler. If Mr. Spindler's employment is terminated without cause (as such term is defined in Mr. Spindler's employment agreement), or he resigns with good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, any deferred compensation or vested benefits, and a termination payment of 12 months base salary, payable six months after the date his employment terminates.

In addition to any other severance payments owed, as mentioned above, unless we waive the non-compete and non-solicitation covenants of Mr. Spindler's employment agreement, we agree to pay Mr. Spindler 50% of his annual salary, in 12 monthly payments, for a one-year period following termination of Mr. Spindler's employment. In return for this payment, Mr. Spindler is required to provide us with consultation services upon request, up to a maximum amount of 20 hours per week.

If Mr. Spindler's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits.

Ayten Saridas. As mentioned above, Ms. Saridas' employment can be terminated by either her or Coronado Curragh by giving the other party three months written notice (or by Coronado Curragh making payment in lieu of part or all of her notice period). In the event Ms. Saridas terminates her employment without the required notice, she must pay Coronado Curragh an amount equal to her compensation for the balance of the notice period not served. Coronado Curragh is entitled to terminate Ms. Saridas' employment immediately without notice or payment in certain circumstances, including if she engages in serious or willful misconduct, engages in any other conduct which in the reasonable opinion of Coronado Curragh is likely to adversely affect the reputation of Coronado Curragh and/or her ability to effectively perform her duties, or is unwilling or unable to properly and effectively perform her duties. Ms. Saridas is entitled to a termination payment of six months of her fixed annual salary in addition to the above-mentioned three months' notice, if her employment is terminated for any reason, other than those reasons listed in the preceding sentence.

David Hegger. If Mr. Hegger's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits.

While Mr. Hegger is not legally entitled to post-employment compensation, if he is terminated without cause, or if he resigns for good reason, based on past practice, it would be customary to pay him a severance payment of six months fixed annual salary and provide him with continued health benefits.

James Campbell. If Mr. Campbell's employment is terminated without cause (as such term is defined in Mr. Campbell's employment agreement), or he resigns with good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, any deferred compensation or vested benefits, and a severance payment of 12 months base salary, payable six months after the date his employment terminates.

In addition to any other severance payments owed, as mentioned above, unless we waive the non-compete and non-solicitation covenants of Mr. Campbell's employment agreement, we agree to pay Mr. Campbell 50% of his annual salary, in 12 monthly payments, for a one-year period following termination of Mr. Campbell's employment. In return for this payment, Mr. Campbell is required to provide us with consultation services upon request, up to a maximum amount of 20 hours per week.

If Mr. Campbell's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits.

Richard Rose. If Mr. Rose's employment is terminated without cause (as such term is defined in Mr. Rose's employment agreement), or he resigns with good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, any deferred compensation or vested benefits, and a severance payment of 12 months base salary, payable six months after the date his employment terminates.

In addition to any other severance payments owed, as mentioned above, unless we waive the non-compete and non-solicitation covenants of Mr. Rose's employment agreement, we agree to pay Mr. Rose 50% of his annual salary, in 12 monthly payments, for a one-year period following termination of Mr. Rose's employment. In return for this payment, Mr. Rose is required to provide us with consultation services upon request, up to a maximum amount of 20 hours per week.

If Mr. Rose's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits.

Ellen Ewart. If Ms. Ewart's employment had been terminated without cause (as such term is defined in Ms. Ewart's employment agreement), or she resigned with good reason, she would have been entitled to receive her base salary through the date of termination and other entitlements, such as leave or cash entitlements, any deferred compensation or vested benefits, and a severance payment of 12 months base salary, payable six months after the date her employment terminated.

If Ms. Ewart's employment had been terminated for cause, or she resigned without good reason, she would have been entitled to receive her base salary through the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits.

Ms. Ewart's employment agreement provided that, in addition to any other severance payments owed, unless we waived the non-compete and non-solicitation covenants of Ms. Ewart's employment agreement, we would have agreed to pay Ms. Ewart 50% of her annual salary, in 12 monthly payments, for a one-year period following termination of Ms. Ewart's employment. In return for this payment, Ms. Ewart would have been required to provide us with consultation services upon request, up to a maximum amount of 20 hours per week. However, in connection with Ms. Ewart's resignation and execution of the separation agreement and general release of claims, we agreed to release Ms. Ewart from all non-compete and non-solicitation covenants. As a result, Ms. Ewart is not entitled to the above-mentioned payment.

In connection with Ms. Ewart's resignation and in consideration for forfeiture of her awards under the Employee Plan and the STI Plan, we have agreed to a one-time severance payment of $25,000, in addition to accrued and unused vacation days, which payments shall be made on June 15, 2019.

Emma Pollard. As mentioned above, Ms. Pollard's employment can be terminated by either her or Coronado Curragh by giving the other party four weeks written notice (or by Coronado Curragh making payment in lieu of part or all of her notice period). In the event Ms. Pollard terminates her employment without required notice, she must pay Coronado Curragh an amount equal to her compensation for the balance of the notice period not served. Coronado Curragh is entitled to terminate Ms. Pollard's employment immediately without notice or payment in certain circumstances, including if she engages in serious or willful misconduct, engages in any other conduct which in the reasonable opinion of Coronado Curragh is likely to adversely affect the reputation of Coronado Curragh and/or her ability to effectively perform her duties, or is unwilling or unable to properly and effectively perform her duties.

If Ms. Pollard is terminated without cause by reason of redundancy, under Coronado Curragh policy she is entitled to receive three weeks pay for every year of service.

The following table sets forth the estimated incremental compensation payable in the form of severance benefits to each of the Named Executive Officers in the event of termination of the officer's employment without cause or resignation for good reason, assuming such event occurred on December 31, 2018. The compensation set out below for Ms. Saridas and Ms. Pollard is presented in U.S. dollars using the spot exchange rate as at December 31, 2018, which was approximately A$1.00 to US$0.71.

Name and Benefits	Severance Benefits
Garold Spindler	
Cash severance	$ 1,000,000
Consultation Services	$ 500,000
Ayten Saridas	
Cash severance	$ 236,443
David Hegger	
Cash severance	$ 175,000
James Campbell	
Cash severance	$ 650,000
Consultation Services	$ 325,000
Richard Rose	
Cash severance	$ 331,800
Consultation Services	$ 165,900
Ellen Ewart(1)	
Cash severance	$ 250,000
Consultation Services	$ 125,000
Emma Pollard(2)	
Cash severance	$ 15,528

(1) Ms. Ewart resigned from her employment with us effective May 31, 2019. Her separation arrangement is as described above.

(2) If Ms. Pollard is terminated without cause by reason of redundancy, under Coronado Curragh policy she is entitled to receive three weeks pay for every year of service.

Upon termination of employment due to death, disability or retirement, or in the event of a change in control, each Named Executive Officer would be entitled to, at the end of the applicable performance period and subject to performance, pro-rata vesting of their outstanding performance-based stock options and PSUs based on their during the performance period. Because the performance period for currently outstanding awards began on January 1, 2019, there would be no pro rata payments due under these awards if such events had occurred on December 31, 2018.

Compensation Risk Considerations

We have reviewed our compensation policies as generally applicable to our employees and believe that our compensation programs are designed with an appropriate balance of risk and reward in relation to our overall business strategy and do not encourage excessive or unnecessary risk-taking behavior. In making this determination, we considered our pay mix, our base salaries and the attributes of our variable compensation programs, including our long-term and short-term incentive plans, and our alignment with market pay levels and compensation program designs. Our compensation and nominating committee believes that the design of our executive compensation programs as outlined in

"Compensation Discussion and Analysis" above places emphasis on long-term and short-term incentives and competitive base salaries. Our compensation and nominating committee believe that this mix of incentives appropriately balances risk and aligns our executive officers' motivations for our long-term success.

Director Compensation

The table below sets forth the compensation earned by each of the non-employee directors for the fiscal year ended December 31, 2018. The directors are paid in Australian dollars. The directors' fees set out below are presented in U.S. dollars using the average exchange rate for the fiscal quarter ended December 31, 2018, which was approximately A$1.00 to US$0.72. The additional payments made to the directors in the "all other compensation" column is presented in U.S. dollars using the spot exchange rate as at October 23, 2018, which was approximately A$1.00 to US$0.71.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)(2)	Total ($)
Greg Martin(3)	65,726	—	—	—	—	35,290	101,016
Philip Christensen	37,842	—	—	—	—	35,290	73,312
Bill Koeck	37,842	—	—	—	—	35,290	73,312
Greg Pritchard	37,842	—	—	—	—	35,290	73,312
Ernie Thrasher(4)	34,855	—	—	—	—	35,290	70,145
Laura Tyson(5)	48,313	—	—	—	—	—	48,313

(1) The amounts reflected in this column include standard fees earned by each director as part of their fee arrangements during the period from their respective appointment dates to December 31, 2018. The amounts reported for each of the directors are reported inclusive of any superannuation payments made on behalf of the directors.

(2) Mr. Martin, Mr. Christensen, Mr. Koeck, Mr. Pritchard and Mr. Thrasher were each awarded additional payments of $35,290 as compensation for due diligence-related activities, support and work completed prior to the Australian IPO.

(3) Mr. Martin resigned from our Board of Directors on February 4, 2019. On April 29, 2019, Mr. Koeck was appointed as Chair of the Board of Directors.

(4) Mr. Thrasher elected to receive RSUs in lieu of the director fees payable for his service in 2018 and 2019. Mr. Thrasher was granted 5,468.7 RSUs in lieu of his director fee of $157,140 (A$218,250) for the period from October 1, 2018 to December 31, 2019 and represent the share equivalent at the Australian IPO price of $2.84 (A$4.00) per CDI. The amount presented as fees earned reflects the value of the earned portion of the total 5,468.7 RSUs that were earned during the period from his appointment through December 31, 2018. The aggregate number of RSUs held by Mr. Thrasher that were unvested as of December 31, 2018 was 4,375.

(5) The amount reported for Ms. Tyson reflects fees paid directly to EMG for her services.

Narrative Disclosure to Director Compensation Table

Director Compensation

Under our bylaws, our Board of Directors may decide the total amount paid by us to each director as compensation for their services as a director, subject to the ASX Listing Rules. Under the ASX Listing Rules, the total amount of fees paid to all non-employee directors in any financial year must not exceed the aggregate amount of non-employee directors' fees approved by stockholders at our general meeting. This amount has been fixed by us at $1,346,220 (A$1,800,000) per annum.

Mr. Martin, Mr. Christensen, Mr. Koeck, Mr. Pritchard and Mr. Thrasher each entered into fee arrangements effective as of September 21, 2018 in connection with their appointment as non-employee directors. These fee arrangements provide for each non-employee director's annual base compensation, which includes any statutory superannuation required. The fee arrangements also provide that the non-employee directors may elect to receive some, or all, of their annual base fees as RSUs. A summary of these fee arrangements follows:

Position	Fee*
Board Member (other than Chairman of the Board)	$130,883 (A$175,000)
Chairman of the Board	$246,807 (A$330,000)
Chairman of the Audit, Governance & Risk Committee (Additional Fee)	$11,219 (A$15,000)
Chairman of the Compensation and Nominating Committee (Additional Fee)	$11,219 (A$15,000)
Chairman of the Health Safety, Environment and Community Committee (Additional Fee)	$11,219 (A$15,000)

* U.S. dollar amounts are shown based on the average exchange rate for the fiscal year ended December 31, 2018, which was approximately A$1.00 to US$0.75.

If a non-employee director elects to receive some of their compensation in the form of RSUs, the number of RSUs granted is calculated by dividing the value of base fees each non-employee director elects to receive as RSUs by:

- $2.84 (A$4.00) (per CDI), the offer price for any RSUs granted in the fiscal year ended December 31, 2019 and the additional period from October 1, 2018 to December 31, 2018; and
- the 30-day volume weighted average price of CDIs to January 1 for the year the RSUs will be granted for any RSUs granted in subsequent years, unless the Board of Directors determines otherwise.

The RSUs will be settled no later than 30 days after the earliest of: (i) five years from the date the RSU is granted; (ii) the director ceasing to be a director on our Board of Directors; or (iii) a change in control (as defined in the Non-Executive Director Plan). Each RSU is an entitlement to receive one CDI (or if our Board of Directors determines, the equivalent value in cash or shares) plus additional CDIs (or the equivalent value in cash or shares) equal to any distributions made (assuming such distributions are reinvested in CDIs at the ex-distribution date), until the RSU is settled. RSUs will be granted in installments over a 15-month period. At this time, Mr. Thrasher is the only non-employee director who has elected to receive a portion of his compensation in the form of RSUs.

In addition to the fees outlined above, the fee arrangement provides that we will pay our non-executive directors for travel and other expenses incurred in attending to our affairs, including attending and returning from our general meetings or meetings of our Board of Directors or committees thereof.

We entered into a similar fee arrangement with Ms. Tyson in connection with her appointment as a non-executive director. However, Ms. Tyson is not directly paid a fee and is not entitled to receive fees in the form of RSUs. Rather, we pay EMG a standard director's fee of $130,883 (A$175,000) annually in return for EMG making Ms. Tyson available to us. Ms. Tyson's fee arrangement also provides that we will pay for her travel and other expenses incurred in attending to our affairs, including attending and returning from our general meetings or meetings of our Board of Directors or committees thereof.

Non-Executive Director Plan

We maintain the Coronado Global Resources Inc. 2018 Non-Executive Director Plan, or the Non-Executive Director Plan, which was adopted by our Board on September 21, 2018.

Purpose. The purpose of the Non-Executive Director Plan is to attract, retain, and motivate non-employee directors of our Board of Directors; to align the interests of such directors with our stockholders; and to promote ownership of our equity.

Administration; Effectiveness. The Non-Executive Director Plan will generally be administered by the compensation and nominating committee. The compensation and nominating committee has the authority to construe, interpret and implement the Non-Executive Director Plan and all award agreements under the Non-Executive Director Plan. Any determination by the compensation and nominating committee under the Non-Executive Director Plan will be final, binding, and conclusive. The compensation and nominating committee may allocate among its members and delegate to any person who is not a member of the compensation and nominating committee, or to any of our administrative groups, any of its powers, responsibilities, or duties. The Non-Executive Director Plan is effective as of September 21, 2018.

Awards Available Under the Non-Executive Director Plan. The total number of shares that are available for awards under the Non-Executive Director Plan is such maximum amount permitted by law and the ASX Listing Rules. The total amount of fees paid to all non-executive directors in any financial year must not exceed the aggregate amount of non-executive directors' fees approved by our shareholders. This amount has been fixed at $1,346,220 (A$1,800,000) per year.

Types of Awards Under the Non-Executive Director Plan. Pursuant to the Non-Executive Director Plan, we may grant stock options, stock appreciation rights, restricted shares or CDIs, restricted stock units, dividend equivalent rights, and other equity-based or equity-related awards, that the compensation and nominating committee determines to be consistent with the purposes of the Non-Executive Director Plan and our interests.

Each grant of an award under the Non-Executive Director Plan will be evidenced by an award agreement or agreements, which will contain such provisions and conditions as the compensation and nominating committee may determine, consistent with the Non-Executive Director Plan. Those provisions and conditions include the number of shares of our common stock subject to each award and vesting terms that apply upon events such as retirement, death or disability of the participant or in the event of a change in control. A brief description of the types of awards that may be granted under the Non-Executive Director Plan is set forth below.

Stock Options. Stock options granted under the Non-Executive Director Plan represent a right to purchase a CDI or share at a specified price for a specified period of time. Except with respect to substitute awards, stock options must have an exercise price per share that is not less than the fair market value of a share of our common stock on the date of grant. The term of a stock option may not extend more than ten years after the date of grant.

Stock Appreciation Rights. The Non-Executive Director Plan provides for the grant of appreciation rights. An appreciation right is a right to receive from us an amount equal to the spread between the base price and the value of shares of our common stock on the date of exercise.

Except in the case of an adjustment award, the base price of an appreciation right may not be less than the fair market value of a share of common stock on the date of grant. The term of an appreciation right may not extend more than ten years from the date of grant.

Restricted Shares or Restricted CDIs. Restricted shares or restricted CDIs constitute an immediate transfer of the ownership of shares of our common stock to the participant in consideration of the

performance of services, entitling such participant to dividends, voting, and other ownership rights, subject to any restrictions and conditions as determined by the compensation and nominating committee. During the restricted period applicable to the restricted shares or restricted CDIs, any ordinary cash dividends or other ordinary distributions paid upon any restricted share or restricted CDI will be paid to the relevant participant.

Restricted Stock Units. RSUs awarded under the Non-Executive Director Plan constitute an unfunded and unsecured promise by us to deliver CDIs, shares, cash, or other securities, or a combination thereof, in the future to the participant in consideration of the performance of services, subject to such conditions as specified by the compensation and nominating committee. If a participant ceases to be our director, each vested restricted stock unit then held by the participant as of the date of such cessation of services shall be settled as of such date.

Dividend Equivalent Rights. The compensation and nominating committee may include in any award rights to dividend equivalents. In the event dividend equivalent rights are included in an award agreement, the compensation and nominating committee will determine: (i) whether payments will be in cash, CDIs, shares of common stock, or in another form; (ii) whether the rights are conditioned upon the exercise of the award to which they relate; (iii) the time or times at which they will be made; and (iv) other terms and conditions as the compensation and nominating committee deems appropriate.

Other Stock-Based or Cash-Based Awards. The compensation and nominating committee may grant such other types of equity-based, equity-related, or cash-based awards including the retainers and meeting-based fees and the grant or sale of shares of common stock.

Adjustments; Corporate Transactions. Aggregate awards made to any one participant during a fiscal year may not exceed the "stockholder approval limit" in effect based on the aggregate value of cash awards and fair market value of stock-based awards, determined as of the date of grant. The compensation and nominating committee will make or provide for such adjustments in the award terms, as the compensation and nominating committee determines to be appropriate in order to prevent dilution or enlargement of the rights of participants that otherwise would result from a recapitalization, stock split, reverse stock split, stock dividend, spinoff, split up, combination, reclassification or exchange of CDIs or shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure, CDIs or shares of common stock, including any extraordinary dividend or extraordinary distribution.

In the event of any such transaction or event, or in the event of a change in control (as defined in the Non-Executive Director Plan), the compensation and nominating committee may in its sole discretion: (i) settle such awards for an amount of cash or securities, where in the case of stock options and stock appreciation rights, the value of such amount, if any, will be equal to the in-the-money spread value (if any) of such awards; (ii) provide for the assumption of or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards; (iii) modify the terms of such awards to add events, conditions, or circumstances upon which the vesting of such awards or lapse of restrictions thereon will accelerate; or (iv) provide that for a period of at least 20 days prior to the change in control, all stock options or stock appreciation rights will be exercisable as to all CDIs and shares of common stock subject thereto.

Transferability of Awards. Except as otherwise determined by the compensation and nominating committee in its discretion, no award may be transferred other than by will or by the laws of descent and distribution.

Amendment and Termination of the Plan. Our Board of Directors generally may suspend, discontinue, revise or amend the Non-Executive Director Plan from time to time. However, no such amendment shall materially adversely impair the rights of the participants without the participant's consent. Stockholder approval will be obtained only to the extent necessary to comply with applicable laws, regulations, or rules of securities exchange or self-regulatory agency.

The Non-Executive Director Plan will terminate on September 20, 2028. Additionally, our Board of Directors may, in its discretion, terminate the Non-Executive Director Plan at any time. In either case, all awards will remain in effect until they have been satisfied or terminated in accordance with the terms and provisions of the Non-Executive Director Plan and the applicable award agreement.

Director Shareholding Policy

We have established a minimum shareholding policy for our non-executive directors, other than directors appointed by the holder of the Series A Preferred Share (which includes Ms. Tyson), or any other directors determined by our Board. Non-employee directors are required to hold CDIs, RSUs, or shares that are at least equal in value to the director's annual gross board fees in their first year of appointment to our Board of Directors. The minimum shareholding requirement will be enforced in the fifth and subsequent years of the director's tenure so that the minimum shareholding can be progressively acquired over the five years from the time the director is appointed.

As at October 24, 2018, Mr. Spindler, Mr. Thrasher, and Ms. Tyson each held an indirect economic interest in Coronado Group LLC's shareholding, arising from holdings of:

- class A units and MIUs in Coronado Group LLC, as described above; and/or
- investments in the EMG Group.

Those non-employee directors who hold indirect economic interests in us through investments in Coronado Group LLC or the EMG Group have an indirect interest in proceeds received by Coronado Group LLC for sale of certain CDIs under the Australian IPO. Garold Spindler's interest in class A units in Coronado Group LLC is subject to a voluntary escrow deed.

Compensation Committee Interlocks and Insider Participation

Our compensation and nominating committee consisted of three (3) non-executive directors during 2018: Mr. Koeck, Mr. Martin, and Ms. Tyson. Mr. Koeck is the Chairman. None of the members of our compensation and nominating committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in 2018 served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any other company that has one or more of its executive officers serving on our Board of Directors or compensation and nominating committee.

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ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The following is a summary of transactions that occurred on or after January 1, 2016 to which we were a party, in which the amount involved exceeded $120,000 and in which any of our executive officers, directors, or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest.

Stockholder's Agreement

On September 24, 2018, we entered into a Stockholder's Agreement with Coronado Group LLC, which governs the relationship between the EMG Group and us while the EMG Group beneficially owns in the aggregate at least 50% of our outstanding shares of common stock (including shares of common stock underlying CDIs). Pursuant to the Stockholder's Agreement, we will provide the EMG Group with financial and other information, and we will cooperate with and have assistance from the EMG Group in connection with any financing or refinancing we undertake. While the EMG Group beneficially owns in the aggregate at least 10% of our outstanding shares of common stock, any issuances of equity securities must have been offered to Coronado Group LLC in respect of its pro rata shares. Additionally, for as long as the EMG Group beneficially owns in the aggregate at least 25% of the outstanding shares of our common stock, Coronado Group LLC will have consent rights to certain actions, including, but not limited to, amending or restating our bylaws or certificate of incorporation, issuing any equity securities, or terminating the employment of the Chief Executive Officer or hiring a new Chief Executive Officer. Under the Stockholder's Agreement, the EMG Group has certain rights regarding our Board of Directors as described in Item 5. "Directors and Executive Officers."

Registration Rights and Sell-Down Agreement

On September 24, 2018 we entered into a Registration Rights and Sell-Down Agreement with Coronado Group LLC, which governs Coronado Group LLC's ability to require us to register shares of our common stock under the Securities Act and to assist Coronado Group LLC in selling some or all of its shares of common stock (including in the form of CDIs).

Coronado Group LLC has the right, by delivering written notice, or Demand Notice, to require us to register the requested number of registerable securities under the Securities Act, or Demand Registration, provided that an individual stockholder may not deliver more than one Demand Notice within 180 calendar days.

We may postpone a Demand Registration (but not more than twice in any 12-month period), for a reasonable period not to exceed 90 days, provided that the Chief Executive Officer and Chief Financial Officer provide a signed certification that they reasonably expect such registration and offering to materially adversely affect or materially interfere with any bona fide material financing, or any material transaction under consideration, or require disclosure of nonpublic information, which could materially adversely affect us.

Except with respect to a Demand Registration, if we propose to file a registration statement under the Securities Act, we will give prompt notice of such filing within 10 days prior to the filing date, or Piggyback Notice, to all of the holders of registerable securities. The Piggyback Notice shall offer such holders the opportunity to include in such registration statement the number of registerable securities as each holder may request.

Coronado Group may sell some or all of their shares of common stock without triggering registration rights under the terms of the Registration Rights and Sell-Down Agreement.

Relationship Deed

On September 24, 2018, we entered into a Relationship Deed with Coronado Group LLC and EMG Group. Pursuant to the Relationship Deed, we agreed to indemnify Coronado Group LLC for liabilities related to guarantees made by Coronado Group LLC in past transactions by the Company, any liability incurred by any person appointed by Coronado Group LLC as an observer on the board of directors under the Stockholder's Agreement, and liabilities incurred by certain affiliates of the EMG Group under a New South Wales-law governed bank guarantee facility. Under the Relationship Deed, we also agreed to reimburse Coronado Group LLC for reasonable costs of and incidental to the Australian IPO and travel costs for attending meetings of the board of directors for any person appointed by Coronado Group LLC as an observer.

Escrow Agreements

In connection with our Australian IPO, Coronado Group LLC, as our holding company, entered into a voluntary escrow agreement under which it agreed, among other things, to certain restrictions and prohibitions from engaging in transactions involving shares of our common stock for a restricted period. All of the shares of common stock held by Coronado Group LLC, including any shares held as CDIs, and interests in Coronado Group LLC held by the EMG Group, are subject to voluntary escrow arrangements which prevent Coronado Group LLC and the EMG Group from disposing of the escrowed shares and interests in Coronado Group LLC until the first business day after the release of our results for the year ending December 31, 2019, subject to certain exceptions.

Coal Sales Arrangements with Xcoal

We sold coal for an aggregate purchase price of $157.9 million, $444.9 million, $371.1 million and $216.0 million to Xcoal for the three months ended March 31, 2019 and for the years ended December 31, 2018, 2017 and 2016, respectively. Ernie Thrasher, one of our directors, is the founder, chief executive officer and chief marketing officer of Xcoal. We have entered into, and intend to enter into, coal sales with Xcoal on an ad hoc basis primarily pursuant to individual purchase orders. Our management, within delegated limits of authority, must approve any such transaction. The Directors do not participate in the decision to enter into such transactions. If the decision to enter into those transactions should require the approval of our Board of Directors, the directors will follow the procedure for dealing with conflicts (or potential conflicts) of interest contained in our board charter and corporate governance guidelines, and as described under "—Policies and Procedures for Review and Approval of Related Party Transactions."

Office Sharing Arrangement with Imagin Minerals, Inc.

We have entered into an oral office sharing arrangement with Imagin Minerals, Inc., or Imagin, whereby we have the right to utilize Imagin's premises and to jointly utilize office resources including office personnel. Imagin is wholly-owned by Mr. Garold Spindler, our Managing Director and Chief Executive Officer. Half of the expenses incurred by Imagin under this arrangement are expensed to us. Such expenses in the amount of $0.1 million, $0.1 million and $0.0 million, respectively, are recorded as selling, general and administrative expenses on the consolidated statements of operations for the years ended December 31, 2018, 2017 and 2016. Accrued expenses due to Imagin of $0.02 million and $0.03 million, respectively, are recorded on the December 31, 2018 and 2017 consolidated balance sheets. Since January 1, 2016, we have paid approximately $23,000 per quarter in rent under this arrangement.

Limitation on Liability and Indemnification of Officers and Directors

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with specified actions, suits, and proceedings, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

Our certificate of incorporation limits the liability of our directors for monetary damages for a breach of fiduciary duty as a director to the fullest extent permitted by the DGCL. Consequently, our directors are not personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for: (i) any breach of their duty of loyalty to us or our stockholders; (ii) any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; (iii) unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or (iv) any transaction from which they derived an improper personal benefit. In addition, our bylaws provide that we (i) will indemnify any person made, or threatened to be made, a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our directors or officers or, while a director or officer, is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise and (ii) must advance expenses paid or incurred by a director, or that such director determines are reasonably likely to be paid or incurred by him or her, in advance of the final disposition of any action, suit, or proceeding upon request by him or her.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission, or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

We have entered into Agreements of Indemnity, Insurance and Access, or the Director Agreements, with our directors, executive officers, and certain other officers and agents pursuant to which they are provided indemnification rights that are broader than the specific indemnification provisions contained in the DGCL. These Director Agreements generally require us, among other things, to indemnify our directors, executive officers, and certain other officers and agents against liabilities that may arise by reason of their status or service. The Director Agreements also require us to advance all expenses incurred by the directors, executive officers, and certain other officers, and agents in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve on our behalf.

The limitation of liability and indemnification provisions that are included in our certificate of incorporation, bylaws, and the Director Agreements that we enter into with our directors, executive officers, and certain other officers, and agents may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, executive officers, and certain other officers and agents or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made for breach of fiduciary duty or other wrongful acts as a director or executive officer and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law. We intend to enter into additional and enhanced insurance arrangements to provide coverage to our directors and executive officers against loss arising from claims relating to public securities matters.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Review and Approval of Related Party Transactions

Section 9.1 of our certificate of incorporation incorporates by reference the DGCL in regards to related party transactions, pursuant to which no contract or transaction with any other firm, corporation or entity in which we have an interest, shall be affected or invalidated by the fact that one or more related persons may be a party to or may be interested in the contract or transaction, provided that the contract or transaction is approved by our Board of Directors. Pursuant to our audit committee charter, our audit committee will be responsible for reviewing and approving or disapproving "related party transactions."

Director Independence

Our Board currently consists of six members: William (Bill) Koeck; Garold Spindler; Philip Christensen; Greg Pritchard; Ernie Thrasher and Laura Tyson. Our Board of Directors has determined that each of William (Bill) Koeck, Philip Christensen and Greg Pritchard are "independent." We consider that a director is an "independent" director where that director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the director's judgment. While we are not currently seeking a listing on the New York Stock Exchange, or NYSE, or any other U.S. securities exchange, we have assessed the independence of our directors with respect to the definition of independence prescribed by NYSE and the SEC.

ITEM 8. LEGAL PROCEEDINGS.

We are involved in various legal proceedings from time to time in the normal course of business including proceedings related to employment matters. At March 31, 2019, our balance sheet include liabilities for these legal proceedings in the aggregate of $0.2 million. These liabilities do not include costs associated with legal representation, which are expensed as they are incurred. In management's opinion, except for what is described below, we are not currently involved in any legal proceedings which, individually or in the aggregate and if determined adversely, could have a material effect on our financial condition, results of operations and/or liquidity.

Coronado Curragh is a co-defendant to proceedings in the Queensland Supreme Court brought by Aurizon Network. Aurizon Network's claim relates to costs relating to the co-defendants' use of the WICET rail links—in particular, whether the "First Milestone Target Date," which triggers certain "WIRP Fee" payments under the WIRP Deed has been achieved. We intend to continue to strongly contest the matter together with the other WICET users who are joint defendants in the proceedings. The proceedings include a claim for damages for breach of contract against Coronado Curragh. While it is not possible to precisely quantify our potential exposure as a result of this litigation, it is currently expected that, were Aurizon successful in proving the relevant elements of its claim, Coronado Curragh would be required to pay approximately $2.25 million per annum for the term of the WIRP Deed (which is 233 months) beginning from the "First Milestone Target Date," or "Commencement Date." Resolution of this dispute would also result in our below-rail access to WICET (of 1.5 MMt per annum) becoming a guaranteed capacity entitlement (and the subject of a 20-year, take-or-pay access agreement) instead of an ad hoc entitlement.

In February 2019, the Queensland Competition Authority, or QCA, issued its final decision in respect of Access Undertaking 5, or UT5. The final decision, consistent with the draft decision issued in December 2017, reduces the rate of return that can be charged by Aurizon on its network routes. The Queensland coal producers experienced material rail haulage underperformance because soon after the draft UT5 decision was handed down by the QCA, the rail track network was severely restricted due to Aurizon's modification of its maintenance practices in order to lower costs. It is possible that Aurizon will modify its maintenance practices in the future to lower costs should similar decisions be issued by the QCA, resulting in constrained access to the rail network, making it more difficult for customers (including us) to arrange for the transportation of coal in excess of their contracted capacity entitlement and having the potential to increase demurrage costs.

In a constrained rail capacity and high-demand environment, there is a risk that we and other users of the network will not be allocated additional access to rail above annual contracted entitlements. Should this occur, the potential impact on us is higher in the short term as our contracted access entitlement for 1.5 MMt per annum of below-rail capacity to WICET is currently treated as an ad hoc entitlement. This means that, in the event of a scheduling contest with a contracted user (which could arise because of changes by Aurizon to maintenance practices or because of increased usage of the line by other customers), a path we request may not be able to be scheduled. This capacity is expected to become the subject of a long-term access agreement once the judgment from the litigation concluded in September 2018 is handed down and the dispute between Wiggins Island Rail Project customers and Aurizon regarding the "First Milestone Target Date" under the WIRP Deed is finally resolved, which, based on the current advice, is expected to occur mid-2019.

In June 2018, two holders of preference equity issued by WICET Holdings commenced legal proceedings in the Supreme Court of New South Wales against WICET Pty Ltd and WICET Holdings alleging unpaid dividends in respect of the shares held by them. Although we are not exposed directly to this litigation, an adverse finding may detrimentally impact the financial position of WICET Holdings and WICET Pty Ltd and could result in the senior lenders or a receiver appointed by them taking steps to seek to recover against the shippers (including us) whether through increased terminal handling charges or otherwise.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our CDIs, each representing one-tenth of one share of our common stock, have been listed on the ASX under the trading symbol "CRN" since October 23, 2018. Prior to such time, there was no public market for our securities. There is no principal market in the United States for our CDIs or shares of our common stock.

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale, (2) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale, and (3) we are current in our Exchange Act reporting at the time of sale. Additionally, a person who has beneficially owned restricted shares for at least one year and who is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days before the sale, would be entitled to sell those securities at any time.

Persons who have beneficially owned shares of our common stock for at least six months, but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, including volume limitations, and such sales by affiliates must also comply with the manner of sale, current public information, and notice provisions of Rule 144.

We believe that 77,308,103.6 shares of our common stock outstanding were eligible for resale under Rule 144 as of March 31, 2019, subject to the volume and manner of sale restrictions thereof.

Escrow

As of March 31, 2019, the following securities were subject to ASX-mandated or voluntary escrow (or both) until the first business day after the release of our results for the year ending December 31, 2019:

Security Description	ASX-mandated Escrow	Voluntary Escrow
Shares of common stock	—	77,308,103.6
CDIs representing shares of common stock		6
Options to purchase common stock	—	—

Holders

As of March 31, 2019 we had 96,651,692 shares of our common stock issued and outstanding with 3,498 holders of record. The holders included CHESS Depositary Nominees Pty Limited, which held 19,343,588.4 shares of our common stock in the form of CDIs on behalf of the CDI holders; there were 3,497 registered owners of our CDIs on March 31, 2019.

Dividends

We paid an aggregate dividend of $299.7 million on March 29, 2019 in A$ to holders of CDIs on the ASX as of March 5, 2019, based on the exchange rate on March 5, 2019.

The payment of dividends is at the discretion of the Board of Directors. The decision as to whether or not a dividend will be paid will be subject to a number of considerations including the

general business environment, operating results, cash flows, future capital requirements, regulatory restrictions and any other factors the Board of Directors may consider relevant.

Our objective in setting our dividend policy is to deliver stockholder returns while maintaining flexibility to pursue our strategic initiatives within a prudent capital structure. Our dividend policy is to distribute between 60% and 100% of available free cash. However, we intend to pay out 100% of available free cash relating to the period from October 23, 2018 to December 31, 2019. Available free cash is defined as net cash from operating activities less capital expenditure, acquisition expenditure, amounts reserved for capital expenditure and acquisition expenditure and amounts required for debt servicing. In circumstances where there is surplus available free cash, at the discretion of our Board of Directors and in light of business and market conditions, we may consider the potential for additional stockholder returns through special dividends and share buy-backs as part of its broader capital management strategy.

Equity Compensation Plan Information

The following table provides certain aggregate information with respect to all of the Company's equity compensation plans in effect as of December 31, 2018.

Plan Category	Number of Securities to Be Issued upon Exercise of Outstanding Rights or Options	Weighted Average Exercise Price per CDI	Options and Rights Available for Grant
Equity compensation plans approved by security holders(1)	2,393,055	$ 2.84	(2)
Equity compensation plans not approved by security holders	—	—	—
Total	2,393,055	$ 2.84	(2)

(1) Includes the Employee Plan and the Non-Executive Director Plan.

(2) The number of employee options able to be granted is limited to the amount permitted to be granted at law, the ASX Listing Rules and by the limits on our authorized share capital in our certificate of incorporation. The ASX Listing Rules generally prohibits companies whose securities are quoted on ASX from issuing securities exceeding 15% of issued share capital in any 12-month period, without stockholder approval, unless waived by the ASX.

Summary Description of the Company's Non-Stockholder Approved Equity Compensation Plans

The Company does not have any non-stockholder approved equity compensation plans.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES.

In the three years preceding the filing of this registration statement, we have not issued any securities in a transaction that was not registered under the Securities Act, other than the following.

Stock Plan-Related Issuances

From June 1, 2016 to June 1, 2019, we granted to our directors and employees options to purchase an aggregate of 1,336,454 CDIs under the Employee Plan at an exercise price of $2.84 per CDI, for an aggregate exercise price of approximately $3.8 million. No options have been exercised for cash consideration. 43,978 options were forfeited without being exercised and options to purchase 1,292,476 CDIs remain outstanding as of June 1, 2019.

In addition, during the period from June 1, 2016 to June 1, 2019, we granted to our directors and employees an aggregate of 1,001,914 PSUs under the Employee Plan at aggregate grant date fair value of approximately $1.8 million. No PSUs have been vested. 13,193 PSUs were forfeited and 988,721 PSUs remain outstanding as of June 1, 2019.

In addition, during the period from June 1, 2016 to June 1, 2019, we granted to one director, an aggregate of 54,687 RSUs under the Non-Executive Director Plan, of which 54,687 remain outstanding (unexercised) as of June 1, 2019. At June 1, 2019, there were 21,874.8 RSUs vested and 32,812.2 RSUs unvested.

The offers, sales and issuances of the securities described above were deemed to be exempt from registration under the Securities Act under Rule 701 promulgated under the Securities Act as offers and sale of securities pursuant to certain compensatory benefit plans and contracts relating to compensation in compliance with Rule 701.

Reorganization Transaction

In connection with the Reorganization Transaction, we issued an aggregate of 80,000,000 shares of our common stock to Coronado Global LLC in exchange for all of the equity ownership of the U.S. Operations, which were ultimately contributed to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources Inc.

The offers, sales and issuances of the securities described above were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering. The recipient of these securities acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions.

Australian IPO

On October 23, 2018, we issued 16,651,692 shares of our common stock in the form of CDIs in connection with an initial public offering on the Australian Securities Exchange, combined with a sale of 2,691,896.4 shares of our common stock by the EMG Group as CDIs at a price of A$4.00 per CDI. We raised a total of approximately $442.8 million, net of issuance costs of approximately $30.6 million. We used a majority of this amount to repay our existing indebtedness. The sole global coordinator and joint lead manager for the offering was Goldman Sachs Australia Pty Ltd.

The offers, sales, and issuances of the securities described above were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving a public offering or Regulation S as an offering made outside the United States. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions.

Series A Preferred Share

On September 20, 2018, we issued the Series A Share to Coronado Group LLC, at par value. The offer, sale, and issuance of the Series A Share were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering. The recipient of the Series A Share acquired the Series A Share for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the Series A Share.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

The following description summarizes certain important terms of our common stock and preferred stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section, you should refer to our certificate of incorporation, bylaws, Stockholder's Agreement and Registration Rights and Sell-Down Agreement, which are included as exhibits to this registration statement, and to the applicable provisions of Delaware law.

Authorized Capital Stock

Our authorized stock consists of 1,100,000,000 shares, par value $0.01 per share, of which:

- 1,000,000,000 shares are designated as common stock; and
- 100,000,000 shares are designated as preferred stock.

Outstanding Capital Stock

As of March 31, 2019, there were 96,651,692 shares of our common stock outstanding, held by 3,498 stockholders of record, one Series A Share held by Coronado Group LLC and 193,435,884 CDIs (representing 19,343,588.4 of shares of common stock) held by CHESS Depositary Nominees Pty Limited on behalf of 3,497 holders. Our Board of Directors has authority to issue additional shares of our common stock without stockholder approval.

Common Stock

Voting Rights. The holders of our common stock have a right to one vote per share on any matter to be voted upon by stockholders. Our certificate of incorporation and bylaws do not provide for cumulative voting in connection with the election of directors and, accordingly, holders of more than 50% of the shares voting may elect all of the directors. The holders of a majority of the outstanding shares of stock entitled to vote on a matter at the meeting, present in person or represented by proxy, shall constitute a quorum at all meetings of stockholders for the transaction of business.

Dividends. The holders of our common stock have a right to dividends if, as, and when declared by our Board of Directors, from funds legally available therefor, subject to certain contractual limitations on our ability to declare and pay dividends. See Item 9. "Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters—Dividends."

Other Rights. As long as the EMG Group beneficially owns in the aggregate at least 10% of the outstanding shares of our common stock, unless Coronado Group LLC (or its successors or permitted assigns) agrees otherwise, we must first offer any issuance of equity securities to Coronado Group LLC in respect of its pro rata shares and we must source any equity securities to be allocated under a share incentive plan from the market rather than by an issuance.

Upon any voluntary or involuntary liquidation, dissolution, or winding up of our affairs, the holders of our common stock may share ratably in all assets remaining after payment of creditors and subject to prior distribution rights of our preferred stock, if any.

Except as otherwise required, the holders of our common stock may not vote on any amendment or alteration of our certificate of incorporation that alters, amends or changes the powers, preferences, rights or other terms of one or more outstanding series of preferred stock if the holders of such affected series are may vote thereon pursuant to our certificate of incorporation.

CDIs

In order for shares of our common stock in the form of CDIs to trade electronically on the ASX, we participate in the electronic transfer system known as the Clearing House Electronic Subregister System, or CHESS, operated by ASX Settlement Pty Limited, or ASX Settlement. ASX Settlement provides settlement services for ASX markets to assist participants and issuers to understand the operation of the rules and procedures governing settlement facilities. The ASX Settlement Operating Rules form part of the overall listing and market rules which we are required to comply with as an entity listed on ASX.

CHESS is an electronic system which manages the settlement of transactions executed on ASX and facilitates the paperless transfer of legal title to ASX quoted securities. CHESS cannot be used directly for the transfer of securities of companies domiciled in certain jurisdictions outside of Australia, such as the United States. Accordingly, to enable shares of our common stock to be cleared and settled electronically through CHESS, we have issued and will continue to issue depositary interests called CDIs.

CDIs confer on the CDI holder the beneficial ownership in the shares of common stock, with ten CDIs representing an interest in one share. The legal title to such shares is held by CHESS Depositary Nominees Pty Limited, a subsidiary of ASX Limited, which acts as our Australian depositary and issues the CDIs.

All CDIs bear a FOR-U.S. designation with the ASX that is intended to preclude transfers to residents of the United States. This designation is intended to similarly preclude purchases of CDIs by residents of the United States.

A holder of CDIs who does not wish to have their trades settled in CDIs may request that their CDIs be converted into shares of common stock, in which case legal title to the shares of common stock will be transferred to the holder of CDIs.

The transfer agent and registrar for our CDIs (known in Australia as a 'securities registry') is Computershare Investor Services Pty Limited.

Preferred Stock

Ownership of the Series A Share provides Coronado Group LLC with Board designation rights tied to the level of the aggregate beneficial ownership of shares of our common stock (including shares of common stock underlying CDIs). In October 2018, the EMG Group exercised its right to designate Ms. Laura Tyson to our Board of Directors pursuant to the terms of the Series A Share. The Series A Share has a liquidation preference of $1.00.

Pursuant to the Stockholder's Agreement, for so long as Coronado Group LLC has the right to nominate and elect directors as a holder of the Series A Share and any such director has been elected, the EMG Group has the right to designate one of the directors nominated by Coronado Group LLC to be included in the membership of any board committee, except to the extent that such membership would violate applicable securities laws or stock exchange or stock market rules.

As long as the EMG Group beneficially owns in the aggregate at least 5% of the outstanding shares of our common stock, Coronado Group LLC (or its successors or permitted assigns) have the right to have one non-voting observer to receive all materials for and attend all meetings of our Board of Directors and any committees thereof. Further, we have agreed to indemnify such observer to the same extent we do our Board of Directors.

The Series A Share shall be redeemed to the fullest extent permitted by law (at a price of $1.00) by us if, at any time, the EMG Group, no longer beneficially own, in the aggregate, 10% or more of our outstanding shares of common stock.

The Series A Share does not entitle Coronado Group LLC or its permitted transferees to any dividends as a result of holding such Series A Share, and the Series A Share may not be transferred except to a EMG Group entity. The number of Series A Shares may not be increased or decreased without the approval of:

- both a majority of the directors appointed by the EMG Group (if any) and a majority of directors elected by other means; and
- Coronado Group LLC, as holder of the Series A Share, voting as a separate class.

For as long as the EMG Group beneficially owns in the aggregate at least a majority of the outstanding shares of our common stock, subject to ASX Listing Rules, any action required or permitted to be taken at any annual or special meeting of our stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding shares of our common stock by a minimum number of votes that would be necessary to authorize to take such action at a meeting.

For as long as the EMG Group beneficially owns in the aggregate at least 25% of the outstanding shares of our common stock, we require Coronado Group LLC's consent prior to taking certain corporate actions, including the following:

- amending or restating our certificate of incorporation or bylaws;
- issuing any equity securities or equity securities convertible into or exercisable or exchangeable for any of our equity securities;
- merging or consolidating with any other entity, transferring all or substantially all of our assets, or entering into a transaction or series of transactions that would lead to any person acquiring more than 50% of our capital stock;
- terminating the employment of our Chief Executive Officer or hiring a new Chief Executive Officer;
- initiating a voluntary liquidation, dissolution, receivership, bankruptcy or other insolvency proceeding involving us;
- any payment or declaration of dividend, except in accordance with the dividend policy described in Item 9. "Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters."
- adoption of an annual business plan that would result in changes to our performance over the planned annual production;
- share repurchases, subject to certain exceptions; and
- entering into any joint venture or similar business alliance where the aggregate consideration is in excess of $50 million or relating to a business other than metallurgical coal or thermal coal.

For as long as the EMG Group beneficially owns in the aggregate at least 5% of the outstanding shares of our common stock, Coronado Group LLC (or its successors or permitted assigns) have certain information rights with respect to our books and records and prior to certain significant corporate actions.

Our Board of Directors has authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our stockholders. Our Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock.

Unless otherwise provided, no holder of our preferred stock may vote on any amendment or alteration of our certificate of incorporation to authorize, create, or increase the authorized amount of, any other series of preferred stock or alter, amend or repeal any provision of any other series of preferred stock that does not adversely affect in any material respect the rights of the series of preferred stock held by such holder.

Subject to the rights of the holders of any series of preferred stock, the affirmative vote of the holders of a majority of the outstanding shares of such class or series, voting together as a single class, may increase or decrease (but not below the number of shares thereof then outstanding) the number of authorized shares of any class or series of preferred stock, irrespective of the provisions of Section 242(b)(2) of the DGCL or any corresponding provision hereafter enacted.

Unless otherwise provided, no holder of any share of preferred stock may bring a derivative action, suit or proceeding on our behalf.

The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could delay, defer or prevent a change in our control and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any additional shares of preferred stock.

Stockholder's Agreement

On September 24, 2018, we entered into a Stockholder's Agreement with Coronado Group LLC, which governs the relationship between the EMG Group and us while the EMG Group beneficially owns in the aggregate at least 50% of our outstanding shares of common stock (including shares of common stock underlying CDIs). Pursuant to the Stockholder's Agreement, we will provide the EMG Group with financial and other information, and we will cooperate with and have assistance from the EMG Group in connection with any financing or refinancing we undertake. While the EMG Group beneficially owns in the aggregate at least 10% of our outstanding shares of common stock, any issuances of equity securities must have been offered to Coronado Group LLC in respect of its pro rata shares. Additionally, for as long as the EMG Group beneficially owns in the aggregate at least 25% of the outstanding shares of our common stock, Coronado Group LLC will have consent rights to certain actions, including, but not limited to, amending or restating our bylaws or certificate of incorporation, issuing any equity securities, or terminating the employment of the Chief Executive Officer or hiring a new Chief Executive Officer. Under the Stockholder's Agreement, the EMG Group has certain rights regarding the Board of Directors as described in Item 5. "Directors and Executive Officers."

Registration Rights and Sell-Down Agreement

On September 24, 2018 we entered into a Registration Rights and Sell-Down Agreement with Coronado Group LLC, which governs Coronado Group LLC's ability to require us to register shares of our common stock under the Securities Act and to assist Coronado Group LLC in selling some or all of its shares of common stock (including in the form of CDIs).

Coronado Group LLC has the right, by delivering written notice, or Demand Notice, to require us to register the requested number of registerable securities under the Securities Act, or Demand Registration, provided that an individual stockholder may not deliver more than one Demand Notice within 180 calendar days.

We may postpone a Demand Registration (but not more than twice in any 12-month period), for a reasonable period not to exceed 90 days, provided that the Chief Executive Officer and Chief Financial Officer provide a signed certification that they reasonably expect such registration and offering to materially adversely affect or materially interfere with any bona fide material financing, or any material transaction under consideration, or require disclosure of nonpublic information, which could materially adversely affect us.

Except with respect to a Demand Registration, if we propose to file a registration statement under the Securities Act, we will give prompt notice of such filing within ten days prior to the filing date, or Piggyback Notice, to all of the holders of registerable securities. The Piggyback Notice shall offer such holders the opportunity to include in such registration statement the number of registerable securities as each holder may request.

Coronado Group may sell some or all of their shares of common stock without triggering registration rights under the terms of the Registration Rights and Sell-Down Agreement.

Escrow Agreements

In connection with our Australian IPO, Coronado Group LLC, as our holding company, entered into a voluntary escrow agreement under which it agreed, among other things, to certain restrictions and prohibitions from engaging in transactions involving shares of our common stock for a restricted period. All of the shares of common stock held by Coronado Group LLC, including any shares held as CDIs, and interests in Coronado Group LLC held by the EMG Group, are subject to voluntary escrow arrangements which prevent Coronado Group LLC and the EMG Group from disposing of the escrowed shares and interests in Coronado Group LLC until the first business day after the release of our results for the year ending December 31, 2019, subject to certain exceptions.

Anti-takeover Effects of Certain Provisions of our Certificate of Incorporation and Bylaws

Provisions of our certificate of incorporation, bylaws and Delaware law may make it more difficult to effect a change in control of us. The existence of some provisions in our certificate of incorporation and bylaws and of Delaware law could delay or prevent a change in control, even if that change would be beneficial to our stockholders. Our certificate of incorporation and bylaws contain provisions that may make acquiring control over us difficult, including the following provisions:

- giving our Board of Directors the ability to issue, from time to time, one or more series of preferred stock and, with respect to each such series, to fix the terms thereof by resolution;
- empowering only our Board of Directors to fill any vacancy (other than in respect of a director nominated by Coronado Group LLC), whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- amending the authorized number of directors by resolution passed by less than a majority of directors then in office;
- requiring stockholders to hold at least a majority of shares of our common stock in aggregate to request special meetings (other than a special meeting for the purpose of removing a director, which shall require stockholders to hold at least 5% of shares of our common stock in aggregate to request);
- prohibiting stockholders from acting by written consent after such time that the EMG Group no longer beneficially own in the aggregate shares representing at least a majority of the voting power of all shares of capital stock generally entitled to vote for the election of directors other than any directors nominated by Coronado Group LLC;
- requiring approval of certain amendments to our certificate of incorporation and bylaws by at least two thirds of the then outstanding common stock, effective after such time that the EMG Group no longer beneficially own in the aggregate shares representing at least a majority of our common stock;

- providing that the doctrine of 'corporate opportunity' will not apply to the EMG Group, any non-employee directors or their respective affiliates;
- setting forth advance notice procedures for stockholders to nominate directors and proposals for consideration at meetings of stockholders; and
- restricting the forum for certain litigation against us to Delaware.

We have elected not to be governed by Section 203 of the DGCL (or any successor provision thereto), or Section 203, until immediately following the time at which the EMG Group no longer beneficially own in the aggregate common stock representing at least 10% of the then outstanding common stock, in which case we shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms would apply to us. Section 203 provides that an interested stockholder (along with its affiliates and associates)—i.e. a stockholder that has purchased greater than 15%, but less than 85% of a company's outstanding voting stock (with some exclusions)—may not engage in a business combination transaction with the company for a period of three years after buying more than 15% of a company's stock unless certain criteria are met or certain other corporate actions are taken by the company.

These provisions also could discourage proxy contests and make it more difficult for our stockholders to elect directors other than candidates nominated by our Board of Directors and take other corporate actions. As a result, these provisions could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholder, which may also limit the price that investors are willing to pay in the future for CDIs.

Additionally, we have designated a series of preferred stock as "Series A Share," consisting of one share of Series A preferred stock, which contains various protections. See "—Preferred Stock" for details of the special rights and protections of the holder of the Series A Share.

Choice of Forum

Unless we consent in writing to the selection of an alternative forum, a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be, to the extent permitted by law, the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee or agent of the Company to the Company or the Company's stockholders or debtholders; any action or proceeding asserting a claim against the Company or any director or officer or other employee or agent of the Company arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws; or any action asserting a claim against the Company or any director or officer or other employee of the Company governed by the internal affairs doctrine or other "internal corporate claims" as defined in Section 115 of the DGCL. The choice of forum provision does not apply to any actions arising under the Securities Act or the Exchange Act.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with specified actions, suits, and proceedings, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement, or otherwise.

Our certificate of incorporation limits the liability of our directors for monetary damages for a breach of fiduciary duty as a director to the fullest extent permitted by the DGCL. Consequently, our directors are not personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for: (i) any breach of their duty of loyalty to us or our stockholders; (ii) any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law; (iii) unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or (iv) any transaction from which they derived an improper personal benefit. In addition, our bylaws provide that we (i) will indemnify any person made, or threatened to be made, a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our directors or officers or, while a director or officer, is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise and (ii) must advance expenses paid or incurred by a director, or that such director determines are reasonably likely to be paid or incurred by him or her, in advance of the final disposition of any action, suit, or proceeding upon request by him or her.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission, or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

We have entered into the Director Agreements with our directors, executive officers and certain other officers and agents pursuant to which they are provided indemnification rights that are broader than the specific indemnification provisions contained in the DGCL. These Director Agreements generally require us, among other things, to indemnify our directors, executive officers, and certain other officers and agents against liabilities that may arise by reason of their status or service. The Director Agreements also require us to advance all expenses incurred by the directors, executive officers, and certain other officers and agents in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve on our behalf.

The limitation of liability and indemnification provisions that are included in our certificate of incorporation, bylaws, and the Director Agreements that we enter into with our directors, executive officers, and certain other officers and agents may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, executive officers, and certain other officers and agents or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made for breach of fiduciary duty or other wrongful acts as a director or executive officer and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law. We intend to enter into additional and enhanced insurance arrangements to provide coverage to our directors and executive officers against loss arising from claims relating to public securities matters.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our consolidated financial statements, together with the report of our independent registered public accounting firm, appear on pages F-2 through F-136 of this registration statement.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements

Our consolidated financial statements appear at the end of this registration statement. Please see the index to the consolidated financial statements on page F-l, which is incorporated herein by reference.

(b) Exhibits

Exhibit No.	Description of Document
2.1**‡	Share Sale Agreement-Cork, dated as of December 22, 2017, by and among Coronado Australia Holdings Pty Ltd, Coronado Group LLC and Wesfarmers Limited
3.1‡	Amended and Restated Certificate of Incorporation
3.2‡	Amended and Restated By-Laws
4.1‡	Stockholder's Agreement, dated as of September 24, 2018, by and between the Company and Coronado Group

Exhibit No.	Description of Document
4.2‡	Registration Rights and Sell-Down Agreement, dated as of September 24, 2018, by and between the Company and Coronado Group
10.1‡	Relationship Deed, dated as of September 24, 2018, by and among the Company, Coronado Group, certain EMG Group entities and their affiliates
10.2**‡	Syndicated Facility Agreement, dated as of September 15, 2018, by and among Coronado Finance Pty Ltd, other affiliates of the Company and Westpac Banking Corporation
10.3†‡	Coronado Global Resources Inc. 2019 Short-Term Incentive Plan
10.4†‡	Coronado Global Resources Inc. 2018 Equity Incentive Plan
10.5†‡	Coronado Global Resources Inc. 2018 Non-Executive Director Plan
10.6†‡	Employment Agreement dated as of September 21, 2018, by and between Coronado Global Resources Inc. and Garold Spindler
10.7†‡	Employment Agreement dated as of August 31, 2018, by and between Coronado Curragh Pty Ltd and Ayten Saridas
10.8†‡	Employment Agreement dated as of September 21, 2018, by and between Coronado Global Resources Inc. and James Campbell
10.9†‡	Employment Agreement dated as of December 20, 2018, by and between Coronado Global Resources Inc. and Richard Rose
10.10†‡	Employment Agreement dated as of December 25, 2018, by and between Coronado Global Resources Inc. and Ellen Ewart
10.11†‡	Employment Agreement dated as of October 18, 2018, by and between Coronado Curragh Pty Ltd and Emma Pollard
10.12†‡	Form of Stock Option Award Agreement (Long Term Incentive Grant)
10.13†‡	Form of Performance Stock Unit Award Agreement (Long Term Incentive Grant)
10.14†‡	Form of Non-Executive Director Restricted Stock Unit Award Agreement
10.15†‡	Form of Restricted Stock Unit Award Agreement (Retention Grant)
10.16†‡	Form of Restricted Stock Unit Award Agreement (STIP Deferral Grant)
10.17†‡	Summary of Non-Executive Director Compensation
10.18†‡	Form of Agreement of Indemnity, Insurance and Access
10.19†	Separation Agreement and General Release, dated May 29, 2019, between Ellen Ewart and the Company and all entities owned or controlled by the Company

10.20** Amended Coal Supply Agreement, dated as of November 6, 2009, by and between Stanwell Corporation Limited and Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd)

Exhibit No.	Description of Document
10.21**	Deed of Amendment to the Amended Coal Supply Agreement, dated as of November 21, 2016, by and between Stanwell Corporation Limited and Wesfarmers Curragh Pty Ltd (now known as Coronado Curragh Pty Ltd)
10.22**	Curragh Mine New Coal Supply Deed, dated August 14, 2018, by and between Stanwell Corporation Limited and Coronado Curragh Pty Ltd
10.23	Deed of Amendment, dated September 20, 2018 and effective September 21, 2018, among Coronado Curragh Pty Ltd, Stanwell Corporation Limited and Coronado Group LLC
10.24	Deed of Amendment, dated March 5, 2019 and effective May 21, 2019, between Coronado Curragh Pty Ltd and Stanwell Corporation Limited
10.25	Deed of Amendment, dated May 9, 2019 and effective May 21, 2019, between Coronado Curragh Pty Ltd and Stanwell Corporation Limited
21.1‡	Subsidiaries of the Company

** Portions of this exhibit have been omitted, which portions will be furnished to the Securities and Exchange Commission upon request.

† Management contract, compensatory plan or arrangement.

‡ Previously filed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Coronado Global Resources Inc.
(Registrant)

By:	/s/ Richard Rose	
	Name:	Richard Rose
	Title:	Vice President, Chief Legal Officer and Secretary

Date: June 14, 2019

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Unaudited Condensed Consolidated Balance Sheets

(In US$ thousands, except share data)

	Note	(Unaudited) March 31, 2019	December 31, 2018
Assets			
Current assets:			
Cash and restricted cash		$ 12,294	$ 124,881
Trade receivables		174,514	206,127
Related party receivables		74,453	36,716
Other receivables		8,760	18,170
Income tax receivable		—	12,017
Coal inventories	6	47,390	46,480
Supplies inventories	6	50,537	48,623
Prepaid expenses and other current assets		22,466	22,744
Total current assets		390,414	515,758
Property, plant and equipment, net	7	1,615,686	1,618,558
Right of use asset—operating leases	10	61,354	—
Goodwill	8	28,008	28,008
Intangible assets, net	8	5,317	5,402
Deposits and reclamation bonds		11,669	11,635
Deferred income tax assets		9,457	11,848
Other assets		17,001	18,355
Total assets		$ 2,138,906	$ 2,209,564
Liabilities and Stockholders' Equity/Members' Capital			
Current liabilities:			
Accounts payable		$ 35,500	$ 42,962
Accrued expenses and other current liabilities	9	228,245	243,496
Income tax payable		22,528	9,241
Current asset retirement obligations		7,719	7,719
Contingent royalty consideration—current		15,578	26,832
Current installments of contract obligations	13	36,511	39,116
Current operating lease obligation	10	25,767	—
Current installments of other financial liabilities and capital lease obligations		5,274	9,035
Total current liabilities		377,122	378,401
Asset retirement obligations, excluding current portion		118,972	118,072
Contract obligations, excluding current portion	13	234,404	253,578
Deferred consideration liability	14	160,946	155,332
Other financial liabilities, excluding current installments		3,329	4,073
Operating leases liabilities, excluding current portion	10	49,678	—
Finance and capital leases, excluding current installments		2,162	2,481
Contingent royalty consideration—non-current		2,588	3,371
Interest bearing liabilities	12	84,000	—
Deferred income tax liabilities		48,252	38,838
Other liabilities		1,486	1,610
Total liabilities		1,082,939	955,756
Common stock $0.01 par value; 1,000,000,000 shares authorized, 96,651,692 shares are issued and outstanding as of March 31, 2019 and December 31, 2018		967	967
Series A Preferred stock $0.01 par value; 100,000,000 shares authorized, 1 Share issued and outstanding as of March 31, 2019 and December 31, 2018		—	—
Additional paid-in capital		1,107,948	1,107,948
Accumulated other comprehensive loss		(44,588)	(49,609)
Retained earnings (deficit)		(8,642)	194,220
Noncontrolling interest		282	282
Total stockholders' equity		1,055,967	1,253,808
Total liabilities and stockholders' equity		$ 2,138,906	$ 2,209,564

See accompanying notes to unaudited condensed consolidated financial statements

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income

(In US$ thousands, except share data)

	Note	Three Months Ended March, 31 2019	Three Months Ended March, 31 2018
Revenues:			
Coal revenues		$ 423,945	$ 92,323
Coal revenues from related parties	18	157,853	114,513
Other revenues		10,081	1,317
Total revenues		591,879	208,153
Costs and expenses:			
Cost of coal revenues (exclusive of items shown separately below)		269,559	119,311
Depreciation, depletion and amortization		39,771	21,808
Freight expenses		37,327	4,243
Stanwell rebate		48,827	—
Other royalties		44,348	15,292
Selling, general, and administrative expenses		9,069	43,770
Total costs and expenses		448,901	204,424
Operating income		142,978	3,729
Other income (expenses):			
Interest income		403	20
Interest expense		(8,582)	(6,520)
Loss on debt extinguishment		—	(3,905)
Other, net	5	4,031	(24,455)
Total other income (expense), net		(4,148)	(34,860)
Income before tax		138,830	(31,131)
Income tax (expense) benefit	11	(42,010)	7,460
Net income (loss)		96,820	(23,671)
Less: Net loss attributable to noncontrolling interest		—	(2)
Net income attributable to Coronado Global Resources Inc.		$ 96,820	$ (23,669)
Other comprehensive income, net of income taxes:			
Foreign currency translation adjustment		(558)	—
Decrease in fair value of cash flow hedges		5,579	—
Total comprehensive income (loss)		$ 101,841	$ (23,671)
Less: Net loss attributable to noncontrolling interest		—	(2)
Total comprehensive income (loss) attributable to Coronado Global Resources Inc.		$ 101,841	$ (23,669)
Earnings per share of common stock			
Basic	15	$ 1.00	
Diluted	15	$ 1.00	

See accompanying notes to unaudited condensed consolidated financial statements

Unaudited Condensed Consolidated Statements of Stockholders' Equity/Members' Capital

(In US$ thousands, except share data)

	Members' Capital	Common Stock Shares	Common Stock Amount	Preferred Stock Series A	Preferred Stock Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Non-controlling Interest	Total Stockholders' Equity
Balance December 31, 2018	$ —	96,651,692	967	1	—	1,107,948	194,220	(49,609)	282	1,253,808
Net income	—	—	—	—	—	—	96,820	—	—	96,820
Other comprehensive income (Net of $2,391 tax)	—	—	—	—	—	—	—	5,021	—	5,021
Total comprehensive income	$ —	96,651,692	967	1	—	—	96,820	5,021	—	101,841
Dividends paid	—	—	—	—	—	—	(299,682)	—	—	(299,682)
Balance March 31, 2019	$ —	96,651,692	967	1	—	1,107,948	(8,642)	(44,588)	282	1,055,967

	Members' Capital	Common Stock Shares	Common Stock Amount	Preferred Stock Series A	Preferred Stock Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Non-controlling Interest	Total Members' Capital
Balance December 31, 2017	$ 553,524	—	—	—	—	—	79,539	—	237	633,300
Net (loss)	—	—	—	—	—	—	(23,669)	—	(2)	(23,671)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	$ —	—	—	—	—	—	23,669	—	(2)	(23,671)

Member contribution	181,610	—	—	—	—	—	—	—	62	181,672
Balance March 31, 2018	$ 735,134	—	—	—	—	—	55,870	—	297	791,301

See accompanying notes to unaudited condensed consolidated financial statements

Unaudited Condensed Consolidated Statements of Cash Flows

(In US$ thousands)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Cash flows from operating activities:		
Net income (loss)	$ 96,820	$ (23,671)
Adjustments to reconcile net income (loss) to cash and restricted cash provided by operating activities:		
Depreciation, depletion and amortization	40,032	21,808
Amortization of right of use asset—operating leases	4,055	—
Amortization of deferred financing costs	1,024	1,550
Non-cash interest expense	6,201	1,311
Amortization of contract obligations	(8,925)	(904)
Loss on disposal of property, plant and equipment	59	—
Increase (decrease) in contingent royalty consideration	(5,179)	—
Loss on interest rate swap	—	36,524
Deferred income taxes	9,414	(7,460)
Reclamation of asset retirement obligations	(1,752)	(17)
Change in estimate of asset retirement obligation	(125)	—
Changes in operating assets and liabilities:		
Accounts receivable—including related party receivables	18,820	(12,287)
Coal inventories	(736)	(5,588)
Supply inventories	(1,711)	390
Prepaid expenses and other assets	(1,630)	593
Other assets	270	10,062
Accounts payable	(7,549)	4,155
Accrued expenses and other current liabilities	116	33,234
Operating lease liabilities	(7,024)	—
Change in other liabilities	(132)	—
Net cash provided by operating activities	141,508	59,700
Cash flows from investing activities:		
Capital expenditures	(28,344)	(15,801)
Purchase of deposits and reclamation bonds	(34)	(125)
Redemption of deposits and reclamation bonds	—	35
Acquisition of Curragh, net of cash acquired	—	(537,207)
Net cash used in investing activities	(28,378)	(553,098)
Cash flows from financing activities:		
Proceeds from borrowings, net of debt discount	84,000	710,000
Debt issuance costs and other financing costs	—	(42,075)
Principal payments on interest bearing liabilities and other financial liabilities	(2,344)	(143,176)
Principal payments on finance and capital lease obligations	(382)	(736)
Payment of contingent purchase consideration	(6,958)	—
Dividends paid	(299,682)	
Members' contributions (distributions), net	—	181,610
NCI member's contributions	—	62
Net cash provided by (used in) financing activities	(225,366)	705,685
Net increase in cash and restricted cash	(112,236)	212,287
Effect of exchange rate changes on cash and restricted cash	(351)	—
Cash and restricted cash at beginning of period	124,881	28,069
Cash and restricted cash at end of period	$ 12,294	$ 240,356
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 56	$ 3,575
Cash paid for taxes	$ 7,006	$ —

See accompanying notes to unaudited condensed consolidated financial statements

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business, Basis of Presentation

(a) Description of the Business

Coronado Global Resources Inc. (together with its subsidiaries, the "Company" or "Coronado") is a global producer, marketer, and exporter of a full range of metallurgical coals, an essential element in the production of steel. The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA.

(b) Basis of presentation

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of US Generally Accepted Accounting Principles ("US GAAP") and are presented in US dollars, unless otherwise stated.

The interim unaudited condensed consolidated financial statements include the accounts of Coronado Global Resources Inc. and its affiliates. The Company, or Coronado, are used interchangeably to refer to Coronado Global Resources Inc., Coronado Global Resources and its subsidiaries, or to Coronado LLC, as appropriate to the context. Interests in subsidiaries controlled by the Company are consolidated with any outside stockholder interests reflected as noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, these financial statements reflect all normal, recurring adjustments necessary for the fair presentation. Balance sheet information presented herein as of December 31, 2018 has been derived from the Company's audited consolidated balance sheet at that date. The Company's results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results that may be expected for future quarters or for the year ending December 31, 2019. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in this registration statement.

2. Summary of Significant Accounting Policies

Please see Note 2 Summary of Significant Accounting Policies contained in the audited consolidated financial statements for the year ended December 31, 2018 included in this registration statement.

(a) Newly Adopted Accounting Standards

Leases. In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

On January 1, 2019, the Company adopted ASU No. 2016-02 using the modified retrospective transition approach and elected the package of practical expedients that allows it to forgo reassessment of lease classification for leases that have already commenced. The Company also elected the practical

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

expedients to the new standard without restating comparative prior period financial information, to not recognize ROU assets and liabilities for operating leases with shorter than 12-month terms and to include both lease and non-lease components with lease payments.

In addition to existing finance leases and other financing obligations, the adoption of the new standard resulted in the recognition of additional ROU assets of $66.8 million and lease liabilities of $81.1 million related to operating leases. There was no material impact to the Consolidated Statements of Operations and Comprehensive Income, the Consolidated Statements of Cash Flows, or the Company's debt covenant calculations as a result of the adoption of ASU 2016-02.

ASU No. 2016-02 also requires entities to disclose certain qualitative and quantitative information regarding the amount, timing, and uncertainty of cash flows arising from leases. Such disclosures are included in Note 9 "Leases".

(b) Accounting Standards Not Yet Implemented

Financial Instruments—Credit Losses. In June 2016, the FASB issued ASU 2016-13 related to the measurement of credit losses on financial instruments. The pronouncement replaces the incurred loss methodology to record credit losses with a methodology that reflects the expected credit losses for financial assets not accounted for at fair value with gains and losses recognized through net income. This standard is effective for fiscal years beginning after December 15, 2019 (January 1, 2020 for the Company) and interim periods therein, with early adoption permitted for fiscal years, and interim periods therein, beginning after December 15, 2018. The Company is in the process of evaluating the impact on its financial statements and expects to adopt ASU 2016-13 as of January 1, 2020.

Fair Value Measurement. In August 2018, the FASB issued ASU 2018-13, which amended the fair value measurement guidance by removing and modifying certain disclosure requirements, while also adding new disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all companies for fiscal years, and interim periods within those years, beginning after December 15, 2019. Early adoption is permitted for all amendments. Further, a company may elect to early adopt the removal or modification of disclosures immediately and delay adoption of the new disclosure requirements until the effective date. The Company plans to adopt all disclosure requirements effective January 1, 2020.

3. Acquisitions

Curragh

On December 22, 2017, a Membership Interest and Asset Purchase Agreement (the Agreement) was entered by Coronado Australia Holdings Pty Ltd and Coronado Group LLC in order to acquire Wesfarmers Curragh Pty Ltd (since renamed Coronado Curragh Pty Ltd). The Agreement was executed on March 29, 2018.

The aggregate base purchase price for the Membership Interest in Curragh (the Transaction) was A$700 million and was subject to adjustments pursuant to the terms of the Agreement. The Company

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

acquired 100% of the Membership Interest. The operating results related to the Transaction have been included in the consolidated financial statements since March 29, 2018.

The aggregate consideration on the date of the Transaction totaled $563.8 million.

Contingent consideration, specifically the Value Share Mechanism (VSM) of $26.6 million associated with the Transaction represents the fair value of a two-year, 25% royalty on sales from metallurgical coal mined at Curragh. The royalty only applies to the realized price on metallurgical coal sales above $145 per metric ton. The VSM liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the Consolidated Statement of Operations. The payout structure of the royalty can be replicated through a probability weighted discounted cash flow approach using a Monte Carlo simulation over a 24-month period from acquisition date. As such, the Company developed a fair value of the royalty using a Monte Carlo simulation.

In connection with the acquisition, Coronado Australia Holdings Pty Ltd incurred acquisition related costs for the three months ended March 31, 2018 of $53.8 million; $38.5 million of which is recorded in selling, general, and administrative expenses. The remainder, relating to foreign currency losses, is recorded in Other, net.

The Transaction has been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The following table summarizes total consideration transferred and the allocation of the purchase price to the acquired assets and liabilities:

		Amount (US$ thousands)
Fair value of total consideration transferred:		
Cash consideration	$	537,207
Contingent consideration (Value Share Mechanism)		26,552
Total consideration transferred		563,759
Recognized amounts of identifiable assets acquired, and liabilities assumed:		
Current assets	$	240,966
Property, plant and equipment		851,981
Deferred income tax assets		24,432
Other long-term assets		1,831
Current liabilities		(141,611)
Contract obligations		(306,960)
Asset retirement obligations		(104,305)
Other long-term liabilities		(2,575)
Total identifiable net assets acquired	$	563,759

No goodwill has been recorded in connection with this acquisition as the purchase consideration equaled the fair value of the net assets acquired.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

The following pro forma summary reflects consolidated results of operation as if the Transaction had occurred on January 1, 2018 (unaudited).

	Three months ended March 31, 2019	
	2019	2018
	(US$ thousands)	
Revenue	$ 591,879	$ 524,310
Net Income	96,820	171,711

The pro forma financial information was prepared based on historical financial information and has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Transaction, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results.

These pro forma results are based on estimates and assumptions, which the Company believes are reasonable. They are not the results that would have been realized had the acquisition actually occurred on January 1, 2018 and are not necessarily indicative of the Company's consolidated results of operations in future periods. The pro forma results include adjustments related to purchase accounting, depreciation of property and equipment, and do not include any anticipated synergies or other expected benefits that may be realized from the Transaction.

The pro forma results for the three months ended March 31, 2018 exclude non-recurring adjustments of $53.8 of transaction costs.

4. Segment Information

The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA. The Company operates its business along four reportable segments: Curragh, Buchanan, Logan and Greenbrier. These segments are grouped based on geography. Factors affecting and differentiating the financial performance of each of these four reportable segments generally include coal quality, geology, and coal marketing opportunities, mining and transportation methods and regulatory issues. The Company believes this method of segment reporting reflects both the way its business segments are currently managed and the way the performance of each segment is evaluated. The four segments consist of similar operating activities as each segment produces similar products.

The organization of the four reportable segments reflects how Coronado's chief operating decision maker ("CODM") manages and allocates resources to the various components.

"Other and corporate" relates to additional financial information for the corporate function such as accounting, treasury, legal, human resources, compliance, and tax. As such, the corporate function is not determined to be a reportable segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financials.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

Reportable segment results as of and for the three months ended March 31, 2019 and 2018 are presented below.

	Curragh[(1)]	Buchanan	Logan	Greenbrier	Other and Corporate	Total
			($ thousands)			
Three months ended March 31, 2019						
Total revenues	$ 381,375	122,724	74,309	13,471	—	591,879
Adjusted EBITDA	120,149	56,112	17,165	(1,308)	(9,052)	183,066
Net income/(loss)	68,732	32,319	7,555	(3,073)	(8,713)	96,820
Total assets	1,142,356	510,565	294,825	141,376	49,784	2,138,906
Capital expenditures[(2)]	6,090	14,724	7,647	1,199	5	29,665
Three months ended March 31, 2018						
Total revenues	$ —	134,209	54,051	19,893	—	208,153
Adjusted EBITDA	—	64,444	4,791	1,171	(67,766)	2,640
Net income/(loss)	—	52,087	(1,241)	(10,021)	(64,496)	(23,671)
Total assets	1,118,194	522,909	254,307	154,132	244,898	2,294,440
Capital expenditures[(2)]	—	7,655	8,568	178	270	16,671

(1) On March 29, 2018, Coronado acquired the Curragh Mining business from Wesfarmers Limited. Curragh is a separate reportable segment due to having separate management, location, assets, and operations. Curragh is located in central Queensland, Australia and the reportable segment produces a wide variety of metallurgical coal.

(2) Capital expenditures includes financing fees incurred through other financial liabilities for the purchase of certain equipment

The reconciliation of Adjusted EBITDA to net income attributable to the Company for the three months ended March 31, 2019 and 2018 are as follows:

	Three months ended March 31, 2019	Three months ended March 31, 2018
	(US$ thousands)	
Net income (loss)	$ 96,820	$ (23,671)
Depreciation, depletion and amortization	39,771	21,808
Interest expense (net of income)	8,179	6,500
Other foreign exchange losses (gains)	(3,714)	1,558
Loss on retirement of debt	—	3,905
Income tax expense (benefit)	42,010	(7,460)
Consolidated Adjusted EBITDA	$ 183,066	$ 2,640

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

Disaggregation of revenue

The Company disaggregates the revenue from contracts with customers by major product group for each of the Company's segments, as the company believes it best depicts the nature, amount, timing and uncertainty of revenues and cash flows. All revenue is recognized at point in time.

	Three months ended March 31, 2019					
	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
	(US$ thousands)					
Product Groups						
Metallurgical coal	$ 350,948	119,210	63,368	13,300	$ —	546,826
Thermal coal	21,294	3,479	10,150	49	—	34,972
Total coal revenues	372,242	122,689	73,518	13,349	—	581,798
Other	9,133	35	791	122	—	10,081
Total Revenues	$ 381,375	122,724	74,309	13,471	$ —	591,879

	Three months ended March 31, 2018					
	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
	(US$ thousands)					
Product Groups						
Metallurgical coal	$ —	130,564	45,758	18,554	$ —	194,876
Thermal coal	—	3,607	7,667	686	—	11,960
Total coal revenues	—	134,171	53,425	19,240	—	206,836
Other	—	38	626	653	—	1,317
Total Revenues	$ —	134,209	54,051	19,893	$ —	208,153

5. Expenses

Other, net

	Three months ended March 31,	
	2019	2018
	(US$ thousands)	
Loss on foreign exchange swap	$ —	15,695
Other foreign exchange losses (gains)	(3,714)	1,558
Other expenses (income)	(317)	7,202
Total Other, net	$ (4,031)	24,455

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Inventories

	March 31, 2019	December 31, 2018
	(US$ thousands)	
Raw coal	$ 20,173	20,106
Saleable coal	27,217	26,374
Total coal inventories	47,390	46,480
Supplies inventory	50,537	48,623
Total inventories	$ 97,927	95,103

7. Property, Plant and Equipment

(US$ thousands)	March 31, 2019	December 31, 2018
Land	$ 26,915	26,845
Buildings and improvements	89,407	89,027
Plant, machinery, mining equipment and transportation vehicles	784,643	765,432
Mineral rights and reserves	464,680	464,680
Office and computer equipment	3,701	3,700
Mine development	486,064	479,152
Asset retirement obligation asset	81,391	80,993
Construction in process	50,814	43,691
	1,987,615	1,953,520
Less accumulated depreciation, depletion and amortization	371,929	334,962
Net property, plant and equipment	$ 1,615,686	1,618,558

8. Goodwill and Other Intangible Assets

(a) Acquired Intangible Assets

	March 31, 2019			
(US$ thousands)	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets:				
Amortizing intangible assets:				
Mining permits—Greenbrier	14	$ 1,500	780	720
Mining permits—Logan	15	1,642	672	970
Mining permits—Buchanan	28	4,000	373	3,627
Total intangible assets		$ 7,142	1,825	5,317

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Goodwill and Other Intangible Assets (Continued)

(US$ thousands)	December 31, 2018 Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets:				
Amortizing intangible assets:				
Mining permits—Greenbrier	14	$ 1,500	760	740
Mining permits—Logan	15	1,642	638	1,004
Mining permits—Buchanan	28	4,000	342	3,658
Total intangible assets		$ 7,142	1,740	5,402

Amortization expense is charged using the straight-line method over the useful lives of the respective intangible asset. The aggregate amount of amortization expense for amortizing intangible assets for the three months ended March 31, 2019 and 2018 was $0.1 million and $0.1 million, respectively. Estimated amortization expense for the next five years is $0.3 million in 2019, $0.2 million in 2020, $0.2 million in 2021, $0.2 million in 2022, and $0.2 million in 2023.

(b) Goodwill

In connection with the Buchanan acquisition on March 31, 2016, the Company recorded goodwill in the amount of $28.0 million. The balance of goodwill as at both March 31, 2019 and December 31, 2018 was $28.0 million.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(US$ thousands)	March 31, 2019	December 31, 2018
Wages and employee benefits	$ 53,991	$ 50,819
Taxes other than income taxes	6,559	6,512
Accrued royalties	54,481	49,129
Accrued freight costs	24,593	26,509
Accrued mining fees	44,345	45,615
Cash flow hedge derivative liability	—	5,311
Acquisition related accruals	—	30,349
Other liabilities	44,276	29,252
Total accrued expenses and other current liabilities	$ 228,245	$ 243,496

10. Leases

On January 1, 2019, the Company adopted Accounting Standards Codification ("ASC") 842, Leases. Changes to the Company's accounting policy as a result of adoption are discussed below.

From time to time, the Company enters into contractual agreements to lease mining equipment and facilities. Based upon the Company's assessment of the terms of a specific lease agreement, the Company classifies a lease as either finance or operating. ROU assets related to finance leases are presented in Property, plant and equipment, net on the unaudited

Condensed Consolidated Balance

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Leases (Continued)

Sheet. ROU assets related to Operating leases are presented as Right of use assets—operating leases, on the unaudited Condensed Consolidated Balance Sheet. Lease liabilities related to finance leases are presented in Current installment of other financial liabilities and capital lease obligations and Capital leases, excluding current installments on the unaudited Condensed Consolidated Balance Sheet. Lease liabilities related to operating leases that are subject to the ASC 842 measurement requirements such as operating leases with lease terms greater than twelve months are presented in Current installment of operating lease obligations, and Operating leases, excluding current installments on the unaudited Condensed Consolidated Balance Sheet.

Operating and finance lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. The discount rate used to determine the present value of the lease payments is the rate implicit in the lease unless that rate cannot be readily determined, in which case, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Operating lease ROU assets may also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The ROU assets and lease liabilities may also include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The ROU asset includes any lease payments made and lease incentives received prior to the commencement date. The Company has lease arrangements with lease and non-lease components which are accounted for separately. Non-lease components of the lease payments are expensed as incurred and are not included in determining the present value.

Information related to Company's operating right-of use assets and related lease liabilities are as follows:

(US$ thousands)	March 31, 2019
Operating lease costs	$ 6,483
Cash paid for operating lease liabilities	7,024
Finance lease costs:	
Amortization of right of use assets	593
Interest on lease liabilities	56
Total finance lease costs	$ 649
Operating leases:	
Operating lease right-of-use assets	$ 61,354
Current operating lease obligations	25,767
Operating lease liabilities, less current portion	49,678
Total operating lease liabilities	$ 75,445
Finance leases:	
Property and equipment	$ 7,476
Accumulated depreciation	(3,507)
Property and equipment, net	$ 3,969

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Leases (Continued)

	March 31, 2019
Weighted Average Remaining Lease Term (Years)	
Weighted average remaining lease term—finance leases	1.43
Weighted average remaining lease term—operating leases	3.50
Weighted Average Discount Rate	
Weighted discount rate—finance lease	6.25%
Weighted discount rate—operating lease	7.89%

The Company's operating leases have remaining lease terms of 1 year to 4 years, some of which include options to extend the terms deemed reasonable to exercise. Maturities of lease liabilities are as follows:

(US$ thousands)	Operating lease	Finance lease
Year ending December 31,		
2019	$ 24,067	1,067
2020	26,484	2,568
2021	16,101	—
2022	8,434	—
2023	8,427	—
Thereafter	2,103	—
Total lease payments	85,616	3,635
Less imputed interest	(10,171)	(228)
Total lease liability	$ 75,445	3,407

11. Income taxes

For the three months ended March 31, 2019 and 2018, the Company estimated its annual effective tax rate and applied this effective tax rate to its year-to-date pretax income at the end of the interim reporting period. The tax effect of unusual or infrequently occurring items, including effects of changes in tax laws or rates and changes in judgment about the realizability of deferred tax assets, are reported in the interim period in which they occur. Our 2019 estimated annual effective tax rate before any discrete items is 28.5%.The Company had income tax expense of $42.0 million for the three months ended March 31, 2019.

Income tax benefit of $7.5 million for the three months ended March 31, 2018 related solely to the Company's Australian Operations and was calculated based on effective tax rate for the period, before any discreet items, of 11.6%. This effective tax rate differs from the Australian statutory tax rate of 30.0% primarily due to non-deductible nature of certain acquisition related expenses incurred by the Australian Operations during the three months ended March 31, 2018.

The Company's U.S. entities had no income tax expense for the three months ended March 31, 2018 because prior to the reorganization transactions they were treated as partnerships for U.S. income tax purposes.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Interest bearing liabilities

On March 26, 2019, the Company drew $84.0 million under the Multi Currency Revolving Syndicate Facility Agreement ("SFA"). These funds, together with excess cash of $215.2 million, were utilized to pay a dividend of $299.7 million on March 29, 2019. The funds borrowed were for a Term of one month with principal and interest payable at the end of the term. The interest rate set at the time the funds were drawn was 5.35%. At the end of each term of a loan, the Company may elect to repay the loan or extend any unpaid loan for a period of one, two, three or six months. If the Company does not elect to repay the loan then it has the ability to extend the loan for a further term of one, two, three or six month. The term of the loan cannot extend beyond the termination date of the SFA, being February 16, 2022. The interest rate is set at the commencement of each term.

The following is a summary of interest-bearing liabilities at March 31, 2019:

(US$ thousands)	Principal
Revolving credit facility with a capacity of up to $350,000. Variable interest rate with variable principal repayments	
Interest bearing liabilities, excluding current instalments	84,000
	$ 84,000

The following is a summary of interest-bearing liabilities at December 31, 2018:

(US$ thousands)	Principal
Revolving credit facility with a capacity of up to $350,000. Variable interest rate with variable principal repayments	—
Interest bearing liabilities, excluding current instalments	—
	$

13. Contract Obligations

The following is a summary of the contract obligations as of March 31, 2019:

(US$ thousands)	Short-term	Long-term	Total
Coal leases contract liability	843	22,052	22,895
Stanwell below market coal supply agreement	35,668	212,352	248,020
	36,511	234,404	270,915

The following is a summary of the contract obligations as of December 31, 2018:

(US$ thousands)	Short-term	Long-term	Total
Terminal services contract liability	$ 2,717	11,549	14,266
Coal leases contract liability	844	22,354	23,198
Stanwell below market coal supply agreement	35,555	219,675	255,230
	$ 39,116	253,578	292,694

On adoption of ASC 842—Leases the Terminal services contract liability was eliminated against the Terminal services ROU Asset on the unaudited Consolidated Balance Sheet.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Deferred consideration liability

On August 14, 2018, the Company completed the purchase of the Stanwell Reserved Area ("SRA") adjacent to the current Curragh mining tenements. This area was acquired on a deferred consideration basis and on acquisition the Company recognized a 'Right-to-mine-asset' and a corresponding deferred consideration liability of $155.2 million, calculated using a pre-tax discount rate of 13% representing fair value of the arrangements and the date of acquisition. The deferred consideration liability will reflect passage of time changes by way of an annual accretion at the pre-tax discount rate of 13% while the liability will decrease as domestic coal is supplied to Stanwell from the SRA.

(US$ thousands)	March 31, 2019	December 31, 2018
Stanwell Reserved Area deferred consideration	$ 160,946	155,332
	$ 160,946	155,332

15. Earnings per Share

Basic earnings per share of common stock is computed by dividing net income attributable to the Company for the period, by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income attributable to the Company by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. There were no traded shares of common stock outstanding prior to October 23, 2018; therefore, no earnings per share information has been presented for any period prior to that date.

Basic and diluted earnings per share was calculated as follows (in thousands, except per share data):

(US$ thousands, except share data)	Three months ended March 31, 2019
Numerator:	
Net Income	$ 96,820
Less: Net income attributable to Non-controlling interest	—
Net Income attributable to Company stockholders	$ 96,820
Denominator	
Weighted-average shares of common stock outstanding	96,651,692
Effects of dilutive shares	3,828
Weighted average diluted shares of common stock outstanding	96,655,520
Earnings Per Share (US$):	
Basic	$ 1.00
Dilutive	$ 1.00

16. Derivatives and Fair Value Measurement

(a) Derivatives

The Company may use derivative financial instruments to manage its risk in the normal course of operations, including foreign currency risks, price risk related to forecasted purchase of raw materials

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Derivatives and Fair Value Measurement (Continued)

(such as gas or diesel) and interest rate risk on interest bearing liabilities. Derivatives are exclusively used for economic hedging purposes and hedging for speculative instruments.

As of March 31, 2019, the Company had forward contracts outstanding with an aggregate notional amount of A$44.3 million to hedge its exposure to the variability of diesel fuel prices used in the operations at Curragh. The forward diesel fuel contracts were designated as cash flow hedges.

No derivative financial instruments were entered into or settled during the three months ended March 31, 2018.

The fair value of derivatives reflected in the accompanying unaudited Consolidated Balance Sheet are set forth in the table below:

	March 31, 2019		December 31, 2018	
	Derivative asset	Derivative liability	Derivative asset	Derivative liability
	(US$ thousands)			
Forward fuel contracts	2,559	—	—	5,402

The net amounts of derivative assets are included in "other current assets" and the net amount of derivative liabilities are included in "other current liabilities."

The forward fuel contracts were designated as cash flow hedges. The following table presents our details of these outstanding hedge contracts:

	March 31, 2019			December 31, 2018		
	Notional amount (in thousands)	Unit of measure	Varying maturity dates	Notional amount (in thousands)	Unit of measure	Varying maturity dates
Designated forward fuel contracts	73,290	Liters	April 2019 - December 2010	93,420	Liters	January 2019 - December 2010

During the three months ended March 31, 2018, the Company entered into a foreign exchange swap contract to hedge against the exposure fluctuations in the Australian Dollar against the US Dollar on the purchase price of Curragh between the Agreement date and the completion date. The Company elected not to formally designate the swaps as cash flow hedges. As such, the Company accounted for the foreign exchange swaps as an economic hedge and recorded at fair value at the end of each reporting period. Pursuant with ASC 815, the foreign exchange swaps were initially recorded at fair value and all subsequent changes were recorded to Other, net (Refer Note 2—Other, net) within the unaudited Consolidated Statements of Operations. As of March 31, 2019, the Company did not have any foreign exchange swaps outstanding.

(b) Fair Value of Financial Instruments

The fair value of a financial instrument is the amount that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial instruments involve uncertainty and cannot be determined with precision.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Derivatives and Fair Value Measurement (Continued)

based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Financial Instruments Measured on a Recurring Basis

As of March 31, 2019, the Company has the following liabilities that are required to be measured at fair value on a recurring basis:

- Forward commodity contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)
- Contingent royalty: fair value is determined using the Black-Scholes option pricing formula (Level 3)
- VSM: fair value is determined using the Monte Carlo pricing simulation (Level 3)

The following tables set forth the hierarchy of the Company's net financial liabilities positions for which fair value is measured on a recurring basis as of March 31, 2019:

(US$ thousands)	Level 1	Level 2	Level 3	Total
Forward commodity contracts	$ —	2,559	—	2,559
Contingent royalty	—	—	10,800	10,800
VSM	—	—	7,366	7,366
	$ —	2,559	18,166	20,725

The Company's net financial liability positions for which fair value is measured on a recurring basis as of December 31, 2018 was as follows:

(US$ thousands)	Level 1	Level 2	Level 3	Total
Forward commodity contracts	$ —	5,402	—	5,402
Contingent royalty	—	—	17,216	17,216
VSM	—	—	12,987	12,987
	$ —	5,402	30,203	35,605

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Derivatives and Fair Value Measurement (Continued)

Contingent Royalty Consideration

Key assumptions in the valuation include the gross sales price forecast, export volume forecast, volatility, the risk-free rate, and credit-spread of the Company.

	Quantitative Information about Level 3 Fair Value Measurements			
(US$ thousands)	Fair value at March 31, 2019	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability[1]	10,800	Option model	Gross sales price forecast per tonne	$91.36 to $107.57 ($96.3)
			Export volume forecast (000's)	7,504 tonnes over 2 years
			Volatility	13.80%
			Risk-free rate	2.43% to 2.61% (2.52%)
			Company credit spread	0.0348

Value Share Mechanism

Key assumptions in the valuation include the risk-free rate, the tax rate, distribution, price volatility, and Foreign Exchange ("FX") rate.

	Quantitative Information about Level 3 Fair Value Measurements			
(US$ thousands)	Fair value at March 31, 2019	Valuation technique	Unobservable input	Range (Weighted Avg.)
Value Share Mechanism (VSM)	7,366	Monte Carlo simulation	Gross sales price forecast per tonne	$153.5 to $110.7 ($136.1)
			Volatility	22.50%
			Risk-free rate	2.85%
			Tax rate	30.00%
			FX rate	0.7048

(1) $8.212 million of this amount is classified as a current liability with the remainder of $2.588 million being classified as a non-current liability.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Derivatives and Fair Value Measurement (Continued)

The following is a summary of all the activity related to the contingent royalty liability and value share mechanism:

	Three months ended March 31, 2019 activity				
(US$ thousands)	Account classification	Contingent Royalty Liability	VSM	Incurred royalties	Total
Beginning balance at January 1, 2019:		$ 17,216	12,987	8,295	38,498
Statement of Operation activity:					
Contingent liability / VSM expense incurred	Other royalties			$ 8,697	8,697
Decrease in VSM Liability value	Other royalties		(5,621)		(5,621)
Increase in Contingent Royalty Liability value	Other royalties	$ (6,416)			(6,416)
Total Statement of Operations activity:		$ (6,416)	(5,621)	8,697	(3,340)
Cash paid to CONSOL/Wesfarmers				(10,492)	(10,492)
Balance sheet:					
Royalties payable to CONSOL/Wesfarmers	Accrued expenses and other liabilities			6,500	6,500
VSM Liability	Contingent royalty consideration—current		7,366		7,366
Contingent Royalty Liability	Contingent royalty consideration	$ 10,800			10,800
Total liabilities		$ 10,800	7,366	6,500	24,666

There are no other fair value measurements of assets and liabilities that are measured at fair value on a nonrecurring basis as of March 31, 2019 and December 31, 2018.

Other Financial Instruments

The following methods and assumptions are used to estimate the fair value of other financial instruments as of March 31, 2019 and December 31, 2018:

- Cash and restricted cash, accounts receivable, accounts payable, and accrued expenses and other current liabilities: The carrying amounts reported in the unaudited Consolidated Balance Sheets approximate fair value due to the short maturity of these instruments.

- Deposits and reclamation bonds, current instalments of other financial liabilities, current instalments of interest bearing liabilities, current instalments of capital lease obligations, other financial liabilities, excluding current instalments, interest bearing liabilities, excluding current instalments and capital leases, excluding current instalments: The fair values approximate the carrying values reported in the unaudited Consolidated Balance Sheets.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Commitments

(a) Mineral Leases

The Company leases mineral interests and surface rights from land owners under various terms and royalty rates. The future minimum royalties under these leases are as follows:

(US$ thousands)	Amount
Year ending December 31,	
2019	3,257
2020	5,071
2021	4,934
2022	4,768
2023	4,693
Thereafter	24,970
Total	47,693

Mineral leases are not in scope of ASC 842 and continue to be accounted for under the guidance in ASC 932, Extractive Activities—Mining.

(b) Other commitments

As of March 31, 2019, purchase commitments for capital expenditures were $19.5 million, all of which is obligated within the next 12 months.

The Company has entered into fix price contracts to purchase fuel for the US operations. As of March 31, 2019, the commitment for fuel purchases were $8.4 million, all of which is obligated within the nine months to December 31, 2019.

In Australia, the Company has generally secured the ability to transport coal through rail contracts and coal export terminal contracts that are primarily funded through take-or-pay arrangements with terms ranging up to 11 years. In the U.S., the Company typically negotiates its rail and coal terminal on an annual basis. As of March 31, 2019, these Australian and U.S. commitments under take-or-pay arrangements totaled $1.10 billion, of which approximately $111.7 million is obligated within the next year.

18. Related-Party Transactions

X-Coal

During the three months ended March 31, 2019, the Company sold coal to Xcoal Energy and Resources ("Xcoal"), an entity associated with Non-Executive director, Mr. Ernie Thrasher. Revenue from Xcoal of $157.9 million and $114.5 million, respectively, are recorded as coal revenues on the unaudited Condensed Consolidated Statement of Operations for the three months ended March 31, 2019 and 2018. At March 31, 2019 amounts due from Xcoal in respect of coal sales were $74.5 million. As of December 31, 2018, amounts due from Xcoal in respect of coal sales were $36.0 million. These balances are included in related party receivables.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Contingencies

In the normal course of business, the Company is a party to certain guarantees and financial instruments with off balance sheets risk, such as bank letters of credit and performance or surety bonds. No liabilities related to these arrangements are reflected in the Company's unaudited Consolidated Balance Sheets. Management does not expect any material losses to result from these guarantees or off balance sheets financial instruments.

As at March 31, 2019 and December 31, 2018, Facility B of the SFA has been utilized to issue A$343.2 million of bank guarantees on behalf of the Company. A significant portion of these bank guarantees have been issued in respect of the Company's asset retirement obligations.

Curragh is a co-defendant to proceedings in the Queensland Supreme Court brought by Aurizon. Aurizon's claim relates to costs relating to the co-defendants' use of the WICET rail links—in particular, whether the 'First Milestone Target Date', which triggers certain 'WIRP Fee' payments under the WIRP Deed, has been achieved. The Company intends to continue to strongly contest the matter together with the other WICET users who are joint defendants in the proceedings. The proceedings include a claim for damages for breach of contract against Curragh. While it is not possible to precisely quantify the Company's potential exposure as a result of this litigation, it is currently expected that, were Aurizon successful in proving the relevant elements of its claim, Coronado Curragh Pty would be required to pay approximately A$2.3 million per annum for the term of the WIRP Deed (which is 233 months). Resolution of this dispute would also result in the Company's below rail access to WICET (of 1.5 Mtpa) becoming a firm contractual capacity entitlement (and the subject of a 20-year take-or pay access agreement) instead of an ad hoc entitlement only. The Company's unaudited Condensed Consolidated Balance Sheet includes a liability to cover estimated loss from the date of the WIRP Deed of $3.8 million and $3.5 million as at March 31, 2019 and December 31, 2018 respectively.

The Company is involved in various other legal proceedings from time to time in the normal course of business including proceedings related to employment matters. At March 31, 2019 and December 31, 2018, the Company's unaudited Condensed Consolidated Balance Sheets include liabilities for these legal actions of $0.2 million, respectively.

The liabilities recorded in relation to the above litigations do not include costs associated with legal representation. In management's opinion, the Company is not currently involved in any legal proceedings, which individually or in the aggregate could have a material effect on the financial condition, results of operations and/or liquidity of the Company.

CORONADO GLOBAL RESOURCES INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Coronado Global Resources, Inc:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Coronado Global Resources, Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, stockholders' equity/members' capital, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2013.

Richmond, Virginia

February 18, 2019

Consolidated Balance Sheet

December 31, 2018 and 2017

(Dollars quoted in US$ thousands, except the share data)

Assets	**Note**	**2018**	**2017**
Current assets:			
Cash and restricted cash		$ 124,881	$ 28,069
Trade receivables		206,127	93,784
Related party receivables		36,716	578
Other receivables		18,170	1,056
Income tax receivable	21	12,017	—
Coal Inventories	7	46,480	7,106
Supplies inventory	7	48,623	10,974
Prepaid expenses and other current assets		22,744	6,054
Total current assets		515,758	147,621
Property, plant, and equipment, net	8	1,618,558	761,040
Goodwill	9	28,008	28,008
Intangible assets, net	9	5,402	5,733
Deposits and reclamation bonds		11,635	3,289
Deferred income tax assets	21	11,848	—
Other assets	10	18,355	6,101
Total assets		$ 2,209,564	$ 951,792
Liabilities and Stockholders' Equity/Members' Capital			
Current liabilities:			
Accounts payable		$ 42,962	$ 20,969
Accrued expenses and other current liabilities	12	243,496	41,014
Income tax payable	21	9,241	—
Current asset retirement obligations	13	7,719	3,463
Contingent royalty consideration—current	22	26,832	—
Current installments of contract obligations	16	39,116	5,982
Current installments of other financial liabilities and capital lease obligations		9,035	7,107
Current installments of interest bearing liabilities	14	—	1,750
Total current liabilities		378,401	80,285
Asset retirement obligations, excluding current portion	13	118,072	52,966
Contract obligations, excluding current portion	16	253,578	37,792
Deferred consideration liability	17	155,332	—
Interest bearing liabilities, excluding current installments	14	—	128,516
Other financial liabilities, excluding current installments	15	4,073	7,150
Capital leases, excluding current installments	23	2,481	3,764
Contingent royalty consideration—non-current	22	3,371	8,019
Deferred income tax liability	21	38,838	—
Other liabilities		1,610	—
Total liabilities		955,756	318,492
Total Coronado Group LLC members' capital		—	553,524
Common stock $0.01 par value; 1,000,000,000 shares authorized, 96,651,692 shares are issued and outstanding as of December 31, 2018 and 2017 respectively.		967	

Series A Preferred stock $0.01 par value; 100,000,000 shares authorized,		—	—
1 Share issued and outstanding as of December 31, 2018		—	—
Additional paid-in capital		1,107,948	—
Accumulated other comprehensive income (loss)		(49,609)	—
Retained earnings		194,220	79,539
Noncontrolling interest	11	282	237
Total stockholders' equity/members' capital		1,253,808	633,300
Total liabilities and stockholders' equity/members' capital		$ 2,209,564	$ 951,792

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations and Comprehensive Income

December 31, 2018, 2017 and 2016

(Dollars in US$ thousands, except the share data)

	Note	2018	2017	2016
Revenues:				
Coal revenues		$ 1,500,730	$ 384,722	$ 216,727
Coal revenues from related parties	25	444,870	371,663	217,239
Other revenues		34,904	11,859	3,285
Total revenues		1,980,504	768,244	437,251
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)		991,994	463,638	290,725
Depreciation, depletion and amortization		162,117	75,503	59,737
Freight expenses		117,699	15,880	5,447
Stanwell rebate	5	127,692	—	—
Other royalties		181,715	39,665	32,344
Selling, general, and administrative expenses		66,207	21,793	12,944
Total costs and expenses		1,647,424	616,479	401,197
Operating income		333,080	151,765	36,054
Other income (expenses):				
Interest income		2,029	168	94
Interest expense		(60,007)	(10,123)	(192)
Loss on debt extinguishment		(58,085)	—	—
Other, net	5	(27,216)	473	376
Total other income (expense), net		(143,279)	(9,482)	278
Income before tax		189,801	142,283	36,332
Income tax expense	21	(75,212)	—	—
Net income		114,589	142,283	36,332
Less: Net loss attributable to noncontrolling interest		(92)	(70)	(133)
Net income attributable to Coronado Global Resources Inc.		$ 114,681	$ 142,353	$ 36,465
Other comprehensive income, net of income taxes:				
Foreign currency translation adjustment		(45,827)	—	—
Decrease in fair value of cash flow hedges		(3,782)	—	—
Total comprehensive income		64,980	142,283	36,332
Less: Net loss attributable to noncontrolling interest		(92)	(70)	(133)
Total comprehensive income attributable to Coronado Global Resources Inc.		$ 65,072	$ 142,353	$ 36,465
Earnings per share of common stock(1)				
Basic		$ 0.21		
Diluted		$ 0.21		
Pro forma earnings per share of common stock(2)				
Basic		$ 0.97		
Diluted		$ 0.97		

(1) Represents earnings per share of common stock and weighted-average shares of common stock outstanding for the period from October 24, 2018 through December 31, 2018, the period following the initial public offering. See Note 6(b).

(2) The pro forma financial information presented has been computed to reflect income tax expense assuming our initial public offering occurred on January 1, 2018. See Note 6(b).

See accompanying notes to consolidated financial statements

Consolidated Statements of Stockholders' Equity/Members' Capital

(Dollars in US$ thousands, except the share data)

	Members' Capital	Retained Earnings	Non-controlling Interest	Common Stock Shares	Common Stock Amount	Preferred Stock Series A	Preferred Stock Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Non-controlling Interest	Total Stockholders' / Members' Capital
Balance December 31, 2015	$ 436,650	$ (99,279)	$ 353	—	$ —	—	$ —	$ —	$ —	$ —	$ —	$ 337,724
Members' contributions	500,000	—	70	—	—	—	—	—	—	—	—	500,070
Net income (loss)	—	36,465	(133)	—	—	—	—	—	—	—	—	36,332
Balance December 31, 2016	$ 936,650	$ (62,814)	$ 290	—	$ —	—	$ —	$ —	$ —	$ —	$ —	$ 874,126
Members' contributions	(383,126)	—	17	—	—	—	—	—	—	—	—	(383,109)
Net income (loss)	—	142,353	(70)	—	—	—	—	—	—	—	—	142,283
Balance December 31, 2017	$ 553,524	$ 79,539	$ 237	—	$ —	—	$ —	$ —	$ —	$ —	$ —	$ 633,300
Members' distributions before Reorganization Transactions	(69,074)	—	—	—	—	—	—	—	—	—	—	(69,074)
Members' contributions before Reorganization Transactions	181,610	—	137	—	—	—	—	—	—	—	—	181,747
Reorganization Transactions	(666,060)	(79,539)	(374)	80,000,000	800	1	—	665,260	79,539	—	374	—
Proceeds from initial public offering, net	—	—	—	16,651,692	167	—	—	442,147	—	—	—	442,314
Share-based compensation for equity classified awards	—	—	—	—	—	—	—	541	—	—	—	541

Net unrealized losses on cash flow hedges (net of $1,529 deferred income tax asset)	—	—	—	—	—	—	—	—	—	(3,782)		(3,782)
Net income (loss)	—	—	—	—	—	—	—	—	114,681	—	(92)	114,589
Foreign currency translation adjustment (net of deferred income tax asset)	—	—	—	—	—	—	—	—	—	(45,827)	—	(45,827)
Balance December 31, 2018	$ —	$ —	$ —	96,651,692	$ 967	1	$ —	$ 1,107,948	$ 194,220	$ (49,609)	$ 282	$ 1,253,808

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

Years ended December 31, 2018, 2017 and 2016

(Dollars US$ in thousands)

	2018	2017	2016
Cash flows from operating activities:			
Net income	$ 114,589	$ 142,283	$ 36,332
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:			
Depreciation, depletion and amortization	162,351	75,503	60,017
Amortization of deferred financing costs	5,181	688	—
Non-cash interest expense	9,919	436	—
Amortization of contract obligations	(31,870)	(4,032)	(3,589)
Gain on disposal of property, plant and equipment	122	(722)	(264)
Increase (decrease) in contingent royalty consideration	8,825	(1,588)	8,707
Loss on interest rate swap	3,239	—	—
Equity-based compensation expense	541	—	—
Change in deferred income taxes	55,123	—	—
Reclamation of asset retirement obligations	(4,743)	(1,180)	(2,344)
Change in estimate of asset retirement obligation	(234)	—	(280)
Changes in operating assets and liabilities:			
Accounts receivable—including related party receivables	(63,126)	37,926	(106,631)
Coal inventories	24,695	452	9,181
Supply inventories	(1,276)	(510)	1,913
Prepaid expenses and other assets	(15,057)	1,432	(5,976)
Other assets	—	(757)	77
Accounts payable	12,684	(2,625)	17,073
Accrued expenses and other current liabilities	81,593	8,272	5,960
Change in other liabilities	2,197	—	—
Net cash provided by operating activities	364,753	255,578	20,176
Cash flows from investing activities:			
Capital expenditures	(114,302)	(63,923)	(37,599)
Proceeds from the disposal of property, plant, and equipment	66	922	323
Purchase of deposits and reclamation bonds	(9,789)	(2,376)	(1,271)
Redemption of deposits and reclamation bonds	1,443	6,054	11
Acquisition of Buchanan, net of cash acquired	—	—	(425,814)
Acquisition of Curragh, net of cash acquired	(537,207)	—	—
Payment of contingent purchase consideration	(6,628)	—	—
Net cash used in investing activities	(666,417)	(59,323)	(464,350)
Cash flows from financing activities:			
Proceeds from borrowings, net of debt discount	720,083	175,645	3,315
Proceeds from interest rate swap	28,251	—	—
Payments on interest rate swap	(31,490)	—	—
Debt issuance costs and other financing costs	(42,075)	(5,752)	—
Principal payments on interest bearing liabilities and other financial liabilities	(815,758)	(43,499)	(4,649)
Principal payments on capital lease obligations	(1,801)	(1,402)	(189)
Payment of contingent purchase consideration	(4,922)	—	—
Members' contributions (distributions), net	112,536	(383,126)	500,000
NCI member's contributions	137	17	70
Proceeds from initial public offering, net	442,314	—	—
Net cash provided by (used in) financing activities	407,275	(258,117)	498,547
Net increase in cash and restricted cash	105,611	(61,862)	54,373
Effect of exchange rate changes on cash and restricted cash	(8,799)	—	—
Cash and restricted cash at beginning of period	28,069	89,931	35,558
Cash and restricted cash at end of period	$ 124,881	$ 28,069	$ 89,931
Supplemental disclosure of cash flow information:			
Cash payments for interest	$ 39,821	$ 8,690	$ 198

Cash paid for taxes	$	23,612	$	—	$	—

The Company decreased asset retirement obligations and assets in the amount of $30,928 and non-cash increases to assets in the amount of $153,793 related to the Stanwell Reserved Area asset in 2018 and increased asset retirement obligations and assets in the amount of $4,804 during 2017 for changes in cash flow projections. During 2016, the Company decreased asset retirement obligations and assets in the amount of $6,910, for changes in cash flow projections.

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business, Basis of Presentation

(a) Organization and nature of operations

Coronado Global Resources Inc. (together with its subsidiaries, the "Company" or "Coronado") is a global producer, marketer, and exporter of a full range of metallurgical coals, an essential element in the production of steel. The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA.

Coronado was incorporated on August 13, 2018 pursuant to the laws of the State of Delaware by conversion of Coronado Group HoldCo LLC, from a limited liability company to a corporation. Coronado Group HoldCo LLC was a wholly-owned subsidiary of Coronado Group LLC, a Delaware limited liability company.

Coronado Group LLC was formed on April 1, 2015 to consolidate Coronado Coal LLC and Coronado II LLC under common ownership. The consolidation was completed on July 31, 2015 through the contribution of the membership interests of Coronado Coal LLC and Coronado II LLC, in exchange for membership interest in Coronado Group LLC. On June 30, 2016, Coronado IV LLC contributed its membership interest in exchange for membership interest in Coronado Group LLC. Coronado Coal LLC, Coronado II LLC and Coronado IV LLC are referred to herein as the "US LLC's".

(b) Curragh Acquisition

On December 20, 2017 Coronado Australia Holdings Pty Ltd ("CAH") was formed as a wholly-owned subsidiary of Coronado Group HoldCo LLC for acquiring and/or investing in coal mining related interests in Australia.

On March 29, 2018, CAH purchased all the outstanding shares in Wesfarmers Curragh Pty Ltd (since renamed Coronado Curragh Pty Ltd) including two wholly-owned subsidiaries, consisting of Curragh Queensland Mining Pty Ltd and Curragh Coal Sales Co Pty Ltd (collectively, "Curragh"). Curragh's primary assets are mining facilities in Queensland, Australia.

Refer to Note (3) for further information related to the acquisition.

(c) Buchanan Acquisition

On February 26, 2016, a Membership Interest and Asset Purchase Agreement was entered among CONSOL Energy, Inc., a Delaware corporation (the "Seller"), CONSOL Amonate Mining Company LLC, a Delaware limited liability company, CONSOL Amonate Facility LLC, a Delaware liability company, the Reserve Property Sellers, CONSOL Mining Holding Company LLC, a Delaware limited liability company, CONSOL Buchanan Mining Company LLC, a Delaware limited liability company (collectively, "Buchanan") and Coronado IV LLC, a Delaware limited liability company (the "Buyer") which is wholly-owned by Coronado. The Agreement was consummated on March 31, 2016 at which time the sale was concluded.

Refer to Note (3) for further information related to the acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Description of Business, Basis of Presentation (Continued)

(d) Reorganization Transaction

During the period, Coronado Group LLC and the Company completed a reorganization of their legal entity structure (the "Reorganization Transaction"). In connection with the Reorganization Transaction:

- Coronado Group HoldCo LLC was converted into the Company, a Delaware corporation to consolidate Coronado Coal Corporation and Coronado Australia Holdings Pty Ltd under common ownership.
- Coronado Group LLC contributed all membership interest in the US LLC's to Coronado Coal Corporation, a wholly-owned subsidiary of the Company.

Immediately following the Reorganization Transaction, the Company held all the interests of Coronado Australia Holdings Pty Ltd and Coronado Coal Corporation and remained a subsidiary of Coronado Group LLC, owned by funds managed by The Energy & Minerals Group ("EMG") and certain members of the Company's management.

(e) Initial Public Offering

On October 23, 2018, the Company completed an initial public offering ("IPO") on the Australian Securities and Exchange ("ASX").

Upon completion of the IPO, the Company issued 16,651,692 new shares of common stock and Coronado Group LLC sold the equivalent of 2,691,896.4 shares of common stock. The common stock is publicly traded on the ASX under the ticker "CRN," in the form of CHESS Depositary Interests ("CDIs"). CDIs are units of beneficial ownership in shares of common stock held by CHESS Depositary Nominees Pty Limited ("CDN"), a wholly-owned subsidiary of ASX Limited, the company that operates the ASX.

Each share of common stock is equivalent to 10 CDIs.

Following the IPO, Coronado Group LLC beneficially owns 773,081,036 CDIs (77,308,103.6 shares) representing 80% of the total CDIs outstanding. The remaining 193,435,884 CDIs (19,343,588.4 shares), are owned by new investors in the form of CDIs.

Coronado Group LLC holds 1 share of Series A Preferred Stock of the Company which is the only Series A Preferred Stock issued and outstanding. The holders of Series A Preferred Stock are permitted to nominate and elect 10% of the Company's Board of Directors.

In connection with the IPO, Coronado Group LLC entered into a voluntary escrow agreement under which they agreed, among other things, to certain restrictions and prohibitions from dealing in its owned securities for a restricted period beginning on October 23, 2018 and ending on the first business day after the release of the 2019 results.

Refer to Note 6 Capital Structure for further details.

A portion of the proceeds from the IPO were used to repay all outstanding borrowings under the Term Loan B and Term Loan C (Refer to Note 14), and to pay fees and expenses related to the IPO.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Description of Business, Basis of Presentation (Continued)

(f) Basis of presentation

The consolidated financial statements have been prepared in accordance with requirements of the US Generally Accepted Accounting Principles ("US GAAP") and are presented in US dollars, unless otherwise stated.

The Reorganization Transaction was treated as a combination of entities under common control in line with Accounting Standards Codification ("ASC") 805, Business Combinations whereby the receiving entity, the Company recorded the contributed assets and liabilities at the carrying value of Coronado Group LLC.

Prior to the Reorganization Transaction, the consolidated financial statements of the Company reflect the net assets and operations of Coronado Group LLC. The financial statements presented following the Reorganization Transaction are those of the receiving entity (the Company) and are retrospectively adjusted to present that entity as if it always held the net assets or equity interests previously held by the seller, Coronado Group LLC. As such, financial information (including comparatives) of the Company has been presented as a continuation of the pre-existing accounting values of assets and liabilities in Coronado Group LLC's financial statements.

The consolidated financial statements include the accounts of the Company and its affiliates. The Company, or Coronado, are used interchangeably to refer to Coronado Global Resources Inc., Coronado Global Resources and its subsidiaries, or to Coronado Group LLC, as appropriate to the context. Interests in subsidiaries controlled by the Company are consolidated with any outside stockholder interests reflected as noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

The Company has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These reclassifications have not changed the results of operations of prior periods.

(g) Certain Significant Risks and Uncertainties

External factors, including general economic conditions, international events and circumstances, competitor actions, governmental actions and regulations are beyond the Company's control and can cause continued fluctuations in demand for coal and volatility in the price of commodities. This is turn may hinder the Company's future operating results, purchase or investment opportunities in the coal mining industry.

Concentration of customers

For the year ended December 31, 2018 $980.8 million, or 51% of total revenues were attributable to five (5) customers. In comparison, for the year ended December 31, 2017, $576.8 million, or 76% of total revenues were attributable to five (5) customers and for the year ended December 31, 2016, $369.9 million, or 85% of total revenues were attributable to five (5) customers. As of December 31, 2018, the Company had four (4) customers that accounted for $128.3 million, or 53%, of accounts receivable. As of December 31, 2017, the Company had four (4) customers in each year that accounted for $69.6 million, or 74%, of accounts receivable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Description of Business, Basis of Presentation (Continued)

Concentration of labor

Out of the Company's total employees, 12% are subject to the Curragh Mine Operations Enterprise Bargaining Agreement 2015. This agreement covers work carried out by permanent, full-time, temporary, and casual coal mining employees engaged by Curragh to fulfil production, maintenance and processing activities. The agreement passed its expiry date in July 2018, however, will remain in place unless it is replaced or terminated by the Fair Work Commission (which will only occur once the Fair Work Commission has consulted with the affected employees and their unions). The Company has been negotiating in good faith with the workforce representatives and will continue to do so with the intent of entering into a new agreement which will support safe and productive outcomes for the business and our employees. Other than the Curragh Mine Operations Enterprise Bargaining Agreement 2015, there are no other collective bargaining agreements or union contracts covering employees of the Company.

2. Summary of Significant Accounting Policies

(a) Newly adopted accounting standards

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (ASC Topic 606), which replaces existing requirements in US GAAP and provides companies with a single revenue recognition model for recognizing revenue from contracts with customers.

Effective January 1, 2018, the Company elected to adopt the requirements of ASC 606 using the modified retrospective method. The Company notes that after the assessment of applicable revenue streams, there is no quantitative impact to the adoption of ASC 606. The comparative information has not been adjusted and continues to be reported under ASC 605.

The standard has been applied to contracts that have not been completed at January 1, 2018, the date of initial application. Furthermore, the Company has not retrospectively restated the contracts that were modified before the beginning of the earliest reporting period presented in accordance with the standard. The aggregate effect of all modifications when identifying the satisfied and unsatisfied performance obligations were reflected in determining and allocating the transaction price.

In August 2017, the FASB issued ASU 2017-12 Derivatives and Hedging- Targeted Improvements to Accounting for Hedging Activities" The amendments expand an entity's ability to apply hedge accounting for nonfinancial and financial risk components and allow for a simplified approach for fair value hedging of interest rate risk. ASU 2017-12 eliminates the need to separately measure and report hedge ineffectiveness and generally requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item. Additionally, the standard simplifies the hedge documentation and effectiveness assessment requirements under the previous guidance. The Company adopted ASU 2017-12 during the year ended December 31, 2018. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation—Stock Compensation: Improvements to Employee Share-Based Payment Accounting. The standard is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification in the statement of cash flows and recognition of forfeitures. The Company adopted ASU 2016-09 during the year ended December 31, 2018 which did not have a significant

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

impact on the consolidated financial statements as the Company's share-based compensation plans were new in the current period.

In April 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements. The standard changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. At the EITF's June 18, 2015, meeting, the SEC staff clarified that the ASU does not address debt issuance costs associated with such arrangements and announced that it would "not object to an entity deferring and presenting [such] costs as an asset and subsequently amortizing the costs ratably over the term of the revolving debt arrangement."

The Company adopted ASU 2015-15 during the year ended December 31, 2018. The Company has elected an accounting policy to present debt issuance costs incurred before the debt liability is recognized (e.g. before the debt proceeds are received) as an asset which will be amortized ratably over the term of the line-of-credit. The costs will not be subsequently reclassified as a direct deduction of the liability. This policy did not have an impact on the presentation of the December 31, 2017 balance sheet. At December 31, 2017, issuance costs incurred to establish the Company's revolver facility have been classified as an asset. Refer to Note (10) "Other Assets."

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issue Task Force), or ASU 2016-18. This new standard addresses the diversity that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The Company has adopted this guidance during the year ended December 31, 2018 and has presented restricted cash and restricted cash equivalents as a component of cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

(b) Recently issued accounting standards

In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard is effective for the Company on January 1, 2019. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application, which will be the effective date of January 1, 2019. Consequently, comparative financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

The most significant impact relates to the recognition of new right of use (ROU) assets and lease liabilities on our balance sheet for our buildings, office equipment, mining equipment and transportation vehicles operating leases. The Company has adopted the practical expedient allowed under ASC 842 which contains transition guidance.

The Company estimates that adoption of the standard will result in the recognition of additional ROU assets of approximately $36.5 million and corresponding lease liabilities on January 1, 2019 of approximately $50.8 million. On adoption, the lease liability is expected to include the reclassification of a terminal services contract liability of $14.3 million, which is classified as a lease under the new standard. The adoption of ASU 2016-02 is not expected to have a material impact on the Company's results of operations or its cash flows.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include asset retirement obligations; useful lives for depreciation, depletion and amortization; purchase price allocation associated with business combinations; and other contingencies.

(d) Foreign Currency

Financial statements of foreign operations

The reporting currency of the Company is the US Dollar ("US$").

Functional currency is determined by the primary economic environment in which an entity operates. The functional currency of the US operating subsidiaries is the US$. The functional currency of the Company's foreign operating subsidiary, Curragh and its immediate parent CAH, is the Australian dollar ("A$") since Curragh's predominant sources of financing and operating expenses are denominated in that currency.

Assets and liabilities are translated at the year-end exchange rate and items in the statement of operations are translated at average rates with gains and losses from translation recorded in other comprehensive income (loss).

Foreign Currency Transactions

Monetary assets and liabilities are remeasured at year-end exchange rates while non-monetary items are remeasured at historical rates. Income and expense accounts are remeasured at the average rates in effect during the year, except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates.

Gains and losses from foreign currency remeasurement related to Curragh's US dollar coal sales are included in coal revenues. All other gains and losses from foreign currency remeasurement and realized gains and losses on settlement of foreign currency swaps are included in Other, net. The Company believes that this classification best reflects the operational activities of Curragh, whose functional currency is the Australian dollar. The total aggregate impact of foreign currency transaction

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

gains or losses on the consolidated statements of operations was a net loss of $17.8 million, $0 and $0 for the year-ended December 31, 2018, 2017 and 2016, respectively. The total impact of foreign currency transactions related to US dollar coal sales in Australia (included in the total above) was a net gain of $6.9 million, $0 and $0 for the year ended December 31, 2018, 2017 and 2016, respectively.

(e) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash at bank and short-term highly liquid investments with an original maturity date of three months or less. At December 31, 2018 and 2017, the Company had no cash equivalents.

"Cash and Restricted Cash", as disclosed in the accompanying consolidated balance sheet includes $0.2 million of restricted cash at December 31, 2018 and nil at 2017.

(f) Trade Accounts Receivable

The Company extends trade credit to its customers in the ordinary course of business. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The estimate of the allowance for doubtful accounts, which is charged off to bad debt expense, is based on management's assessment of current economic conditions and historical collection experience with each customer. Receivables are past due when they are outstanding beyond their contractual terms and are charged off to the allowance for doubtful accounts when determined uncollectible. There was no allowance for doubtful accounts on accounts receivables at December 31, 2018 and 2017.

(g) Inventories

Coal is recorded as inventory at the point in time the coal is extracted from the mine. Raw coal represents coal stockpiles that may be sold in current condition or may be further processed prior to shipment to a customer. Saleable coal represents coal stockpiles which require no further processing prior to shipment to a customer.

Coal inventories are stated at the lower of average cost and net realizable value. The cost of coal inventories is determined based on an average cost of production, which includes all costs incurred to extract, transport and process the coal. Net realizable value considers the estimated sales price of the particular coal product, less applicable selling costs, and, in the case of raw coal, estimated remaining processing costs.

Supplies inventory is comprised of replacement parts for operational equipment and other miscellaneous materials and supplies required for mining which are stated at cost on the date of purchase. Supplies inventory is valued at the lower of average cost or net realizable value, less a reserve for obsolete or surplus items. This reserve incorporates several factors, such as anticipated usage, inventory turnover and inventory levels. It is not customary to sell these inventories; the Company plans to use them in mining operations as needed.

(h) Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third party independent appraisals, as considered necessary. No impairment losses were recognized for property, plant and equipment or amortizing intangible assets during the years ended December 31, 2018 and 2017.

Property, Plant, and Equipment

Costs for mine development incurred to expand capacity of operating mines or to develop new mines are capitalized and charged to operations on the units of production method over the estimated proven and probable reserve tonnes directly benefiting from the capital expenditures. Mine development costs include costs incurred for site preparation and development of the mines during the development stage less any incidental revenue generated during the development stage.

Property, plant, and equipment are recorded at cost and include expenditures for improvements when they substantially increase the productive lives of existing assets. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets of 3 to 10 years for machinery, mining equipment and transportation vehicles, 5 to 10 years for office equipment, and 10 to 20 years for plant, buildings and improvements.

Maintenance and repair costs are expensed to operations as incurred. When equipment is retired or disposed, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposal is recognized in operations.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In connection with the Buchanan acquisition on March 31, 2016, the Company recorded goodwill in the amount of $28.0 million. Goodwill is not amortized but is reviewed for impairment annually on December 31 or when circumstances or other events indicate that impairment may have occurred. The Company follows the guidance in Accounting Standards Update 2011-08 "Testing Goodwill for Impairment" (ASU 2011-08) which permits entities to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. Circumstances that are considered as part of the qualitative assessment and could trigger a quantitative impairment test include but are not limited to: a significant adverse change in the business climate; a significant adverse legal judgment; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; and a significant restructuring charge within a reporting unit. The Company defines reporting units at the business segment level. For purposes of testing goodwill for impairment, goodwill has been allocated to the reporting units to the extent it relates to each reporting unit.

Asset Retirement Obligations

The Company's asset retirement obligation (ARO) liabilities primarily consist of spending estimates for surface land reclamation and support facilities at both surface and underground mines in accordance with applicable reclamation laws and regulations in the US and Australia as defined by each mining permit.

2. Summary of Significant Accounting Policies (Continued)

The Company estimates its ARO liabilities for final reclamation and mine closure based upon detailed engineering calculations of the amount and timing of the future cash spending for a third party to perform the required work. Spending estimates are escalated for inflation and then discounted at the credit-adjusted, risk-free rate. The Company records an ARO asset associated with the discounted liability for final reclamation and mine closure. The obligation and corresponding asset are recognized in the period in which the liability is incurred. The ARO asset is amortized on the units-of-production method over its expected life of the related asset and the ARO liability is accreted to the projected spending date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognized at the appropriate credit-adjusted, risk-free rate. The Company also recognizes an obligation for contemporaneous reclamation liabilities incurred as a result of surface mining. Contemporaneous reclamation consists primarily of grading, topsoil replacement and re-vegetation of backfilled pit areas. To settle the liability, the obligation is paid, and to the extent there is a difference between the liability and the amount of cash paid, a gain or loss upon settlement is recorded. The Company annually reviews its estimated future cash flows for its asset retirement obligations.

(i) Borrowing costs

Borrowing costs are recognized as an expense when they are incurred, except for interest charges attributable to major projects with substantial development and construction phases which are capitalized as part of the cost of the asset. There was no interest capitalized during the period ended December 31, 2018.

(j) Leases

i) Operating leases

Operating lease payments are recognized as an expense in the statement of operations on a straight-line basis for the period in which the costs relate. Operating lease incentives are recognized as a liability when received and released to earnings on a straight-line basis over the lease term.

Fixed rate increases to lease payments, excluding contingent or index based rental increases, such as Consumer Price Index and other similar increases, are recognized on a straight-line basis over the term of the lease. Where it is applicable, an asset or liability is recognized for the difference between the amount paid and the lease expense released to earnings on a straight-line basis.

ii) Capital leases

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as capital leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under capital leases are apportioned between the interest expense and the reduction of the outstanding liability. The interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

(k) Royalties

Lease rights to coal lands are often acquired in exchange for royalty payments. Advance mining royalties are advance payments made to lessors under terms of mineral lease agreements that are recoupable against future production. The Company had advance mining royalties of $3.1 million and $2.1 million respectively, included in prepaid expenses and other current assets as of December 31, 2018 and 2017.

The Stanwell rebate relates to a contractual arrangement entered into by Curragh with Stanwell Corporation Limited, a State of Queensland owned electricity generator, which requires payment of a rebate for export coal sold from some of Curragh's mining tenements. The rebate obligation is accounted for as an executory contract and the expense is recognized as incurred.

(l) Revenue Recognition

Prior to the Company's adoption of ASU 2014-09 Revenue from Contracts with Customers (ASC 606), coal sales were recognized when coal was loaded onto transport carriers for delivery to customers and the customer took ownership and assumed risk of loss, collection of the relevant receivable was probable, persuasive evidence of an arrangement existed and the sales price was fixed or determinable. Freight and handling costs paid to third party carriers and invoiced to coal customers were recorded as freight expenses and other revenues, respectively.

Revenue from contracts with customers

The Company accounts for revenue in accordance with ASC 606. ASC 606 was issued by the Financial Accounting Standards Board (FASB) in May 2014 in order to replace the existing requirements under US GAAP and provide the Company with a single revenue recognition model for recognizing revenue from contracts with customers. The Company adopted ASC 606 on January 1, 2018, using the modified retrospective method.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Once a contract is identified, the Company evaluates whether the combined or single contract should be accounted for as more than one performance obligation.

The Company recognizes revenue when control is transferred to the customer. For the Company's contracts, in order to determine the point in time when control transfers to customers, the Company uses standard shipping terms to determine the timing of transfer of legal title and the significant risks and rewards of ownership. The Company also considers other indicators including timing of when the Company has a present right to payment and when physical possession of products is transferred to customers. The amount of revenue recognized includes any adjustments for variable consideration, which is included in the transaction price and allocated to each performance obligation based on the relative standalone selling price. The variable consideration is estimated through the course of the contract using management's best estimates.

The majority of the Company's revenue is derived from short term contracts where the time between confirmation of sales orders and collection of cash is not more than a few months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction that are collected by the Company from a customer are excluded from revenue.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

The Company's contracts have multiple performance obligations as the promise to transfer the individual unit of coal is separately identifiable from other units of coal promised in the contracts and, therefore, distinct. Performance obligations, as described above, primarily relate to the Company's promise to deliver a designated quantity and type of coal within the quality specifications stated in the contract.

For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price is determined at each contract inception using an adjusted market assessment approach. This approach focuses on the amount that the Company believes the market is willing to pay for a good or service, considering market conditions, such as bench mark pricing competitor pricing, market awareness of the product and current market trends that affect the pricing.

Warranties provided to customers are assurance-type of warranties on the fitness of purpose and merchantability of the Company's goods and services. The Company does not provide service-type of warranties to customers.

Revenue is recognized at a point in time and therefore there are no unsatisfied and/or partially satisfied performance obligations at December 31, 2018.

Shipping and Handling

The Company applies the practical expedient in ASC 606-10-25-18B and accounts for shipping and handling activities after the customer obtains control of the good as an activity to fulfil the promise to transfer the good. Therefore, the Company does not evaluate whether the shipping and handling services are promised services to its customers.

Shipping and handling costs paid to third party carriers and invoiced to coal customers are recorded as freight expense and other revenues, respectively.

(m) Commodity Price Risk

The Company has commodity price risk arising from fluctuations in domestic and global coal prices.

The Company's strategy is not to enter into long term financial instruments to hedge against movements in coal prices.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

The Company is also exposed to commodity price risk related to diesel fuel purchases. This is a cost that is borne by the Company and as such, the Company may periodically enter into arrangements that protect against the volatility in fuel prices as follows:

- contracts with a fuel supplier to purchase a portion of future estimated fuel usage. As of December 31, 2018, the Company has entered into fixed price contracts to purchase fuel for the US operations (Refer to Note 21 "Commitments."). As of December 31, 2017, the Company did not have fixed fuel contracts.

- enter into derivative financial instruments to hedge exposures to fuel price fluctuations. On November 29, 2018 the Company entered into forward contracts with respect to its 2019 diesel fuel requirements for the Curragh mine. As of December 31, 2018, the carrying value and fair value of the fuel derivatives liability is $5.4 million.

(n) Comprehensive Income

Comprehensive income for the year ended December 31, 2018 is not equal to net income, as foreign currency translation flows through other comprehensive income. This is in contrast to the years ended December 31, 2017 and 2016 where comprehensive income equals net income as there were no components of other comprehensive income (loss).

(o) Income Taxes

The Company uses the asset and liability approach to account for income taxes as required by ASC 740, Income Taxes, which requires the recognition of deferred income tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Valuation allowances are provided when necessary to reduce deferred income tax assets to the amount expected to be realized, on a more likely than not basis.

The Company recognizes the benefit of an uncertain tax position that it has taken or expects to take on income tax returns it files if such tax position is more likely than not to be sustained on examination by the taxing authorities, based on the technical merits of the position. These tax benefits are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution.

Prior to its conversion to a Delaware corporation in August 2018, the Company was a Delaware limited liability company, or LLC, that passed through income and losses to its members for U.S. federal and state income tax purposes. As a result of its conversion to a Delaware corporation and to reflect the fact that as a corporation the Company will be subject to entity level taxation, deferred income tax liabilities of approximately $0.1 million were recognized through income tax expense in the Statement of Operations and Comprehensive income related to temporary differences that existed as of the date of its tax status change.

On September 19, 2018 the legacy U.S. businesses were contributed to the Company. The Company recognized approximately $40.5 million of net deferred income tax liabilities through income tax expense in the Statement of Operations and Comprehensive income which consisted principally of excess book-over-tax basis in mineral reserves and property, plant and equipment and certain accruals that were transferred from the limited liability company to the corporation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Coronado Group LLC, the Company's accounting predecessor, is a limited liability company that is not subject to US federal income tax. The Curragh entities are treated as a branch for U.S. tax purposes and all income flows through to the ultimate parent (the Company).

The Company's foreign structure consists of Australian entities which are treated as corporations subject to tax under Australian taxing authorities.

(p) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the Company distinguishes between observable and unobservable inputs, which are categorized in one of 3 levels of inputs.

See Note 22(b), "Derivatives and Fair Value Measurement" for detailed information related to the Company's fair value policies and disclosures.

(q) Derivative accounting

The Company recognizes at fair value all contracts meeting the definition of a derivative as assets or liabilities in the consolidated balance sheet.

With respect to derivatives used in hedging activities, the Company assesses, both at inception and at least quarterly thereafter, whether such derivatives are highly effective at offsetting the changes in the anticipated exposure of the hedged item. The effective portion of the change in the fair value of derivatives designated as a cash flow hedge is recorded in "Accumulated other comprehensive income (loss)" until the hedged transaction impacts reported earnings, at which time any gain or loss is reclassified to earnings. To the extent that periodic changes in the fair value of derivatives deemed highly effective exceeds such changes in the hedged item, the ineffective portion of the periodic non-cash changes are recorded in earnings in the period of the change. If the hedge ceases to qualify for hedge accounting, the Company prospectively recognizes changes in the fair value of the instrument in earnings in the period of the change. The potential for hedge ineffectiveness is present in the design of certain of the Company's cash flow hedge relationships.

The Company's asset and liability derivative positions are offset on a counterparty-by-counterparty basis if the contractual agreement provides for the net settlement of contracts with the counterparty in the event of default or termination of any one contract.

(r) Share-based compensation

The Company has a share-based compensation plan which allows for the grant of certain equity-based incentives including stock options, performance stock units ("PSU") and restricted stock units ("RSU") to employees and executive directors, valued in whole or in part with reference to the Company's CDI's or equivalent common shares (on a 10:1 CDI to common share ratio).

The fair value of each stock option granted is estimated on the date of grant using Black-Scholes-Merton option-pricing model which is a closed-form option pricing model. The pricing model requires assumptions, which impact the assumed fair value, including the expected life of the stock option, the risk-free interest rate, expected volatility of the Company's stock over the expected life and the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

expected dividend yield. For certain options and PSUs granted in 2018, the Company includes a relative Total Stockholder Return ("TSR") modifier to determine the number of shares earned at the end of the performance period. The fair value of awards that include the TSR modifier is determined using a Monte Carlo valuation model. The fair value of all other PSUs and RSUs granted is equal to the market price of the Company's stock at date of grant less the present value of expected dividends over the vesting period.

The expense for these equity-based incentives is based on their fair value at date of grant and is amortized over the requite service period, generally the vesting period. The Company estimates forfeitures when determining the amount of compensation costs to be recognized in each period.

See Note 20, "Share-Based Compensation" for detailed information related to the Company's share-based compensation plans.

(s) Earnings per Share

Basic earnings per share is computed by dividing net income attributable to stockholders of the Company by the weighted-average number of shares of common stock outstanding during the reporting period.

Diluted net income per share is computed using the weighted-average number of shares of common stock and dilutive potential shares of common stock outstanding during the period. Dilutive potential shares of common stock primarily consist of employee stock options and restricted stock.

3. Acquisitions

(a) Curragh

On December 22, 2017, a Membership Interest and Asset Purchase Agreement (the Agreement) was entered by Coronado Australia Holdings Pty Ltd and Coronado Group LLC in order to acquire Wesfarmers Curragh Pty Ltd (since renamed Coronado Curragh Pty Ltd). The Agreement was executed on March 29, 2018.

The aggregate base purchase price for the Membership Interest in Curragh (the Transaction) was A$700 million and was subject to adjustments pursuant to the terms of the Agreement. The Company acquired 100% of the Membership Interest. The operating results related to the Transaction have been included in the consolidated financial statements since March 29, 2018.

The aggregate consideration on the date of the Transaction totaled $563.8 million.

Contingent consideration, specifically the Value Share Mechanism (VSM) of $26.6 million associated with the Transaction represents the fair value of a two-year, 25% royalty on sales from metallurgical coal mined at Curragh. The royalty only applies to the realized price on metallurgical coal sales above $145 per metric ton. The VSM liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the Consolidated Statement of Operations. The payout structure of the royalty can be replicated through a probability weighted discounted cash flow approach using a Monte Carlo simulation over a 24-month period from acquisition date. As such, the Company developed a fair value of the royalty using a Monte Carlo simulation.

In connection with the acquisition, Coronado Australia Holdings Pty Ltd incurred acquisition related costs for 2018 of $53.8 million; $38.5 million of which is recorded in selling, general, and administrative expenses. The remainder, relating to foreign currency losses, is recorded in Other, net.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

The Transaction has been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The following table summarizes total consideration transferred and the allocation of the purchase price to the acquired assets and liabilities:

	Amount (US$ thousands)
Fair value of total consideration transferred:	
Cash consideration	$ 537,207
Contingent consideration (Value Share Mechanism)	26,552
Total consideration transferred	563,759
Recognized amounts of identifiable assets acquired, and liabilities assumed:	
Current assets	$ 240,966
Property, plant and equipment	851,981
Deferred income tax assets	24,432
Other long-term assets	1,831
Current liabilities	(141,611)
Contract obligations	(306,960)
Asset retirement obligations	(104,305)
Other long-term liabilities	(2,575)
Total identifiable net assets acquired	$ 563,759

No goodwill has been recorded in connection with this acquisition as the purchase consideration equaled the fair value of the net assets acquired.

Unaudited pro forma financial information

The following pro forma summary reflects consolidated results of operation as if the Transaction had occurred on January 1, 2017 (unaudited).

	2018	2017
	(US$ thousands)	
Revenue	$ 2,296,661	$ 2,174,100
Net Income	192,281	286,300

The pro forma financial information was prepared based on historical financial information and has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Transaction, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results.

These pro forma results are based on estimates and assumptions, which the Company believes are reasonable. They are not the results that would have been realized had the acquisition actually occurred on January 1, 2017 and are not necessarily indicative of the Company's consolidated results of operations in future periods. The pro forma results include adjustments related to purchase accounting, depreciation of property and equipment, and do not include any anticipated synergies or other expected benefits that may be realized from the Transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

In addition to the above recurring adjustments, the pro forma results for the year ended December 31, 2018 and 2017 exclude non-recurring adjustments of $53.8 and $0, respectively, of transaction costs.

(b) Buchanan

On February 26, 2016, a Membership Interest and Asset Purchase Agreement was entered among CONSOL Energy, Inc., a Delaware corporation, CONSOL Amonate Mining Company LLC, a Delaware limited liability company, CONSOL Amonate Facility LLC, a Delaware liability company, the Reserve Property Sellers, CONSOL Mining Holding Company LLC, a Delaware limited liability company, CONSOL Buchanan Mining Company LLC, a Delaware limited liability company and Coronado IV LLC, a Delaware limited liability company which is wholly-owned by the Company. The Agreement was consummated on March 31, 2016 at which time the sale was concluded.

The aggregate base purchase price for the Membership Interest in Buchanan, Amonate Business, and the Reserve Property (together the "Transaction") was $420.0 million and was subject to adjustments pursuant to the terms of the Agreement. The Company acquired 100% of the Membership Interest, Amonate Business, and the Reserve Property. The operating results related to the transaction have been included in the consolidated financial statements since March 31, 2016. The aggregate purchase price for the acquisition was $426.8 million of which $425.9 million was paid for in cash during 2016.

The remainder due was in the form of a contingent liability of $0.9 million which represented the fair value of a five-year, 20% royalty on coal mined at Buchanan mine. The royalty only applies to the gross sales price above a certain level. This liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the Consolidated Statement of Operations. The payout structure of the royalty can be replicated as a series of call options on the gross sales price over the next five years. As such, the Company developed a fair value of the royalty using the Black-Scholes option pricing formula for call options in a risk-neutral framework. The gross sales price upon which the 10% royalty begins to be applied escalates upon each anniversary of the Transaction closing as noted in the following table:

Anniversary of closing	Price per Mt ($)
Year 1	75.00
Year 2	78.75
Year 3	82.69
Year 4	86.82
Year 5	91.16

The royalty calculation applies to all export tons sold from Buchanan mine where the price exceeds the noted threshold and, therefore, the royalty payment is effectively uncapped.

In connection with the acquisition, Coronado IV LLC incurred acquisition related costs of approximately $1,002 during the year ended December 31, 2016.

The transaction has been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

the acquisition date. The following table summarized the allocation of the purchase price to the acquired assets and liabilities:

		Amount (US$ thousands)
Fair value of total consideration transferred:		
Cash consideration	$	425,885
Contingent consideration		900
Total consideration transferred		426,785
Recognized amounts of identifiable assets acquired, and liabilities assumed:		
Current assets	$	14,421
Property, plant and equipment		424,877
Intangible assets		4,000
Other long-term assets		6,027
Current liabilities		(18,160)
Asset retirement obligations		(32,388)
Total identifiable net assets acquired		398,777
Residual goodwill		28,008
Total net assets acquired including goodwill	$	426,785

Based on the valuation, $28.0 million was assigned to goodwill. The primary reasons for the transaction and the principal factors that contributed to the purchase price that resulted in the recognition of goodwill are due to the synergies gained by adding a low-vol coal property to the Company's already existing mid-vol and high-vol coal properties, providing a range of coal blends to satisfy customer needs.

Goodwill recorded in the acquisition is not amortized by will be reviewed for impairment annually in the fourth quarter and/or when circumstances or other events indicate that impairment may have occurred.

Other acquisition-related transactions

In connection with the transaction, certain additional agreements have been entered into, including an Option Agreement to purchase the Amonate Preparation Plant for one dollar (Amonate Plant Option). The fair value of the option recorded as of the closing date in Other Assets for $0.8 million, which will be tested for impairment over its life.

Unaudited Pro forma financial information

The following pro forma summary reflects consolidated results of operation as if the acquisition had occurred on January 1, 2016 (unaudited)

		2016 (US$ thousands)
Revenue	$	489,081
Net Income		39,794

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Acquisitions (Continued)

The pro forma financial information was prepared based on historical financial information and has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Transaction, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results. The pro forma statements of income use estimated and assumptions based on information available at the time. Management believes the estimates and assumptions to be reasonable; however, actual results may differ significantly from this pro forma financial information. The pro forma results presented do not include any anticipated synergies or other expected benefits that may be realized form the Transactions. The pro forma information is not intended to reflect the actual results that would have occurred had the companies actually been combined during the periods presented.

The pro forma results for the years ended December 31, 2016 primarily include recurring adjustments for both increases and decreases to amortization expense related to the fair value of acquired identifiable intangible assets and decreased depreciation expense related to the fair value adjustment to property, plant and equipment

In addition to the above recurring adjustments, the pro forma results for the year ended December 31, 2016 included non-recurring adjustments of $1.0 million related to transaction costs.

Since the acquisition on March 31, 2016, revenue and net income attributable to the acquired business included in the 2016 Statement of Consolidated Operations are $275.3 million and $76.9 million, respectively.

4. Segment Information

The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA. The Company operates its business along four reportable segments: Curragh, Buchanan, Logan and Greenbrier. These segments are grouped based on geography. Factors affecting and differentiating the financial performance of each of these four reportable segments generally include coal quality, geology, and coal marketing opportunities, mining and transportation methods and regulatory issues. The Company believes this method of segment reporting reflects both the way its business segments are currently managed and the way the performance of each segment is evaluated. The four segments consist of similar operating activities as each segment produces similar products.

- During 2018, the Company acquired the Curragh Mining business from Wesfarmers Limited. Curragh as a separate reportable segment due to having separate management, location, assets, and operations. Curragh is located in central Queensland, Australia and the reportable segment produces a wide variety of metallurgical coal.

- During 2016, the Company acquired the Buchanan Mining business from CONSOL. Buchanan is a separate reportable segment due to having separate management, location, assets, and operations. Buchanan is located in Buchanan County, Virginia and the reportable segment's primary output is low-vol coal.

- The Company added the Logan reportable segment in connection with its December 31, 2014 acquisition of mining interests, coal reserves, and facilities located in Logan County, West Virginia. Logan's primary output is high-vol coal.

- The Greenbrier reportable segment is comprised of multiple operating segments, comprised of coal mining facilities in the south-eastern region of West Virginia, primarily producing mid-vol coal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

The organization of the four reportable segments reflects how the Company's chief operating decision maker ("CODM") manages and allocates resources to the various operations.

"Other and corporate" relates to additional financial information for the corporate function such as accounting, treasury, legal, human resources, compliance, and tax. As such, the corporate function is not determined to be a reportable segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financials.

The accounting policies of the segments are the same as those described in Note 2—Summary of Significant Accounting Policies, except that the disaggregated financial results for the segments have been prepared using a management approach, which is consistent with the basis and manner in which management internally disaggregates financial information for the purposes of assisting internal operating decisions. Generally, the Company evaluates performance based on stand-alone segment net income (loss) before income taxes, interest, depreciation, depletion, and amortization, other foreign exchange losses and loss on debt extinguishment ("EBITDA").

Reportable segment results as of and for the years ended December 31, 2018, 2017 and 2016 are presented below.

	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
			($ thousands)			
Year ended December 31, 2018						
Total revenues	$ 1,165,580	$ 510,430	$ 234,967	$ 69,527	$ —	$ 1,980,504
EBITDA	314,227	212,485	31,939	(1,402)	(80,264)	476,985
Net income/(loss)	164,331	130,676	(10,290)	(25,969)	(144,159)	114,589
Total assets	1,187,851	504,313	260,952	140,674	115,774	2,209,564
Capital expenditures[(1)]	47,208	33,163	29,889	4,009	481	114,750
Year ended December 31, 2017						
Total revenues	$ —	$ 465,036	$ 241,944	$ 60,105	$ 1,159	$ 768,244
EBITDA	—	211,240	34,897	3,270	(21,666)	227,741
Net income/(loss)	—	170,165	10,996	(7,686)	(31,192)	142,283
Total assets	—	518,340	236,688	153,653	43,111	951,792
Capital expenditures[(1)]	—	35,296	25,535	12,958	—	73,789
Year ended December 31, 2016						
Total revenues	$ —	$ 275,267	$ 133,899	$ 27,836	$ 249	$ 437,251
EBITDA	—	115,523	3,184	(6,758)	(15,782)	96,167
Net income/(loss)	—	84,523	(16,925)	15,584	(15,782)	36,332
Total assets	—	624,257	272,017	154,018	—	1,050,292
Capital expenditures[(1)]	—	27,747	10,591	2,268	—	40,606

(1) Capital expenditures includes financing fees incurred through other financial liabilities for the purchase of certain equipment

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

The reconciliation of EBITDA to net income attributable to the Company for the years ended December 31, 2018, 2017 and 2016 are as follows:

	Year ended December 31, 2018	2017	2016
		(US$ thousands)	
Net income (loss)	$ 114,589	$ 142,283	$ 36,332
Depreciation, depletion and amortization	162,117	75,503	59,737
Interest expense (net of income)	57,978	9,955	98
Other foreign exchange losses	9,004	—	—
Loss on retirement of debt	58,085	—	—
Income tax expense	75,212	—	—
Consolidated EBITDA	$ 476,985	$ 227,741	$ 96,167

The reconciliation of Capital expenditures per the Company's segment information to capital expenditures disclosed on the consolidated statements of cash flows for the years ended December 31, 2018, 2017 and 2016 are as follows:

	Year ended December 31, 2018	2017	2016
		(US$ thousands)	
Capital expenditures per Consolidated Statements of Cash Flows	$ 114,302	$ 63,923	$ 37,599
Capital expenditures financed through other financial liabilities	870	9,866	3,007
ARO change in estimate to underlying asset	(422)	—	—
Capital expenditures per segment detail	$ 114,750	$ 73,789	$ 40,606

Disaggregation of revenue

The Company disaggregates the revenue from contracts with customers by major product group for each of the Company's segments, as the company believes it best depicts the nature, amount, timing and uncertainty of revenues and cash flows. All revenue is recognized at point in time.

	Year ended December 31, 2018					
	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
			(US $ thousands)			
Product Groups						
Metallurgical coal	$ 1,061,402	$ 496,472	$ 194,974	$ 66,258	$ —	$ 1,819,106
Thermal coal	74,656	13,830	37,215	792	—	126,493
Other	29,522	128	2,778	2,477	—	34,905
Total	$ 1,165,580	510,430	234,967	69,527	$ —	$ 1,980,504

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

	Year ended December 31, 2017					
	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
	(US$ thousands)					
Product Groups						
Metallurgical coal	$ —	$ 461,863	$ 189,124	$ 54,479	$ —	$ 705,466
Thermal coal	—	3,058	43,169	4,692	—	50,919
Other	—	115	10,810	934	—	11,859
Total	$ —	$ 465,036	$ 243,103	$ 60,105	$ —	$ 768,244

	Year ended December 31, 2016					
	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
	(US$ thousands)					
Product Groups						
Metallurgical coal	$ —	$ 271,676	$ 103,671	$ 23,149	$ —	$ 398,496
Thermal coal	—	3,372	27,870	4,228	—	35,470
Other	—	219	2,358	459	249	3,285
Total	$ —	$ 275,267	$ 133,899	$ 27,836	$ 249	$ 437,251

Further explanation to table above:

The following is a description of the principal activities by reportable segments.

- The Company primarily offers two types of products to its customers: metallurgical coal and thermal coal of varying qualities. Metallurgical coal can be further distinguished by its volatility, defined as high, mid, or low. Each reporting segment mines a different volatility of metallurgical coal.
- The Greenbrier reportable segment, comprised of coal mining facilities in the south-eastern region of West Virginia, produces hard coking coal, specifically mid-volatility coal.
- The Logan reportable segment, comprised of mining interests, coal reserves, and facilities located in Logan County, West Virginia, produces hard coking coal, specifically high-volatility coal.
- The Buchanan reportable segment, comprised of mining assets and operations located in Buchanan County, Virginia, produces hard coking coal, specifically low-volatility coal.
- The Curragh reportable segment, comprised of mining assets and operations located in Central Queensland, Australia, produces a wide variety of metallurgical coal.

Payments from customers are generally due 30 days after invoicing. Invoicing usually occurs after shipment or delivery of goods. The timing between the recognition of revenue and receipt of payment is not significant.

The Company had certain customers whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, or whose revenue individually represented 10% or more of the Company's total revenue. Management notes each reportable segment has some amount of sales to these key customers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Segment Information (Continued)

The following table summarizes any customer whose revenue individually represented 10% or more of the Company's total revenue in the years ended December 31, 2018, 2017 and 2016.

	Year ended December 31,		
	2018	2017	2016
	(US$ thousands)		
Customer A	23%	49%	50%
Customer B	12%	n/a	17%

The following table presents revenues as a percent of total revenue from external customers by geographic region:

	Year ended December 31,		
	2018	2017	2016
	(US$ thousands)		
USA	42%	100%	100%
India	19%	—%	—%
Japan	14%	—%	—%
Korea	9%	—%	—%
Europe	6%	—%	—%
Australia	6%	—%	—%
Taiwan	2%	—%	—%
China	1%	—%	—%
Brazil	1%	—%	—%
Total	100%	100%	100%

The Company attributes revenue to individual countries based on the location of the physical delivery of the coal.

5. Expenses

Stanwell rebate

The Stanwell rebate relates to a contractual arrangement entered into by the Company with Stanwell Corporation Limited, an electricity generator owned by the State of Queensland in Australia, which requires payment of a rebate for export coal sold from the Curragh mining tenements. The rebate obligation is accounted for as an executory contract. Accordingly, the expense is recognized as incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Expenses (Continued)

Other, net

Other, net consists of the following at December 31, 2018, 2017 and 2016:

	2018	2017	2016
	(US$ thousands)		
Loss on foreign exchange swap	$ 15,695	$ —	$ —
Other foreign exchange losses	9,004	—	—
Other expenses (income)	2,517	(473)	376
Total Other, net	$ 27,216	$ (473)	$ 376

6. Capital Structure

(a) Stockholders' Equity

The Company has securities listed for quotation in the form of CHESS Depository Interests (CDIs) on the Australian Securities Exchange ("ASX") that trade under the symbol "CRN."

Each share of common stock (share) is equivalent to 10 CDIs.

Authorized capital stock

The Company's Articles of Incorporation, as amended, authorize the Company to issue 1,100,000,000 shares of $.01 par value capital stock consisting of 1,000,000,000 shares of common stock and 100,000,000 shares of preferred stock.

Common Stock / CDIs

As each CDI represents one tenth of a share, holders of CDIs will be entitled to one vote for every 10 CDIs they hold. CDI holders are to receive entitlements which attach to underlying shares such as participation in rights issues, bonus issues, capital reductions and liquidation preferences.

The CDIs entitle holders to dividends, if any, and other rights economically equivalent to shares of common stock, including the right to attend stockholders' meetings. CDN, as the stockholder of record, will vote the underlying shares in accordance with the directions of the CDI holders.

Preferred Stock

The Series A Preferred Share provides the holder with Board designation rights which are tied to the level of beneficial ownership of common shares in the Company. The Series A Preferred Share is not entitled to dividends and is non-transferable. The Series A Preferred Share has a liquidation preference of $1.00.

Restrictions

Voluntary escrow: Following the completion of the IPO, Coronado Group LLC entered into a voluntary escrow agreement whereby 77,308,103.6 shares of common stock (773,081,036 CDIs) were subject to voluntary escrow for a restriction period until the first business day after the release of the Company's 2019 results.

6. Capital Structure (Continued)

Foreign Ownership Restriction: the Company's CDIs and shares are considered 'restricted securities' under Rule 144 under the US Securities Act, and offers and sales of the CDIs and underlying shares will be subject to an initial one year distribution compliance period whereby holders of CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available.

Issued Stock

Following the Reorganization Transaction, 80,000,000 common shares and one Series A preferred Share were issued by the Company and held by Coronado Group LLC. All common shares and preferred shares have a par value of $0.01.

On October 23, 2018, in connection with the IPO on the ASX, the Company issued 16,651,692 new shares (166,516,920 CDIs), raising cash proceeds of $473.4 million, prior to issuance costs of $30.6 million. Coronado Group LLC sold 2,691,896.4 shares of common stock (26,918,964 CDIs) and the Company did not receive any proceeds from the sale of these securities.

As of December 31, 2018, 966,516,920 CDIs (96,651,692 shares of common stock) were outstanding.

The following options to purchase common stock are issued and outstanding:

- 1,336,454 CDIs issuable upon the exercise of stock options outstanding at a weighted average exercise price of $2.84 per CDI.
- 1,001,914 CDIs issuable upon settlement of outstanding PSU awards
- 54,687 CDIs issuable upon settlement of outstanding RSU awards.

Dividends

The dividend policy and the payment of future cash dividends are subject to the discretion of the Company's Board of Directors.

(b) Earnings per Share

Basic earnings per share of common stock is computed by dividing net income attributable to the Company for the period from October 24, 2018 through December 31, 2018, the period following the IPO, by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income attributable to the Company by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. There were no traded shares of common stock outstanding prior to October 23, 2018, therefore no earnings per share information has been presented for any period prior to that date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Capital Structure (Continued)

Basic and diluted earnings per share was calculated as follows (in thousands, except per share data):

(US$ thousands, except share data)		2018
Numerator:		
Net Income	$	20,746
Less: Net income attributable to Non-controlling interest		(17)
Net Income attributable to Company stockholders (post IPO)	$	20,763
Net Income	$	114,681
Pro forma income tax expense		(21,190)
Pro forma net Income attributable to Company stockholders	$	93,491
Denominator		
Weighted-average shares of common stock outstanding		96,651,692
Effects of dilutive shares		4,375
Weighted average diluted shares of common stock outstanding		96,656,067
Earnings Per Share (US$):		
Basic	$	0.21
Dilutive	$	0.21
Pro forma Earnings Per Share (US$):		
Basic	$	0.97
Dilutive	$	0.97

7. Inventories

Inventories consist of the following at December 31, 2018 and 2017:

(US$ thousands, except share data)		2018	2017
Raw coal	$	20,106	2,695
Saleable coal		26,374	4,411
Total coal inventories		46,480	7,106
Supplies inventory		48,623	10,974
Total inventories	$	95,103	18,080

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Property, Plant and Equipment

Property, plant, and equipment consist of the following at December 31, 2018 and 2017:

(US$ thousands, except share data)	2018	2017
Land	$ 26,845	9,431
Buildings and improvements	89,027	9,707
Plant, machinery, mining equipment and transportation vehicles	765,432	398,548
Mineral rights and reserves	464,680	462,098
Office and computer equipment	3,700	1,238
Mine development	479,152	33,868
Asset retirement obligation asset	80,993	14,649
Construction in process	43,691	20,980
	1,953,520	950,519
Less accumulated depreciation, depletion and amortization	334,962	189,479
Net property, plant and equipment	$ 1,618,558	761,040

The amount of depreciation and depletion expense for property, plant and equipment for the years ended December 31, 2018, 2017 and 2016 was $152.7 million, $76.9 million and $58.9 million, respectively. The depreciation and depletion expense included a credit of $0.2 million, $6.4 million and $0.3 million for the years ended December 31, 2018, 2017 and 2016, respectively, relating to a change in estimate of the ARO.

9. Goodwill and Other Intangible Assets

(a) Acquired Intangible Assets

	December 31, 2018			
(US$ thousands)	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets:				
Amortizing intangible assets:				
Mining permits—Greenbrier	14	$ 1,500	760	740
Mining permits—Logan	15	1,642	638	1,004
Mining permits—Buchanan	28	4,000	342	3,658
Total intangible assets		$ 7,142	1,740	5,402

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Goodwill and Other Intangible Assets (Continued)

	December 31, 2017			
(US$ thousands)	**Weighted average amortization period (years)**	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**
Intangible assets:				
Amortizing intangible assets:				
Mining permits—Greenbrier	14	$ 1,500	679	821
Mining permits—Logan	15	1,642	513	1,129
Mining permits—Buchanan	28	4,000	217	3,783
Total intangible assets		$ 7,142	1,409	5,733

Amortization expense is charged using the straight-line method over the useful lives of the respective intangible asset. The aggregate amount of amortization expense for amortizing intangible assets for the years ended December 31, 2018, 2017 and 2016 was $0.3 million, $0.3 million and $0.3 million, respectively. Estimated amortization expense for the next five years is $0.3 million in 2019, $0.2 million in 2020 and $0.2 million in 2021, $0.2 million in 2022, and $0.2 million in 2023.

(b) Goodwill

In connection with the Buchanan acquisition on March 31, 2016, the Company recorded goodwill in the amount of $28.0 million. The Company performed a qualitative assessment to determine if impairment was required at December 31, 2018 or 2017. Based upon the Company's qualitative assessment, it is more likely than not that the fair value of the reporting unit is greater than their carrying value at December 31, 2018 and 2017. The Company has not noted any indicators of impairment since the acquisition date. As a result, no impairment was recorded, and the balance of goodwill at both December 31, 2018 and 2017 was $28.0 million.

10. Other Assets

	December 31, 2018		
(US$ thousands)	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**
Other assets:			
Favorable mineral leases	$ 4,800	(660)	4,140
Deferred debt issue costs	13,773	(774)	12,999
Long service leave receivable	1,216	—	1,216
Total other assets	$ 19,789	(1,434)	18,355

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Other Assets (Continued)

(US$ thousands)	December 31, 2017 Gross carrying amount	Accumulated amortization	Net carrying amount
Other assets:			
Favorable mineral leases	$ 4,800	(322)	4,478
Deferred debt issue costs	1,832	(209)	1,623
Total other assets	$ 6,632	(531)	6,101

The Company has other assets consisting of favorable mineral leases, deferred debt issue costs, and long service leave receivable. The favorable mineral leases are amortized based on the coal tonnage removed from the lease property relative to the total estimated reserves on that property. The deferred debt issue costs were incurred to establish the revolver and are accordingly amortized over the life of the revolver on a straight-line basis. Long service leave is paid when leave is taken, with a subsequent reimbursement received from the coal mining industries Long Service Leave Trust Fund (Trust Fund) in Australia. The reimbursement is recognized in other assets and is measured as the present value of expected future reimbursements to be received.

11. Investments in Variable Interest Entity—Consolidated

JEP Mining LLC ("JEP") was formed in 2013 between Greenbrier and SYR Energy Partners LP ("SYR"). Greenbrier contributed $0.07 million for 50% ownership and SYR contributed $0.07 million for 50% ownership in JEP (collectively the Membership Interests). JEP is governed by three Managers, two of which are appointed by Greenbrier and one is appointed by SYR.

JEP was created to hold a mine development lease for an approximate 650-acre tract of land and the associated coal reserve and mining rights. Having no operations at inception that would generate profits, additional funding of $0.2 million was provided to JEP in the form of a loan from Greenbrier. At inception of the entity, the expectation was that further capital contributions would be required as JEP continued mine development and paid prepaid lease royalties.

The Company consolidates the financial statements of JEP as it is the primary beneficiary of the variable interest entity. The Company is responsible for determining the mine plan and for mine development. The approval of the mine plan and any permitting decisions do not require unanimous consent of all three Managers but rather majority approval, and, as such, the Company has control and would be the primary beneficiary. The amounts presented for JEP in the table below exclude

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Investments in Variable Interest Entity—Consolidated (Continued)

intercompany balances eliminated in consolidation and include the non-controlling interest at redemption value as reported in the consolidated balance sheets.

(US$ thousands)	2018	2017
Asset		
Current assets:		
Prepaid expenses and other current assets	$ 250	125
Total current assets	250	125
Property, plant, and equipment, net	637	613
Total assets	887	738
Members' Capital		
Total Company equity/Coronado Group LLC members capital	605	501
Noncontrolling interests	282	237
Stockholders' equity/Members' capital	$ 887	738

12. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at December 31, 2018 and 2017:

(US$ thousands)	2018	2017
Wages and employee benefits	$ 50,819	23,403
Taxes other than income taxes	6,512	5,202
Accrued royalties	49,129	5,993
Accrued freight costs	26,509	451
Accrued mining fees	45,615	3,316
Cash flow hedge derivative liability	5,311	—
Acquisition related accruals	30,349	—
Other liabilities	29,252	2,649
Total accrued expenses and other current liabilities	$ 243,496	41,014

13. Asset Retirement Obligations

Reclamation of areas disturbed by mining operations must be performed by the Company in accordance with approved reclamation plans and in compliance with state and federal laws. For areas disturbed, a significant amount of the reclamation will take place in the future when operations cease. There were no assets that were legally restricted for purposes of settling asset retirement obligations as of December 31, 2018 and 2017. All mines are bonded for reclamation and mine plans are approved by the states of West Virginia, Virginia, and Queensland Australia. In addition, state agencies monitor compliance with the mine plans, including reclamation.

The Company records the fair value of its asset retirement obligations using the present value of projected future cash flows, with an equivalent amount recorded as basis in the related long lived asset or a change to the statements of operations if the related permit is closed. An accretion cost,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Asset Retirement Obligations (Continued)

representing the increase over time in the present value of the liability, is recorded each period and the capitalized cost is depreciated over the useful life of the related asset. As reclamation work is performed or liabilities otherwise settled, the recorded amount of the liability is reduced.

Changes in the asset retirement obligations for the year ended December 31, 2018 were as follows:

(US$ thousands)	
Total asset retirement obligations at January 1, 2018	$ 56,429
ARO liability acquired	104,305
ARO liability additions	8,776
Accretion	9,376
Reclamation performed in 2018	(4,743)
Gain on settlement of ARO	(854)
Change in estimate recorded to operations	(234)
Change in estimate recorded to assets	(39,677)
Foreign currency translation adjustment	(7,587)
Total asset retirement obligations at December 31, 2018	125,791
Less current portion	(7,719)
	$ 118,072

Changes in the asset retirement obligations for the year ended December 31, 2017 were as follows:

(US$ thousands)	
Total asset retirement obligations at January 1, 2017	$ 51,849
ARO liability additions	4,804
Accretion	2,541
Reclamation performed in 2017	(1,180)
Gain on settlement of ARO	(917)
Change in estimate recorded to assets	(668)
Total asset retirement obligations at December 31, 2017	56,429
Less current portion	(3,463)
	$ 52,966

14. Interest bearing liabilities

On June 6, 2017, the Company and certain of its subsidiaries entered a six-year $175.0 million term loan with Bank of America ("Bank of America Term Loan"), as administrative agent, and lenders party thereto. Pursuant to the credit agreement, dated as of June 6, 2017, the Bank of America Loan matured on June 6, 2023 and accrued interest at a variable interest rate based on certain financial ratios. The Bank of America Term Loan was a primary obligation of the Company. The Bank of America Loan was extinguished on March 29, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Interest bearing liabilities (Continued)

On June 6, 2017, the Company and certain of its subsidiaries also entered a five-year Asset Backed Loan ("ABL") with Bank of America, as administrative agent, and lenders party thereto. The ABL provided the Company with a revolving credit facility with a capacity of up to $100.0 million that could be used to borrow funds or obtain letters of credit, secured against the receivables of the Company. As of December 31, 2018, no amounts were drawn and no letters of credit were outstanding. As at December 31, 2017 one letter of credit was outstanding for an amount of $9.5 million. The ABL was amended on January 16, 2018 and terminated on October 23, 2018.

On March 29, 2018, the Company and certain of its subsidiaries also entered into a seven-year $700.0 million Term Loan B with Deutsche Bank AG ("TLB"), as administrative agent, and lenders party thereto. Pursuant to the credit agreement, dated as of March 29, 2018, the TLB matured on March 29, 2025 and accrued interest at a variable interest rate based on certain financial ratios. The TLB was terminated on October 24, 2018.

On September 15, 2018, the Company entered into a fully underwritten Multi-Currency Revolving Syndicated Facility Agreement with Westpac Banking Corporation and National Australia Bank Limited ("SFA"). The SFA incorporates two facilities:

- $350.0 million facility for general working capital and general corporate purposes (Facility A); and
- A$370.0 million bank guarantee facility (Facility B).

As at December 31, 2018 Facility A remains undrawn and a significant portion of Facility B has been utilized to cover bank guarantees issued on behalf of the Company (Refer to Note 24—Contingencies).

The Company's lending arrangements contain, among other terms, events of default and various affirmative, negative, and reporting covenants and cross-default provisions that are typical for a facility of this nature. Should the Company be unable to comply with any future debt-related covenant (and where the non-compliance is not remedied within the permitted timeframe), the Company will be required to seek a waiver of such covenant to avoid an event of default.

The following is a summary of interest bearing liabilities at December 31, 2018:

(US$ thousands)	Principal	Unamortized discount and debt issuance costs
Revolving credit facility with a capacity of up to $350,000. Variable interest rate with variable monthly payments	—	*
Interest bearing liabilities, excluding current instalments		
	$	

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Interest bearing liabilities (Continued)

The following is a summary of interest bearing liabilities at December 31, 2017:

(US$ thousands)	Principal	Unamortized discount and debt issuance costs
Term Loan maturing on June 6, 2023, payable in variable monthly payments with a variable interest rate.	$ 140,354	(10,088)
Revolving credit facility with a capacity of up to $100,000. Variable interest rate with variable monthly payments	—	*
Total interest bearing liabilities	140,354	(10,088)
Less current instalments	1,750	
Interest bearing liabilities, excluding current instalments	$ 138,604	(10,088)

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

15. Other financial liabilities

The following is a summary of other financial liabilities at December 31, 2018:

(US$ thousands)	Principal
Collateralized notes payable to equipment financing companies, payable in aggregate monthly instalments ranging from $1 to $124 through September 19, 2021. Interest is payable at fixed rates ranging up to 5.5% per annum.	$ 7,297
Unsecured notes payable to insurance premium finance company, payable in aggregate monthly instalments ranging from $478 to $584 with a fixed rate ranging up to 3.30% per annum.	4,504
Total other financial liabilities	11,801
Less current instalments	7,728
Other financial liabilities, excluding current instalments	$ 4,073

The following table presents remaining aggregate contractual maturities for the above:

(US$ thousands)	December 31, 2018
2019	7,728
2020	2,526
2021	1,547
Thereafter	0
Total debt	11,801

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Other financial liabilities (Continued)

The following is a summary of other financial liabilities at December 31, 2017:

(US$ thousands)	Principal
Collateralized notes payable to equipment financing companies, payable in aggregate monthly instalments ranging from $1 to $234 through March 31,2021. Interest is payable at fixed rates ranging up to 8.0% per annum.	11,002
Unsecured notes payable to insurance premium finance company, payable in aggregate monthly instalments of $478 with a fixed rate ranging up to 2.95% per annum.	1,429
Total other financial liabilities	12,431
Less current instalments	5,281
Other financial liabilities, excluding current instalments	$ 7,150

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

The other financial liabilities to equipment financing companies are collateralized by the equipment being financed plus certain other equipment owned by the Company.

16. Contract Obligations

In connection with the acquisition of the Logan assets, the Company assumed certain non-market contracts related to an export terminal services agreement and various coal leases. The terminal services agreement expires on March 31, 2024 and requires the Company to pay for one million tons of trans loading services each year at a fixed price regardless of whether the Company utilizes the terminal services or not. The Company recorded $25.0 million related to this obligation and is amortizing it ratably over the trans loading commitment for the contract term. The non-market coal leases require royalty payments based on a percentage of the realization from the sale of the respective coal under lease. The Company recorded $27.3 million related to the non-market portion of the coal leases and is amortizing it ratably over the respective estimated coal reserves as they are mined and sold.

In connection with the acquisition of Buchanan, the Company assumed certain sales contracts with a fixed pricing component that was effectively below the market price at the date of acquisition. The Company recorded $10.0 million related to the unfavorable pricing of these sales contracts and is amortizing it ratably based on the tons sold through the contract.

In connection with the acquisition of Curragh, the Company assumed the Stanwell non-market coal supply agreement (CSA) with a fixed pricing component that was effectively below the market price at the date of acquisition. The Company recorded $307.0 million related to the unfavorable pricing of the Stanwell CSA and is amortizing it ratably based on the tons sold through the contract. For the year ended December 31, 2018 the amortization of this liability was $28.3 million and was recorded as other revenues in the statement of comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Contract Obligations (Continued)

The following is a summary of the contract obligations as of December 31, 2018:

(US$ thousands)		Short-term	Long-term	Total
Terminal services contract liability	$	2,717	11,549	14,266
Coal leases contract liability		844	22,354	23,198
Stanwell below market coal supply agreement		35,555	219,675	255,230
	$	39,116	253,578	292,694

The following is a summary of the contract obligations as of December 31, 2017:

(US$ thousands)		Short-term	Long-term	Total
Terminal services contract liability	$	2,718	14,266	16,984
Coal leases contract liability		843	23,526	24,369
Sales contract liability		2,421	—	2,421
	$	5,982	37,792	43,774

17. Deferred consideration liability

On August 14, 2018 the Company completed the purchase of the Stanwell Reserved Area ("SRA") adjacent to the current Curragh mining tenements. This area was acquired on a deferred consideration basis and on acquisition the Company recognized a 'Right-to-mine-asset' and a corresponding deferred consideration liability of $155.2 million, calculated using a pre-tax discount rate of 13% representing fair value of the arrangements and the date of acquisition. The deferred consideration liability will reflect passage of time changes by way of an annual accretion at the pre-tax discount rate of 13% while the liability will decrease as domestic coal is supplied to Stanwell from the SRA.

(US$ thousands)		2018	2017
Stanwell Reserved Area deferred consideration		155,332	—
	$	155,332	—

18. Workers' Compensation and Pneumoconiosis ("Black Lung") Obligations

In the United States, coal mine operations generate traumatic workers compensation claims, as well as workers' compensation occupational disease claims for black lung disease. Injured workers generally file claims for traumatic injury under the governing state workers compensation act. Workers may file claims due to black lung under the governing state workers compensation act or under a series of federal laws that include the Federal Coal Mine Health and Safety Act of 1969, as amended, the Black Lung Benefits Act of 1973, and the Black Lung Benefits Reform Act of 1977. The Company provides for both traumatic workers compensation claims and occupational disease claims through an insurance policy.

On June 1, 2018, the Company obtained workers' compensation insurance for work related injuries, including black lung, through a third party commercial insurance company for claims that exceed $0.5 million per occurrence or aggregate claims in excess of $18.0 million for policy year ending May 31, 2019. On June 1, 2017, the Company obtained workers' compensation insurance for work related injuries, including black lung, through a third party commercial insurance company for claims

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Workers' Compensation and Pneumoconiosis ("Black Lung") Obligations (Continued)

that exceed $0.5 million per occurrence or aggregate claims in excess of $11.5 million as amended for the policy year ending May 31, 2018. Per the contractual agreements, the Company was required to provide a collateral deposit of $16.6 million for policy years ending May 31, 2019 and May 31, 2018, which was accomplished through posting surety bonds totaling $7.9 million and $8.8 million of cash collateral in an escrow account.

Effective June 1, 2016, the Company purchased coverage from a commercial insurance company for all claims and is no longer subject to an aggregate claim limitation for the policy year ended May 31, 2017.

For the years ended December 31, 2018, 2017 and 2016, the consolidated statements of operations included Company incurred claims, premium expenses and administrative fees related to worker's compensation benefits of $18.7 million, $18.0 million and $10.9 million, respectively. As of December 31, 2018, and December 31, 2017, the estimated workers' compensation liability was $16.4 million and $11.1 million, respectively, representing claims incurred but not paid based on the estimate of the outstanding claims under the coverage limits and the actuarially determined retained liability under the aggregate claim amount. For December 31, 2017, the liability includes $3.0 million due to AIG related to a previous policy year. The Company's estimated workers' compensation liabilities are recorded within accrued expenses and other current liabilities in the consolidated balance sheets.

19. Employee Benefit Plans

The Company has a 401(k)-defined contribution plan in which all US full time employees are eligible to participate upon their date of hire. Employees generally may contribute up to 100% of their qualifying compensation subject to statutory limitations. Effective January 1, 2014, the Company matches up to 100% up to the first 4% of the participant's annual compensation for all employees except for those employed at Buchanan. For employees at Buchanan, the Company matches up to 100% of the first 6% of the participant's annual compensation. The Company's contributions immediately vest. Total Company contributions for the years ended December 31, 2018, 2017 and 2016 amounted to $3.6 million, $3.0 million and $1.7 million, respectively.

In the United States, the Company is self-insured for employee health care claims up to the lesser of $0.2 million per covered person or an aggregate amount depending on the various coverages provided to employees throughout the plan year for all employees. The Company has purchased coverage from a commercial insurance carrier to provide for any claims in excess of these amounts. At December 31, 2018 and 2017, the Company had provided accruals of $1.8 million and $3.3 million, respectively, for claims incurred but not paid based on management's estimate of the Company's self-insured liability. For the years ended December 31, 2018, 2017 and 2016, the Company incurred claims, premium expenses and administrative fees related to this plan totaling $23.7 million, $19.3 million and $17.1 million respectively.

20. Share-Based Compensation

(a) 2018 Equity Incentive Plan

In connection with the completion of the Company's initial public offering of common stock, the Company implemented the Coronado Global Resources Inc. 2018 Equity Incentive Plan (the "2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share-Based Compensation (Continued)

Plan") which is designed to align compensation for certain key executives with the performance of the Company.

The 2018 Plan provides for the grant of awards including stock options ("Options"); stock appreciation rights; restricted stock units ("RSUs"); and restricted stock, valued in whole or in part with reference to shares of the Company's CDIs or common stock, as well as performance-based awards, including performance stock units ("PSUs") denominated in CDIs or shares of common stock. In 2018, the Company granted Options, RSUs and PSUs, all in CDIs with 10 CDIs representing 1 share of common stock.

Relative TSR Awards: For 25% of Options and PSUs granted in 2018 (the "Relative TSR Options" and the "Relative TSR PSUs"), the Company includes a relative total shareowner return ("TSR") modifier to determine the number of shares which will vest at the end of the performance period. For these awards determined based on the Company's total shareowner return over the 3-year performance period relative to a predefined comparator group of companies.

Scorecard Awards: For the remaining 75% of Options and PSUs granted in 2018 (the "Scorecard Options" and the "Scorecard PSUs"), the number of awards that will ultimately vest is based on the certified achievement of the predefined scorecard performance metrics related to safety, production volumes and production costs which are tested at the end of the defined 3-year performance period.

The Company measures the cost of all stock-based compensation, including stock options, at fair value on the grant date and recognizes such costs within the consolidated statements of operations. The Company recognizes compensation expense related to Options and PSUs that cliff vest using the straight-line method. For stock-based awards where vesting is dependent upon achieving certain operating performance goals, the Company estimates the likelihood of achieving the performance goals during the 3-year performance period. Stock-based compensation expense is recognized net of an estimated forfeiture rate and compensation expense is only recognized for awards that are expected to vest. Forfeiture estimates are trued-up through the vesting date or settlement date, to ensure that total compensation expense is recognized only for those awards that ultimately vest.

All 2018 Awards require the grantee to be employed by the Company at either the vesting date or settlement date except for grantees who meet certain retirement criteria under the 2018 Plan.

On October 23, 2018, 1,336,454 Options and 1,001,914 PSUs were granted under the 2018 Plan (the "2018 Awards").

Total stock-based compensation expense was $0.5 million, $0 and $0 for the years ended December 31, 2018, 2017 and 2016 respectively, and was included as a component of selling, general, and administrative expenses in the Company's consolidated statements of operations. This includes compensation expense which has been recognized in full at the grant date for employees that meet certain retirement eligibility criteria per the 2018 Plan.

As of December 31, 2018, the Company had $0.4 million (2017: $0) of total unrecognized compensation cost related to nonvested stock-based compensation awards granted under the plans. This cost is expected to be recognized over a weighted-average period of 4.25 years as stock-based compensation expense. This expected cost does not include the impact of any future stock-based compensation awards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share-Based Compensation (Continued)

Stock Option Awards

The Company's 2018 stock option awards were granted on the date of the IPO with an exercise price of $2.84 per CDI (A$4.00 per CDI) which was equal to the Company's IPO Price.

75% of the Company's 2018 stock option awards are subject to "Scorecard" criteria and vest based on service and performance conditions. The fair value of the Scorecard Options is estimated on the grant date using a Black-Scholes-Merton option-pricing model, which considers factors such as estimating the expected term of stock options and the expected volatility of our stock. The assumptions used in the Black-Sholes-Merton option-pricing model for such grants are as follows:

	December 31, 2018
Expected term of the stock options(i)	7.22 years
Dividend yield(ii)	10%
Expected volatility(iii)	35%
Risk-free interest rate(iv)	2.46%

(i) *Expected term represents the period that the Company's stock-based awards are expected to be outstanding and is determined using the simplified method, which equates to a weighted average of the vesting period and total contractual term of the award. All awards cliff vest at the end of the requisite service period*

(ii) *Dividend yield is the expected average yield of dividends expected over the vesting period. The Company has never paid dividends.*

(iii) *Expected volatility is estimated using comparable public company's volatility for similar terms as the Company does not have a long enough operating period as a public company to estimate its own volatility. Over time as the Company develops its own volatility history it will begin to incorporate that history into its expected volatility estimates.*

(iv) *Risk-free interest rate is based on an interpolated Australian Government Bond Rate at the time of the grant for periods corresponding with the expected term of the option.*

25% of the Company's 2018 stock option awards are subject to TSR criteria and vest based on service and market conditions. The fair value of Relative TSR Options was estimated using a Monte Carlo simulation model.

The Company's Stock Option activity is summarized below:

Stock Option Plan Activity	Number of Options	Weighted-Average Exercise Price per CDI	Weighted-Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2017	—	$ —	—
Granted	1,336,454		
Forfeited	—		
Exercised	—		
Outstanding at December 31, 2018	1,336,454	$ 2.84	4.25
Exercisable at December 31, 2018	—	$ —	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share-Based Compensation (Continued)

As of December 31, 2018, the weighted average grant date fair value of all Option Awards granted was $0.27. There were no options forfeited or vested during the period.

Performance Stock Unit Awards

The Company's 2018 PSU awards were granted on the date of the IPO.

75% of the Company's 2018 PSU awards are subject to "Scorecard" criteria and vest based on service and performance conditions. The fair value of the Scorecard PSUs is the market value of the Company's CDIs on the grant date less the present value of the expected dividends not received during the relevant period. Holders of Scorecard PSUs are entitled to dividends only from the end of the performance period until the settlement date. Dividends are forfeitable under the same conditions as the PSU awards.

25% of the Company's 2018 PSU awards are subject to TSR criteria and vest based on service and market conditions. The grant date fair value of Relative TSR PSUs is estimated using a Monte Carlo simulation model.

Activity of the Company's performance stock units (PSUs) that are ultimately payable in the Company's CDIs or the equivalent number of shares of common stock granted under the 2018 Equity Incentive Plan is summarized below:

Performance Stock Units Plan Activity	Number of PSUs	Weighted-Average Grant Date Fair Value (per CDI)
Nonvested at December 31, 2017	—	$ —
Granted	1,001,914	
Forfeited	—	
Vested	—	
Nonvested at December 31, 2018	1,001,914	$ 1.83

As of December 31, 2018, the weighted average grant date fair value of all PSU Awards granted was $1.83 (A$2.58). There were no PSUs forfeited or vested during the period.

(b) Non-Executive Director Equity Incentive Plan

Restricted Stock Units

During the year ended December 31, 2018, the Company granted 54,687 restricted stock units ("RSUs") in lieu of a salary to a non-executive director. The RSU's are granted for nil consideration, as they form part of the participant's remuneration package.

Each RSU represents the right to receive one CDI. The fair value of such awards was determined using the weighted average closing CDI price on the grant date and compensation expense is recorded over the requisite service period. Awards vest in full on the grant date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share-Based Compensation (Continued)

Activity of the Company's restricted stock units (RSUs) that are ultimately payable in CDIs stock granted under the 2018 Non-Executive Director Equity Incentive Plan is summarized below:

Restricted Stock Units Plan Activity	Number of RSUs	Weighted-Average Grant Date Fair Value (per CDI)
Nonvested at December 31, 2017	—	$ —
Granted	54,687	
Forfeited	—	
Vested	(10,937.4)	
Nonvested at December 31, 2018	43,749.6	$ 2.84

(c) Short Term Incentive Plan

The amount of the STI award that each participant becomes entitled to each year (if any) will be determined by the Board and Compensation and Nominating Committee based on the achievement of set financial and non-financial performance targets. 50% of the award is to be delivered in cash after the release of the Companies audited full-year financial results and then 50% will be deferred for 12 months. The deferred component of the STI will be delivered as Restricted Stock Units ("RSUs") that will vest after the release of the Company's audited full year results following the year of the award.

Each RSU is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash of common shares), plus additional CDIs (or the equivalent value in cash or common shares) equal to any distributions made until the RSU is settled. The RSU's are granted for nil consideration, as they form part of the participant's remuneration package.

The CEO is the only Director who is entitled to participate in the grant of RSUs under deferral arrangements in the STI Plan.

21. Income Taxes

Prior to August 13, 2018, the Company and its related entities were treated as partnerships for U.S. income tax purposes and therefore provided no income taxes within the financial statements. On August 13, 2018, the Company converted to a c-corporation and began to provide U.S. income taxes on the earnings of the Curragh operations. The Curragh entities are treated as a branch for U.S. tax purposes and all income flows through to the ultimate parent (the Company). On September 19, 2018, the legacy U.S. businesses were contributed to the Company and became taxable under the ownership of the Company at that time.

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was enacted and revised the U.S. corporate income tax system. Among other changes, the Tax Act reduced the corporate income tax rates from 35% to 21%, implemented a territorial tax system, and imposed a repatriation tax on deemed repatriated earnings of foreign subsidiaries. The law change had no immediate impact on the Company due to the partnership tax status prior to the Tax Act enactment. The Company is currently recording its income taxes in accordance with the new law.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Income Taxes (Continued)

Income (loss) from continuing operations before income taxes for the periods presented below consisted of the following:

(US$ thousands)	December 31, 2018	December 31, 2017	December 31, 2016
U.S.	$ 133,120	$ —	$ —
Non-U.S.	56,681	—	—
Total	$ 189,801	$ —	$ —

Total income tax expense for the periods presented below consisted of the following:

(US$ thousands)	December 31, 2018	December 31, 2017	December 31, 2016
Current:			
U.S. federal	$ 12,613	$ —	—
Non—U.S.	7,493	—	—
State	1,885	—	
Total current	21,991	—	
Deferred:		—	—
U.S. federal	33,190	—	—
Non—U.S.	11,728	—	—
State	8,303	—	—
Total deferred	53,221	—	—
Total income tax expense	$ 75,212	$ —	

The following is a reconciliation of the expected statutory federal income tax expense (benefit) to the Company's income tax benefit for the periods presented below:

(US$ thousands)	December 31, 2018	December 31, 2017	December 31, 2016
Current:			
Expected income tax expense (benefit) at U.S. federal statutory rate	$ 39,858	—	—
Non-taxable income	(21,777)	—	—
Non- Permanent differences taxable Income	147	—	—
Initial recognition of deferred taxes	40,557	—	—
Australian branch impact on US taxes	13,236	—	—
State income taxes, net of federal benefit	3,191	—	—
Total income tax expense	$ 75,212	—	—
Effective tax rate	39.63%	—	—

The Company is recording pre-tax book income for a full year of activity. As the Company was only subject to entity-level taxation in the U.S. for the Australian operations after August 13, 2018, and for the U.S. operations after September 19, 2018, the earnings prior to these dates, for the respective operations, were included as a permanent tax difference on the effective tax rate reconciliation.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Income Taxes (Continued)

purposes using the enacted tax rates and laws currently in effect. Significant components of the Company's deferred income tax assets and liabilities as of December 31, 2018 were as follows:

(US$ thousands)	December 31, 2018	December 31, 2017
Deferred income tax assets:		
Accruals and provisions	$ 27,632	—
Contract obligations	171,790	—
Asset retirement obligations	23,776	—
Interest limitation carried forward	7,561	—
Total deferred income tax assets	230,759	—
Deferred income tax liabilities:		
Property, plant, equipment and mine development, principally due to differences in depreciation, depletion and asset impairments	(238,342)	—
Warehouse stock	(12,219)	—
U.S. liability on foreign deferred taxes	(7,188)	—
Total deferred income tax liabilities	(257,749)	—
Net deferred income tax asset (liability)	(26,990)	—

Unrecognized Tax Benefits

The Company utilizes the "more likely than not" standard in recognizing a tax benefit in the financial statements. The Company concluded that they do not have any unrecognized tax benefits for the year ended December 31, 2018. If accrual for interest or penalties is required, it is the Company's policy to include these as a component of income tax expense.

Tax Returns Subject to Examination

The Company will file its initial U.S. federal income tax return, various state returns, and foreign income tax returns during 2019. The Company and its wholly-owned subsidiary, Coronado Australia Holdings Pty Ltd, will also file its first initial return in Australia during 2019. As this is the Company's first filing in all jurisdictions, it is currently not subject to any open tax audits for periods before the year-ended December 31, 2018.

22. Derivatives and Fair Value Measurement

(a) Derivatives

During the year the Company entered into forward contracts to reduce its exposure to the variability of diesel fuel prices used in the operations at Curragh. The forward diesel fuel contracts are designated as cash flow hedges.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Derivatives and Fair Value Measurement (Continued)

Activity related to the Company's derivative instruments designated as cash flow hedges consisted of the following:

(US$ thousands) Derivatives designated as hedging instruments	Amount of loss recognized from derivatives 2018	2017	2016	Location of loss recognized from derivatives
Designated forward fuel contracts	3,782	—	—	Other comprehensive income (loss), net of tax

During the year the Company entered into a foreign exchange swap contract to hedge against the exposure fluctuations in the Australian Dollar against the US Dollar on the purchase price of Curragh between the Agreement date and the completion date. The Company elected not to formally designate the swaps as cash flow hedges. As such, the Company accounted for the foreign exchange swaps as an economic hedge and recorded at fair value at the end of each reporting period. Pursuant with ASC 815, the foreign exchange swaps were initially recorded at fair value and all subsequent changes were recorded to Other, net within the Consolidated Statements of Operations. As of December 31, 2018, the Company did not have any foreign exchange swaps outstanding.

(US$ thousands) Derivatives not designated as hedging instruments	Amount of loss recognized from derivatives 2018	2017	2016	Location of loss recognized from derivatives
Undesignated portion of foreign exchange swaps	15,695	—	—	Other, net

(b) Fair Value of Financial Instruments

The fair value of a financial instrument is the amount that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial instruments involve uncertainty and cannot be determined with precision.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Derivatives and Fair Value Measurement (Continued)

Financial Instruments Measured on a Recurring Basis

As of December 31, 2018, the Company has the following liabilities that are required to be measured at fair value on a recurring basis:

- Forward commodity Contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)
- Contingent royalty: fair value is determined using the Black-Scholes option pricing formula (Level 3)
- VSM: fair value is determined using the Monte Carlo pricing simulation (Level 3)

The following tables set forth the hierarchy of the Company's net financial liabilities positions for which fair value is measured on a recurring basis as of December 31, 2018:

(US$ thousands)	Level 1	Level 2	Level 3	Total
Forward commodity contracts	$ —	5,402	—	5,402
Contingent royalty	—	—	17,216	17,216
VSM	—	—	12,987	12,987
	$ —	5,402	30,203	35,605

The Company's net financial liability positions for which fair value is measured on a recurring basis as of December 31, 2017 was as follows:

(US$ thousands)	Level 1	Level 2	Level 3	Total
Contingent royalty	—	—	8,019	8,019
	—	—	8,019	8,019

Contingent Royalty Consideration

The Company recorded a liability in relation to the five year contingent royalty consideration when it acquired Buchanan on March 31, 2016. The liability was initially valued at $900 on acquisition of Buchanan.

The fair value of the liability at December 31, 2018 and December 31, 2017 was $17,216 and $8,019, respectively. As a result of the valuation on December 31, 2018 a $9,197 increase in expense was recorded as part of royalties in the consolidated statements of operations to mark the liability to market for the year-ended December 31, 2018. As a result of the valuation on December 31, 2017 a $1,588 decrease in expense was recorded as part of royalties in the consolidated statements of operations to mark the liability to market for the year-ended December 31, 2017. As a result of the valuation on December 31, 2016, a $8,707 increase in expense was recorded as part of Royalties in the Consolidated Statements of Operations to mark the liability to market for the year-ended December 31, 2016. The Company developed a fair value of the royalty using the Black-Scholes option pricing formula for call options in a risk-neutral framework. Key assumptions in the valuation include

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Derivatives and Fair Value Measurement (Continued)

the gross sales price forecast, export volume forecast, volatility, the risk-free rate, and credit-spread of the Company.

	Quantitative Information about Level 3 Fair Value Measurements			
(US$ thousands)	Fair value at December 31, 2018	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability	17,216	Option model	Gross sales price forecast per tonne	$91.03 to $120.34 ($99.27)
			Export volume forecast (000's)	8,412 tonnes over 2 years and 3 months
			Volatility	13.80%
			Risk-free rate	2.43% to 2.61% (2.52%)
			Company credit spread	0.0348

	Quantitative Information about Level 3 Fair Value Measurements			
(US$ thousands)	Fair value at December 31, 2017	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability	8,019	Option model	Gross sales price forecast per tonne	$61.40 to $88.89 ($78.69)
			Export volume forecast (000's)	12,222 tons over 3 years and 3 months
			Volatility	23.0%
			Risk-free rate	1.15% to 2.03% (1.77%)
			Company credit spread	1.74%

Value Share Mechanism

The Company recorded a liability in relation to contingent consideration, specifically the VSM, when it acquired Curragh on 29 March 2018. On the date of acquisition, the VSM liability represented the fair value of a two-year 25% royalty on sales from met coal mined at Curragh. The royalty only applies to the realized price on metallurgical coal sales above $145 per metric tonne. This liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the statement of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Derivatives and Fair Value Measurement (Continued)

The fair value of the liability at December 31, 2018 and 2017 is $13.0 million and $0, respectively. The liability was initially valued at $26.6 million on March 29, 2018, the date of the acquisition of Curragh. As a result of the valuation on December 31, 2018, a $13.6 million decrease in expense was recorded as part of Other royalties in the consolidated statements of operations to mark the liability to market as at December 31, 2018. The Company developed a fair value of the royalty using the Monte Carlo pricing simulation. The Monte Carlo simulation performs risk analysis by building models of possible results by substituting a range of values for any factor that has inherent uncertainty (in this case the future coal prices). It then calculates results over and over, each time using a different set of random values from the probability functions. Key assumptions in the valuation include the risk-free rate, the tax rate, distribution, price volatility, and Foreign Exchange ("FX") rate.

	Quantitative Information about Level 3 Fair Value Measurements			
(US$ thousands)	Fair value at December 31, 2018	Valuation technique	Unobservable input	Range (Weighted Avg.)
Value Share Mechanism (VSM)	12,987	Monte Carlo simulation	Gross sales price forecast per tonne	$160.0 to $195.8 (176.16)
			Volatility	22.50%
			Risk-free rate	2.85%
			Tax rate	30.00%
			FX rate	0.7048

The following is a summary of all the activity related to the contingent royalty liability and value share mechanism:

	2018 activity				
(US$ thousands)	Account classification	Contingent Royalty Liability	VSM	Incurred royalties	Total
Beginning balance at January 1, 2018:		$ 8,019		1,652	9,671
Beginning balance at March 29, 2018:		$	26,552		26,552
Statement of Operation activity:					
Contingent liability / VSM expense incurred	Other royalties	$		$ 34,752	34,752
Decrease in VSM Liability value	Other royalties	$	(13,565)		(13,565)
Increase in Contingent Royalty Liability value	Other royalties	$ 9,197			9,197
Total Statement of Operations activity:		$ 9,197	(13,565)	34,752	30,384
Cash paid to CONSOL/Wesfarmers		$		(28,109)	(28,109)
Balance sheet:					
Royalties payable to CONSOL/Wesfarmers	Accrued expenses and other liabilities	$		8,295	8,295
VSM Liability	Contingent royalty consideration—current	$	12,987		12,987
Contingent Royalty Liability	Contingent royalty consideration	$ 17,216			17,216
Total liabilities		$ 17,216	12,987	8,295	38,498

(1) $13.845 million of this amount is classified as a current liability with the remainder of $3.371 million being classified as a non-current liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Derivatives and Fair Value Measurement (Continued)

	2017 activity				
(US$ thousands)	**Account classification**		**Contingent Royalty Liability**	**Incurred royalties**	**Total**
Beginning balance at January 1, 2017:		$	9,607	5,316	14,923
Statement of Operation activity:					
Contingent liability expense incurred	Other royalties	$		11,049	11,049
Decrease in Contingent Royalty Liability value	Other royalties	$	(1,588)		(1,588)
Total Statement of Operations activity:		$	(1,588)	11,049	9,461
Cash paid to CONSOL		$		(14,713)	(14,713)
Balance sheet:					
Royalties payable to CONSOL	Accrued expenses and other liabilities	$		1,652	1,652
Contingent Royalty Liability	Contingent royalty consideration	$	8,019	—	8,019
Total liabilities related to the Contingent Royalty Liability		$	8,019	1,652	9,671

Other than the estimated fair values of the assets acquired, and liabilities assumed in connection with the acquisitions described in Note 3 and Note 17, which are level 3 fair value measurements, there are no other fair value measurements of assets and liabilities that are measured at fair value on a nonrecurring basis as of December 31, 2018 and December 31, 2017.

Assets acquired, and liabilities assumed in connection with acquisitions (refer to Note 3)—The total cost of the acquisitions is allocated to the underlying identifiable net tangible and intangible assets based on their respective estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires management's judgment, the utilization of independent valuation experts, and often involves the use of significant estimates and assumptions with respect to the timing and amounts of future cash inflows and outflows, discount rates, market prices and asset lives, among other things.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

- Working capital, excluding inventory, were recorded at the carrying value of the seller, which is representative of the fair value on the date of acquisition. Inventory was valued at its net realizable value.

- Mine development assets and mineral rights and reserves was recorded at fair value utilizing the income approach. The income approach utilized the Company's operating projections as of the valuation date. Under the income approach, fair value was estimated based upon the present value of future cash flows. A number of assumptions and estimates were involved in forecasting the future cash flows including sales volumes and prices, costs to produce (including costs for labor, commodity supplies and contractors), transportation costs, capital spending, working capital changes and a risk adjusted, after-tax cost of capital (all of which generally constitute unobservable Level 3 inputs under the fair value hierarchy).

- Plant and equipment, and other assets were recorded at fair values based on the cost and market approaches. The cost approach utilized trending and direct costing techniques to develop

22. Derivatives and Fair Value Measurement (Continued)

replacement costs. The market approach is based on independent secondary market data (which generally constitute Level 2 inputs under the fair value hierarchy).

Other Financial Instruments

The following methods and assumptions are used to estimate the fair value of other financial instruments as of December 31, 2018 and 2017:

- Cash and restricted cash, accounts receivable, accounts payable, and accrued expenses and other current liabilities: The carrying amounts reported in the consolidated balance sheets approximate fair value due to the short maturity of these instruments.

- Deposits and reclamation bonds, current instalments of other financial liabilities, current instalments of interest bearing liabilities, current instalments of capital lease obligations, other financial liabilities, excluding current instalments, interest bearing liabilities, excluding current instalments and capital leases, excluding current instalments: The fair values approximate the carrying values reported in the consolidated balance sheets.

23. Commitments

(a) Mineral and Operating Leases

The Company leases mineral interest and surface rights from land owners under various terms and royalty rates. The Company also has operating lease commitments for certain buildings and mining equipment. The future minimum royalties and payments under these leases as of December 31, 2018 are as follows:

(US$ thousands)	Amount
Year ending December 31,	
2019	19,917
2020	18,110
2021	13,751
2022	12,237
2023	12,231
Thereafter	16,861
Total	$ 93,107

The above table includes amounts due under noncancelable leases with initial or remaining lease terms in excess of one year. Certain leases in the above table terminate when all mineable coal is mined; these leases are assumed to expire in 2026.

Rent expense amounted to $22.8 million, $8.9 million and $5.6 million, respectively, for the years ended December 31, 2018, 2017 and 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Commitments (Continued)

(b) Capital Leases

The Company is obligated under capital leases for certain equipment that expire in 2020. Future minimum capital lease payments as of December 31, 2018 and 2017 are:

(US$ thousands)	Short-term	Long-term	Total
Balance January 1, 2017	$ 329	438	767
New capital lease obligations	2,153	4,072	6,225
Repayments	(1,402)	—	(1,402)
Reclass to short-term	746	(746)	—
Balance December 31, 2017	1,826	3,764	5,590
New capital lease obligations			
Repayments	(1,801)	—	(1,801)
Reclass to short-term	1,283	(1,283)	—
Balance December 31, 2018	**$ 1,308**	**2,481**	**3,789**

The gross book value of property, plant, and equipment under capital leases was $7.1 million and $7.1 million as of December 31, 2018 and 2017, respectively, related primarily to mining equipment. The accumulated depreciation for these items was $2.9 million and $0.9 million at December 31, 2018 and 2017, respectively, and changes thereto have been included in "Depreciation, depletion and amortization" in the consolidated statements of operations.

Future principal payments on capital leases as of December 31, 2018 are as follows:

(US$ thousands)	Amount
Year ending December 31,	
2019	$ 1,505
2020	2,569
Total minimum lease payments	4,074
Less: Amount representing interest (6.25% interest)	285
Present value of net minimum lease payments	$ 3,789

(c) Other commitments

As of December 31, 2018, purchase commitments for capital expenditures were $8.5 million, all of which is obligated within the next year.

The company has entered into fix price contracts to purchase fuel for the US operations. As of December 31, 2018, the commitment for fuel purchases were $11.3 million, all of which is obligated within the next year.

In Australia, the Company has generally secured the ability to transport coal through rail contracts and coal export terminal contracts that are primarily funded through take-or-pay arrangements with terms ranging up to 11 years. In the U.S., the Company typically negotiates its rail and coal terminal on an annual basis. As of December 31, 2018, these Australian and U.S. commitments under take-or-pay arrangements totaled $1.13 billion, of which approximately $111.3 million is obligated within the next year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. Contingencies

In the normal course of business, the Company is a party to certain guarantees and financial instruments with off balance sheets risk, such as bank letters of credit and performance or surety bonds. No liabilities related to these arrangements are reflected in the Company's consolidated balance sheets. Management does not expect any material losses to result from these guarantees or off balance sheets financial instruments.

As at December 31, 2018 Facility B of the SFA, as described in Note 14, has been utilized to issue A$343.2 million of bank guarantees on behalf of the Company. A significant portion of these bank guarantees have been issued in respect of the Company's asset retirement obligations.

Curragh is a co-defendant to proceedings in the Queensland Supreme Court brought by Aurizon. Aurizon's claim relates to costs relating to the co-defendants' use of the WICET rail links—in particular, whether the 'First Milestone Target Date', which triggers certain 'WIRP Fee' payments under the WIRP Deed, has been achieved. the Company intends to continue to strongly contest the matter together with the other WICET users who are joint defendants in the proceedings. The proceedings include a claim for damages for breach of contract against Curragh. While it is not possible to precisely quantify the Company's potential exposure as a result of this litigation, it is currently expected that, were Aurizon successful in proving the relevant elements of its claim, Coronado Curragh Pty would be required to pay approximately $2.3 million (Australian dollars) per annum for the term of the WIRP Deed (which is 233 months). Resolution of this dispute would also result in the Company's below rail access to WICET (of 1.5 Mtpa) becoming a firm contractual capacity entitlement (and the subject of a 20-year take-or pay access agreement) instead of an ad hoc entitlement only. The Company's consolidated balance sheet includes a liability to cover our potential exposure from the date of the WIRP Deed to December 31, 2018 of $3.5 million.

The Company is involved in various other legal proceedings from time to time in the normal course of business including proceedings related to employment matters. At December 31, 2018 and 2017, the Company's consolidated balance sheets include liabilities for these legal actions of $0.2 million and $0.5 million, respectively.

The liabilities recorded in relation to the above litigations do not include costs associated with legal representation. In management's opinion, the Company is not currently involved in any legal proceedings, which individually or in the aggregate could have a material effect on the financial condition, results of operations and/or liquidity of the Company.

25. Related Party Transactions

Imagin Minerals, Inc.

The Company has entered into an office sharing arrangement with Imagin Minerals, Inc. (Imagin) whereby it has the right to utilize Imagin's premises and to jointly utilize office resources including office personnel. Imagin is wholly-owned by Mr. Garold Spindler, CEO of the Company. 50% of the expenses incurred by Imagin under this arrangement are expensed to the Company. Such expenses in the amount of $0.1 million, $0.1 million and $0, respectively, are recorded as selling, general and administrative expenses on the consolidated statements of operations for the years ended December 31, 2018, 2017 and 2016. Accrued expenses due to Imagin of $0.02 million and $0.03 million, respectively, are recorded on the December 31, 2018 and 2017 consolidated balance sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Related Party Transactions (Continued)

JEP

Additionally, in connection with the JEP Variable Interest Entity, the Company issued a note receivable to their partner in JEP, SYR in 2013. The note provides additional capital to SYR to aid them in funding JEP. At December 31, 2018, the note had a balance of $0.6 million with related interest receivable of $0.2 million. As of December 31, 2017, the note had a balance of $0.5 million with related interest receivable of $0.1 million. These balances are included in related party receivables.

X-Coal

During the year the company sold coal to Xcoal Energy and Resources ("Xcoal"), an entity associated with Non-Executive director, Mr. Ernie Thrasher. Revenue from Xcoal of $444.9 million, $371.7 million and $217.2 million, respectively, are recorded as coal revenues on the consolidated statement of operations for the years ended December 31, 2018, 2017 and 2016. At December 31, 2018 amounts due from Xcoal in respect of coal sales are $36.0 million. As of December 31, 2017, amounts due from Xcoal in respect of coal sales were $42.9 million. These balances are included in related party receivables.

Wiggins Island Coal Export Terminal Pty Ltd

Wiggins Island Coal Export Terminal Pty Ltd (WICET) became a related party when Garold Spindler, a director of the company, became a Curragh representative director on the WICET board of directors in May 2018. WICET is one of the two providers of port services to the Company's Australian operations. Port services cost incurred for the WICET terminal during the period from when WICET become a related party to December 31, 2018 was $16.4 million. Accrued expenses due to WICET of $6.8 million are recorded on the December 31, 2018 consolidated balance sheets.

Coronado Group LLC

Under Coronado Group LLC agreement (as amended, effective October 23, 2018), 2,900 management incentive units were designated and authorized for issuance to certain members of management to motivate and retain senior management. The plan is designated to allow key members of management to share in the profits of the Company after certain returns are achieved by the equity investors. The incentive units constitute "profit interests" for the benefit of senior management in consideration of services rendered and to be rendered. At December 31, 2018, 2,900 management incentive units were outstanding.

As described in Note 1, Coronado Coal LLC and Coronado II LLC merged to form Coronado Group LLC in July 2015. Coronado IV LLC was merged into Coronado Group LLC on June 30, 2016. Under the updated formation agreement dated June 30, 2016, the 2,500 designated and authorized units under the initial formation of Coronado Group LLC were replaced by these new units. At December 31, 2017, 2,680 management incentive units were outstanding.

The new incentive units are comprised of three tiers, which entitle the holders to receive distributions from Coronado Group LLC subordinate to the distributions to be received by Members. As of December 31, 2017, a portion of the authorized units have been allocated to various members of the Company's management including Mr. Garold Spindler, CEO, and Mr. James Campbell, President and COO, both of whom are also members of Coronado Group LLC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Related Party Transactions (Continued)

Stockholder's Agreement and Registration Rights and Sell-Down Agreement

Following the IPO, Coronado Group LLC has beneficial ownership in the aggregate of 80% of the Company's Shares. On September 24, 2018, Coronado Group LLC and the Company entered into a Stockholder's Agreement and a Registration Rights and Sell-Down Agreement which governs the relationship between Coronado Group LLC and the Company while the EMG Group beneficially owns in the aggregate at least 50% of our outstanding shares of common stock (including shares of common stock underlying CDIs), including certain governance matters relating to the Company. Under this Agreement, Coronado Group LLC has the ability to require the Company to register its shares under the US Securities Exchange Act of 1934 and to provide assistance to Coronado Group LLC in selling some or all of its shares (including in the form of CDIs).

The Stockholder's Agreement provides for the following:

- consent rights: Coronado Group LLC (or its successors or permitted assigns) will have certain consent rights, whereby pre-agreed actions require approval by Coronado Group LLC prior to these actions being undertaken;
- provision of information to Coronado Group LLC: There will be ongoing information sharing arrangements relating to the provision of financial and other information by the Company and its subsidiaries to Coronado Group LLC Group Entities and cooperation and assistance between the parties in connection with any financing (or refinancing) undertaken by the Company;
- pro rata issuances: While Coronado Group LLC Group Entities beneficially own in the aggregate at least 10% of the outstanding Shares, unless Coronado Group LLC (or its successors or permitted assigns) agrees otherwise, issuances of equity securities must have been offered to Coronado Group LLC in respect of its pro rata shares and any equity securities to be allocated by the Company under a share incentive plan will be sourced by purchasing them in the market rather than by issuing them; and
- Board rights: Certain rights regarding the board including the right, but not the obligation, to designate the Directors to be included in the membership of any board committee, except to the extent that such membership would violate applicable securities laws or stock exchange or stock market rules.

Relationship Deed

On 24 September 2018, the Company and Coronado Group LLC entered into a Relationship Deed under which the Company provides a number of indemnities in favor of Coronado Group LLC, including in relation to certain Offer-related matters and also certain guarantees that have in the past been provided or arranged by Coronado Group LLC and its Affiliates in support of Company obligations. Under the Relationship Deed, Coronado Group LLC also agrees to indemnify the Company in relation to certain Offer-related matters and reimburse certain costs

26. Subsequent Events

In the period between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Subsequent Events (Continued)

the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

Subsequent to the end of the financial period, the Directors have declared a dividend of $0.31 per CDI which is made up of an ordinary dividend of $0.06 per CDI and a special dividend of $0.25 per CDI. The dividend will have a record date of 5 March 2019 and be payable on 29 March 2019. CDI's will be quoted "ex" dividend on 4 March 2019.

Coronado Curragh Pty Ltd
and its controlled entities

(formerly Wesfarmers Curragh Pty Ltd)

Directors' Declaration

In accordance with a resolution of the directors of Coronado Curragh Pty Ltd, the directors are of the opinion that:

(a) The financial statements and notes of Coronado Curragh Pty Ltd for the 12 month periods ended 31 December 2017, 31 December 2016 and 31 December 2015:

(i) present fairly the company's financial position as at 31 December 2017, 31 December 2016 and 31 December 2015 and of its performance and cash flows for the years ended on those dates; and

(ii) comply with Australian Accounting Standards; and

(iii) comply with International Financial Reporting Standards.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

/s/ A SARIDAS

A Saridas
Director
Brisbane
18 April 2019

REPORT OF INDEPENDENT AUDITORS

To the members of Coronado Curragh Pty Ltd

We have audited the accompanying consolidated financial statements of Coronado Curragh Pty Ltd and controlled entities (the Company), which comprise the consolidated statements of financial position as of 31 December 2015, 2016 and 2017, and the related consolidated statements of profit and loss and other comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with Australian Accounting Standards as issued by the Australian Accounting Standards Board; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Coronado Curragh Pty Ltd and its controlled entities at 31 December 2015, 2016 and 2017, and the consolidated results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with Australian Accounting Standards as issued by the Australian Accounting Standards Board.

/s/ Ernst & Young
Brisbane, Australia
18 April 2019

Consolidated statement of profit or loss and other comprehensive income

for the 12 month periods ended 31 December 2017, 2016 and 2015

	Note	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Revenue					
Sale of goods	6	1,792,509	1,009,441	1,133,533	1,192,134
Cost of sales		(829,673)	(752,274)	(871,711)	(834,885)
Gross profit		962,836	257,167	261,822	357,249
Other operating income/(expense)	6	2,372	(1,899)	(129,810)	(99,878)
Selling and distribution expense		(200,340)	(153,376)	(152,104)	(168,927)
Royalty expenses	6	(363,945)	(131,345)	(182,347)	(159,853)
Impairment expense	6	—	(800,000)	—	—
		(561,913)	(1,086,620)	(464,261)	(428,658)
Finance costs	6	(243,605)	(5,007)	(5,621)	(8,175)
Profit/(Loss) before income tax		157,318	(834,460)	(208,060)	(79,584)
Income tax (expense)/benefit	7	(120,041)	249,439	62,546	(60,090)
Profit/(Loss) for the year		37,277	(585,021)	(145,514)	(139,674)
Other comprehensive income		—	—	—	—
Total comprehensive income/(loss) for the year, net of tax		37,277	(585,021)	(145,514)	(139,674)
Earnings per share:					
Basic and diluted, profit/(loss) for the year attributable to ordinary equity holders ($'000)	20	18,639	(292,511)	(72,757)	(69,837)

Consolidated statement of financial position

As at 31 December 2017, 2016 and 2015

	Note	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
ASSETS					
Current assets					
Cash and cash equivalents	8	11,072	6,192	7,004	51,705
Related party receivable	15	77,264	—	—	—
Trade and other receivables	9	206,479	237,928	100,320	122,857
Income tax receivable—from parent		—	95,915	22,939	24,479
Inventories	10	101,306	100,311	116,093	126,442
Other current assets		3,702	6,561	7,712	8,409
Total current assets		399,823	446,907	254,068	333,892
Non-current assets					
Property, plant and equipment	11	546,289	532,121	1,287,613	1,305,673
Deferred tax assets	7	154,782	184,127	17,763	—
Other non-current assets		2,446	3,074	2,753	3,104
Other non-current receivable	9	—	—	19,555	19,555
Total non-current assets		703,517	719,322	1,327,684	1,328,332
Total assets		1,103,340	1,166,229	1,581,752	1,662,224
LIABILITIES					
Current liabilities					
Trade and other payables	12	176,188	134,101	105,976	115,476
Borrowings	13	—	1,490,184	1,320,819	1,216,601
Provisions	14	29,530	25,527	23,640	29,279
Derivatives	17	13,650	47,780	80,887	45,354
Income tax payable—to parent		55,173	—	—	—
Total current liabilities		274,541	1,697,592	1,531,322	1,406,710
Non-current liabilities					
Borrowings	13	404,441	—	—	—
Non-current provisions	14	241,771	229,358	181,604	190,939
Deferred tax liabilities	7	—	—	—	55,225
Derivatives	17	2,329	15,672	60,153	49,815
Other non-current liabilities		687	1,062	1,107	455
Total non-current liabilities		649,228	246,092	242,864	296,434
Total liabilities		923,769	1,943,684	1,774,186	1,703,144
Net assets/(liabilities)		179,571	(777,455)	(192,434)	(40,920)
EQUITY / (SHAREHOLDERS' DEFICIT)					
Equity attributable to equity holders of the parent					
Contributed equity	22	919,749	—	—	—
Accumulated losses		(740,178)	(777,455)	(192,434)	(40,920)
Total equity / (shareholders' deficit)		179,571	(777,455)	(192,434)	(40,920)

Consolidated statement of changes in equity

for the 12 month periods ended 31 December 2017, 2016 and 2015

	Note	Contributed equity $'000	(Accumulated losses)/ retained earnings $'000	Total equity $'000
Balance at 1 January 2014 (Unaudited)		—	118,754	118,754
Net loss for the year (Unaudited)		—	(139,674)	(139,674)
Other comprehensive loss for the year (Unaudited)		—	—	—
Total comprehensive loss for the year (Unaudited)		—	(139,674)	(139,674)
Transactions with equity holders in their capacity as equity holders:				
Equity dividends (Unaudited)	21	—	(20,000)	(20,000)
Balance at 31 December 2014 (Unaudited)		—	(40,920)	(40,920)
Balance at 1 January 2015		—	(40,920)	(40,920)
Net loss for the year		—	(145,514)	(145,514)
Other comprehensive loss for the year		—	—	—
Total comprehensive loss for the year		—	(145,514)	(145,514)
Transactions with equity holders in their capacity as equity holders:				
Equity dividends	21	—	(6,000)	(6,000)
Balance at 31 December 2015		—	(192,434)	(192,434)
Balance at 1 January 2016		—	(192,434)	(192,434)
Net loss for the year		—	(585,021)	(585,021)
Other comprehensive loss for the year		—	—	—
Total comprehensive loss for the year		—	(585,021)	(585,021)
Balance at 31 December 2016		—	(777,455)	(777,455)
Balance at 1 January 2017		—	(777,455)	(777,455)
Net profit for the year		—	37,277	37,277
Other comprehensive loss for the year		—	—	—
Total comprehensive income for the year		—	37,277	37,277
Transactions with equity holders in their capacity as equity holders:				
Contribution from ultimate parent	22	919,749	—	919,749
Balance at 31 December 2017		919,749	(740,178)	179,571

Consolidated statement of cash flows

for the 12 month periods ended 31 December 2017, 2016 and 2015

	Note	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Receipts from customers		1,795,648	823,586	1,084,467	1,257,454
Payments to suppliers and employees		(1,313,103)	(917,469)	(1,077,599)	(1,086,571)
Interest received		268	1,146	—	—
Net cash flows from/(used in) operating activities	8	482,813	(92,737)	6,868	170,883
Cash flows from investing activities					
Payments for property, plant and equipment		(59,280)	(87,712)	(140,887)	(179,652)
Proceeds from sale of property, plant and equipment		1,763	174	—	—
Net cash flows used in investing activities		(57,517)	(87,538)	(140,887)	(179,652)
Cash flows from financing activities					
Proceeds from borrowings		—	169,365	104,218	50,364
Repayment of borrowings		(403,545)	—	—	—
Receipts/(payments) under the tax funding arrangement		60,393	10,098	(8,900)	(14,383)
Related party transfers		(77,264)	—	—	—
Equity dividends paid		—	—	(6,000)	(20,000)
Net cash flows (used in)/ from financing activities		(420,416)	179,463	89,318	15,981
Net increase/(decrease) in cash and cash equivalents		4,880	(812)	(44,701)	7,212
Cash and cash equivalents at beginning of year		6,192	7,004	51,705	44,493
Cash and cash equivalents at end of year	8	11,072	6,192	7,004	51,705

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

1. Corporate information

The consolidated financial statements of Coronado Curragh Pty Ltd (the "Company" or "Curragh") and its controlled entities (collectively referred to as the "Group') for the 12 month periods ended 31 December 2017, 31 December 2016 and 31 December 2015 were authorized by a resolution of directors for issue on 18 April 2019. As at that date Curragh is a wholly owned subsidiary of Coronado Global Resources Inc.

Curragh is a for-profit company limited by shares incorporated and domiciled in Australia. The nature of the operations and principal activities of the Group are described in the segment information (refer to Note 4).

2. Basis of preparation and summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board.

- these consolidated financial statements have been prepared specifically for inclusion in the regulatory Securities and Exchange Commission ("SEC") filings for the planned registration statement and other periodic filings pursuant to the Securities Exchange Act of 1934 and the Securities Act of 1933. The Company's statutory year end is 30 June each year which was synchronised with the year end of its parent entity, Wesfarmers Limited ("Wesfarmers"). Wesfarmers disposed of Curragh on 29 March 2018 to Coronado Group LLC and the company anticipates that it will change its year end to 31 December to align with that of its new parent. As at disposal date the registered name of the Company was changed from Wesfarmers Curragh Pty Ltd to Coronado Curragh Pty Ltd. These financial statements have been prepared for a 12 month period ended 31 December to align with that of its parent Coronado Global Resources Inc.

The consolidated financial statements:

- are prepared on a historical cost basis except for certain financial liabilities and financial instruments which are measured at fair value; and are

- presented in Australian dollars ("$") and have been rounded to the nearest thousand, where rounding is applicable, unless otherwise stated.

The consolidated financial statements for the 12 month period 31 December 2015 are the first consolidated general purpose financial statements prepared by the Group. In prior years, to meet the needs of the Parent Entity for consolidation purposes, the Group prepared an internal reporting package in accordance with the recognition and measurement principles of Australian Accounting Standards ("AAS") without preparing or presenting a complete set of financial statements as defined by AASB 101 *Presentation of Financial Statements (as revised in 2007).*

In preparing the consolidated financial statements for the 12 month period ended 31 December 2015, the Group applied AASB 1 *First-time Adoption of Australian Accounting Standards* ("AASB 1")

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

which is the Australian equivalent of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"). In this regard the Group considered the transitional exceptions and exemptions in AASB 1 and has elected not to apply:-

- AASB 3 *Business Combinations* to business combinations that occurred prior the date of transition being 1 January 2014;
- AASB 2 *Share-based Payments* to any share-based payments that were granted by its parent entity to employees on or before 7 November 2002, or awards granted after 7 November 2002 that had vested before 1 January 2005.

In addition, in preparing the first set of consolidated financial statements for the 12 month period ended 31 December 2015, the Group early adopted AASB 9 *Financial Instruments* as issued in July 2014. In accordance with the transitional provisions in AASB 1, the assessment of the classification and measurement of financial assets was based on the facts and circumstances that existed at the date of transition to AAS, 1 January 2014. Furthermore, at the date of transition, the directors concluded that it would require undue cost and effort to determine the credit risk of financial assets at the date they were initially recognised. Accordingly, for the purposes of impairment, the Group recognises lifetime expected credit losses on those financial assets held at the date of transition to AAS until such time as those individual financial asset are derecognised.

In each of the 12 month periods ended 31 December 2016 and 2017 the Group adopted all new and amended Accounting Standards and Interpretations that were effective for that reporting period. The adoption of these new and amended Standards and Interpretations had no impact on the Group's accounting policies. Accordingly, the significant accounting policies of the Group have been consistently applied across all periods presented.

Going concern

Having regard to the Group's financial position and its cash flow forecasts, the directors are of the opinion that the Group will be able to pay its debts as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

b) Foreign currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian Dollars, which is also the parent company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

c) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are set out as follows:

Key Judgements

Onerous contracts

The Group assesses whether the economic benefits to be received under a contract exceed the expected costs of fulfilling its obligations in relation to the contracts. In relation to the Group's domestic coal supply commitments to Stanwell Corporation ("Stanwell") under the Stanwell Coal Supply Agreement ("Stanwell CSA") the Group incorporates in its assessment all benefits under the Stanwell CSA, including the right to mine export coking coal over the defined term of the agreement.

Stripping (waste removal) costs

As part of its mining operations, the Group incurs stripping costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences ("development stripping"), are capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life. The capitalisation of development stripping costs ceases when the mine is commissioned and ready for use as intended by management. Stripping activities undertaken during the production phase of a surface mine ("production stripping") are generally considered to create two benefits, being either the production of inventory or improved access to a component of the ore to be mined in the future. Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

For the purposes of applying its accounting policy on stripping costs, the Group identifies the separate components of its mining operations based on information available in the mine plan in consultation with the mining operations personnel. Judgement is also required to allocate production stripping costs between inventory and any stripping activity asset for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the ore body, to be the most suitable production measure. Given the nature of the Groups operations, a stripping activity asset is generally recognised in advance of production.

Key Estimates

Mineral reserves and resources

The Group estimates its mineral reserves and resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC code').

Estimates of the quantities of proven and probable coal reserves and resources form the basis for the life of mine ("LOM") plans, which are used for a number of important business and accounting purposes, including:

- the calculations of depreciation expense;
- the capitalisation of production phase stripping costs; and

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

- forecasting the timing of payments related to environmental rehabilitation provision.

In addition, the underlying LOM plans are used in the impairment assessment for non-current assets.

Coal reserve and resource estimates are imprecise and depend partly on statistical inferences drawn from drilling and other data, which may prove to be unreliable. Future production could differ from reserve estimates for the following reasons:

- formations could be different from that predicted by drilling, sampling and similar examinations;
- declines in the market price of coal may render the mining of some or all of the Group's reserves uneconomic;
- increases in mining costs and processing costs could adversely affect the economics of mineral reserves; and
- the grade of mineral reserves may vary significantly from time to time and there can be no assurance that any particular amount of coal may be recovered from the reserve.

Any of these factors may require the Group to reduce coal reserve and resource estimates.

Impairment of non-current assets

The Group determines whether assets are impaired or previous impairments need to be reversed at least on an annual basis having due regard to impairment triggers. If a trigger exists, the recoverable amount of a cash generating unit ("CGU") is determined using fair value less costs of disposal ("FVLCOD") which considers both JORC reserves and JORC resources. Expected future cash flows used to determine FVLCOD of non-current assets are inherently uncertain and could materially change over time.

These projections are discounted based on a weighted average cost of capital determined by the prevailing or benchmark market inputs, risk adjusted where necessary.

Key assumptions include long term coal prices, AUD/USD exchanges rates and mine cash costs escalations and are determined with reference to external and internal sources of information. It is reasonably possible that these assumptions may change which may then impact the estimated LOM which could result in a material adjustment to the carrying value of non-current assets.

Estimation of useful lives and residual value of assets

Useful lives and residual values of plant and equipment are reviewed annually. Judgement is applied in determining the useful lives and residual value of property, plant and equipment. These judgements are determined in consultation with internal technical experts and with reference to any technical specifications as obtained from the supplier of the specific asset or its component. Any reassessment of useful lives and residual value in a particular period will affect depreciation and amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

Rehabilitation provision

The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the legal and constructive obligations at the reporting date. These costs are estimated internally based on engineering and feasibility studies to determine the extent of rehabilitation activity based on activity to date. Costs of site rehabilitation are discounted using a risk free rate taking into account an estimation of the timing of rehabilitation based on the expected life of the related assets.

Future rehabilitation costs are reviewed annually and any changes in the estimate are reflected in the present value of the rehabilitation provision provided at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates that may affect the ultimate liability payable. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions at balance date represent management's best estimate of the present value of the future rehabilitation costs required.

d) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Curragh's export contracts operate on a 'free on board' basis and therefore risks and rewards have passed to the buyer when the goods pass over the ship's rail. Certain sales are subject to quotational period price adjustment post-delivery.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

e) Borrowing costs

Borrowing costs are recognised as an expense when they are incurred, except for interest charges attributable to major projects with substantial development and construction phases which are capitalised as part of the cost of the asset. Provisions and other payables are discounted to their present value when the effect of the time value of money is significant. The impact of the unwinding of these discounts and any changes to the discounting is shown as unwind of discount rate in finance costs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

f) Leases—operating leases

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight line basis for the period in which the costs relate. Operating lease incentives are recognised as a liability when received and released to earnings on a straight line basis over the lease term.

Fixed rate increases to lease payments, excluding contingent or index based rental increases, such as Consumer Price Index and other similar increases, are recognised on a straight line basis over the term of the lease. An asset or liability is recognised for the difference between the amount paid and the lease expense released to earnings on a straight line basis.

g) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

h) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. This category includes trade receivables relating to sales that are subject to quotational period pricing adjustment post shipment.

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months ("12m ECL").

The Group considers an event of default has occurred when a financial asset is more than 180 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. The amount of the impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income within other

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

expenses. Subsequent recoveries of amounts previously written-off are credited against other expenses in the consolidated statement of profit or loss and other comprehensive income.

i) Reimbursement right—long service leave

Long service leave is paid when leave is taken, with a subsequent reimbursement received from the Coal Mining Industry Long Services Leave Trust Fund ("Trust Fund"). The reimbursement asset for long service leave is recognised in current receivables and is measured at the amount of the long service leave obligation recognised at reporting date recoverable from the Trust Fund.

j) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of coal inventories is determined using a weighted average basis. Cost includes direct material, overburden removal, mining, processing, labour, depreciation, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by periodic surveys.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

k) Income tax

All entities within the Group are part of the Wesfarmers' tax consolidated group up until transfer of ownership, effective 29 March 2018. Wesfarmers Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is considered remote.

Current tax, deferred tax liabilities and deferred tax assets arising from temporary differences are allocated to members of the tax consolidated group using a 'group allocation approach". In this regard temporary differences are measured with reference to the carrying amount of assets and liabilities and the tax values within the tax consolidated group. Temporary differences are not recognised for transactions that do not give rise to a tax consequence for the tax consolidated Group. Any current tax liabilities or assets and unused tax losses of the member entity are assumed by the head entity of the tax consolidated group and are recognised as amounts payable to/(receivable from) the Parent Entity in accordance with the tax funding arrangement in place. Any difference in these amounts is recognised by the member entity as an equity contribution from or distribution to the head entity. Deferred tax assets, other than for tax losses, are recognised in the Group to the extent they are recoverable within the Wesfarmers tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

l) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m) Property, plant and equipment

Initial recognition and depreciation / amortisation

Freehold land

- Land is measure at cost and not depreciated.

Leasehold improvements

- Leasehold improvements are measured at cost less accumulated depreciation. The estimated useful life of leasehold improvements are between 20 and 40 years.

Mineral lease and development costs (Mine property)

- Mineral lease and development costs are measured at cost and include all costs incurred to bring the asset into operation including development stripping. These assets are amortised on a units of production ("UOP") basis over the economically recoverable coal reserves that the costs were incurred to develop. Where recoverable coal reserves in an area of interest are revised (other than through the mining of coal), the rate at which the development costs are amortised is revised so that the costs are written-off over the remaining reserves. Changes in depreciation estimates resulting from the revision of reserves are accounted for in the consolidated statement of profit or loss and other comprehensive income prospectively.

- The mine infrastructure (including civil works, buildings, water and electricity supply, hard standing areas, etc.) is depreciated over the individual expected useful life of each asset (between 3 to 20 years) but not to exceed the life of the mine.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

Plant, vehicles and equipment

- Mobile equipment is measured at cost and generally depreciated over the estimated life of the equipment, expressed in operating hours. Where appropriate, consideration is given to the application of a UOP depreciation method to best reflect the expected pattern of consumption on the smaller items (for example, light vehicles, lighting plant, and pumps). The useful life in years is between 3 to 20 years.

- Other fixed assets (for example tooling, furniture and miscellaneous equipment) are carried at cost and depreciated via the straight line method over their respective estimated life in years (between 3 to 20 years), but not to exceed the life of the mine.

Useful lives and estimated residual value of property, plant and equipment are reviewed annually.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in consolidated statement of profit or loss and other comprehensive income in the period the item is derecognised.

Production stripping

Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to a component of the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, if the following criteria are met:

- future economic benefits (being improved access to the ore body) are probable;

- the component of the ore body for which access will be improved can be accurately identified; and

- the costs associated with the improved access can be reliably measured.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a waste to ore strip ratio is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The stripping activity asset is accounted for as an addition to mine property. The stripping activity asset is subsequently depreciated using the UOP method over the life of the identified component of the ore body that became more assessable as a result of the stripping activity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

Impairment of non-current assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired or previous impairments reversed. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

In determining fair value less costs of disposal, a discounted cash flow model is used. These calculations are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Where the recoverable amount is sensitive to changes in key variables, these sensitivities are considered in estimating the possible recoverable amount outcomes. A previously recognised impairment loss is reversed only if there has been a change in the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are non-interest bearing and are normally settled on terms up to 60 days.

o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, to the extent they are not already reflected in the cash flows.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine and plant rehabilitation

Mine rehabilitation costs will be incurred by the Group either while operating, or at the end of the operating life of, the Group's facilities and mine properties. The Group assesses its mine rehabilitation provision at each reporting date. The Group recognises a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. The nature of these restoration activities includes: dismantling and removing structures; rehabilitating mines and tailings dams; dismantling operating facilities; closing plant and waste sites; and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining operation's location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred as a result of the development/construction of the mine. Any rehabilitation obligations that arise through the production of inventory are recognised as part of the related inventory item. Additional disturbances which arise due to further development/construction at the mine are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

recognised in profit or loss as extraction progresses. Changes in the estimated timing of rehabilitation or changes to the estimated future costs are dealt with prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, if the initial estimate was originally recognised as part of an asset recognised.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the rehabilitation liability and an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss and other comprehensive income as part of finance costs. For closed sites, changes to estimated costs are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

q) Employee benefits

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date, are recognised in provisions and other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Sick leave

The liability for vesting sick leave is recognised in the provision for employee benefits.

Consideration is given to the entitlement under the Collective Agreement and expected future wage levels. Expected future payments are discounted using market yields at the reporting date on national government bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

2. Basis of preparation and summary of significant accounting policies (Continued)

r) Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into with its parent entity and are subsequently measured at fair value through profit or loss. Derivatives are carried as financial assets when their value is positive and as financial liability when their value is negative.

s) Financial guarantee contracts

Financial guarantee contracts are initially measured at their fair value and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the revenue recognition policies.

3. Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

	Equity holding			
				(Unaudited)
Name of entity	**2017**	**2016**	**2015**	**2014**
	%	**%**	**%**	**%**
Curragh Coal Sales Co Pty Ltd	100	100	100	100
Curragh Queensland Mining Pty Ltd	100	100	100	100

All entities listed above are incorporated in Australia and utilise the Australian dollar as their functional currency.

4. Segment information

The Group operates a metallurgical and steaming coalmine in Queensland's Bowen Basin for the purpose of supplying to export and domestic markets. For management purposes, the Group is organised into one operating segment in Australia.

All of the Group's activities are interrelated, and discrete financial information is reported to the Chief Executive Officer (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

As the Group has only one reportable segment, the profit for the segment includes all income and expense items of the Group and the assets of the segment include all of the Group's assets as at balance date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

4. Segment information (Continued)

The table below provides information on the geographical location of revenue. Revenue from external customers is allocated to a geography based on the final shipping destination.

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Japan	569,114	316,697	412,822	394,359
India	464,230	312,316	302,603	316,061
Korea	288,440	130,362	128,686	143,553
Germany	156,619	84,342	67,569	63,799
Australia	127,146	107,381	103,000	116,122
Taiwan	91,540	45,508	46,193	62,956
China	80,492	—	21,655	28,586
Brazil	10,223	8,974	29,175	15,372
Singapore	4,591	—	—	—
France	—	—	7,221	30,528
Pakistan	—	—	14,609	19,596
Switzerland	—	3,591	—	637
Other	114	270	—	565
	1,792,509	1,009,441	1,133,533	1,192,134

Included within revenue for the segment are customers each year that represent more than 10% of the Group's total revenue annually. The breakdown of revenues generated from these customers, in periods where their turnover was greater than 10%, were as follows:

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Customer A	391,859	219,743	233,892	233,776
Customer B	n/a	148,862	175,550	161,858
Customer C	n/a	107,381	94,258	n/a
Customer D	201,779	n/a	n/a	124,383
	593,638	475,986	503,700	520,017

5. Capital Management

The Board of Wesfarmers Limited (Group's ultimate parent entity, during the periods which these financial statements relate), as part of its group capital management objective, reviews the Group's capital structure on an ongoing basis. The Group's objective is to maintain an optimal capital structure which minimises its cost of capital whilst ensuring sustainable future development of the business. In order to adjust the capital structure, the Group may adjust the level of distributions it pays to equity holders.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

6. Revenue and Expenses

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Revenue from sale of goods				
Export coal sales	1,688,020	902,060	1,046,961	1,094,075
Domestic coal sales	104,489	107,381	86,572	98,059
	1,792,509	1,009,441	1,133,533	1,192,134
Royalty expenses				
Government mining royalties	(172,151)	(72,190)	(80,006)	(86,611)
Stanwell rebate expense	(191,794)	(59,155)	(102,341)	(73,242)
	(363,945)	(131,345)	(182,347)	(159,853)

The Stanwell rebate relates to a contractual arrangement entered into by the Group with Stanwell Corporation Limited, a State of Queensland owned electricity generator, which requires payment of a rebate for export coal sold from some of the Group's mining tenements. The rebate obligation is accounted for as an executory contract. Accordingly, the expense is recognised as incurred.

In November 2016 the Group settled a long standing dispute with Stanwell regarding calculation of the rebates payable. The financial impact of the settlement has been recorded in 2015 financial year, being the year the claim arose.

Other operating income/expense				
Unrealised derivative gains/(losses)	47,472	81,770	(50,054)	(106,574)
Realised derivative (losses)/gains	(48,073)	(89,905)	(83,905)	13,198
Gains/(loss) on disposal of property, plant and equipment	(1,031)	174	(1,540)	(11,916)
Rental income	1,441	2,094	3,637	2,947
Other	2,563	3,968	2,052	2,467
	2,372	(1,899)	(129,810)	(99,878)

Employee benefits expense				
Wages and salaries	(71,101)	(64,398)	(71,259)	(96,292)
Post-employment benefits expense	(4,798)	(4,452)	(5,246)	(6,766)
Other	(50)	(302)	(180)	(525)
	(75,949)	(69,152)	(76,685)	(103,583)

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6. Revenue and Expenses (Continued)

Finance costs				
Interest expense on borrowings	(46,039)	—	—	—
Loss on measurement of loan carried at amortised cost (refer to note 13)	(191,512)	—	—	—
Interest income	268	1,146	—	—
Unwind of discount rate	(6,322)	(6,153)	(5,621)	(8,175)
	(243,605)	(5,007)	(5,621)	(8,175)

Depreciation and amortisation expense				
Depreciation and amortisation expense	(42,198)	(90,107)	(150,191)	(132,233)
	(42,198)	(90,107)	(150,191)	(132,233)

Impairment expense				
Impairment of property, plant, equipment (refer to note 18).	—	(780,445)	—	—
Loss allowance recognised on WICET preference security receivable (refer note 9)	—	(19,555)	—	—
	—	(800,000)	—	—

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

7. Tax

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
The major components of tax expense are:				
Income tax expense				
Current income tax expense				
Current income tax charge	101,102	(69,995)	10,878	935
Adjustment relating to prior periods	(10,407)	(13,079)	(438)	2,101
Deferred tax expense				
Originating and reversing temporary differences	17,358	(180,343)	(73,296)	59,066
Adjustments relating to prior periods	11,988	13,978	310	(2,012)
Income tax reported in profit and loss	120,041	(249,439)	(62,546)	60,090
Reconciliation of tax expense				
Profit/(loss) before tax	157,318	(834,460)	(208,060)	(79,584)
Income tax expense/(benefit) at 30 percent	47,195	(250,338)	(62,418)	(23,875)
Adjustments relating to prior periods	1,584	1,158	(128)	90
Derecognition of deferred tax asset relating to Minerals Resource Rent Tax	—	—	—	83,875
Other non-deductible items	71,262	(259)	—	—
Income tax expense/(benefit) on profit before tax	120,041	(249,439)	(62,546)	60,090
Deferred income tax in balance sheet				
Provisions	78,078	74,891	54,157	56,402
Employee benefits	6,121	5,279	4,908	6,031
Accruals and other payables	9,531	5,307	4,018	3,029
Fixed assets	71,413	99,671	(75,531)	(129,053)
Derivatives	4,794	19,035	50,249	28,550
Warehouse stock	(16,203)	(18,019)	(20,665)	(20,358)
Other	1,048	(2,037)	627	174
Net deferred tax assets/(liabilities)	154,782	184,127	17,763	(55,225)

Deferred income tax, excluding adjustments for prior periods, recognised in the profit and loss relates to the following:

Depreciation, amortisation and impairment	16,273	(189,181)	(53,830)	12,523
Provisions	(4,029)	(21,104)	3,368	(10,356)
Derivatives	14,242	31,213	(15,016)	(31,972)
Derecognition of deferred tax asset relating to Minerals Resource Rent Tax	—	—	—	83,875
Other individually insignificant balances	(9,128)	(1,271)	(7,818)	4,996
Deferred tax expense	17,358	(180,343)	(73,296)	59,066

For all periods presented the Group formed part of the Wesfarmers tax consolidated Group. As such, the recoverability of the deferred tax assets was assessed at each reporting date in the context of the tax consolidated group (see policy note 2 k). Following the disposal of the Group on 29 March

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

7. Tax (Continued)

2018 by Wesfarmers, the Group left the Wesfarmers Tax Consolidated Group and joined a new tax consolidated group formed by its new parent entity, Coronado Australia Holdings Pty Ltd. In entering a new tax consolidated group, the Group was subject to an allocable cost amount process in order to set the tax cost base of the assets acquired by its new parent entity. This resulted in a net reduction of $22,650,000 to the tax base of assets recognised by the group at acquisition date, subsequent to the date of these financial statements, and as such the impact has not been recognised in these financial statements.

8. Cash and cash equivalents

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:				
Cash on hand and in transit	—	1	1	1
Cash at bank and on deposit	11,072	6,191	7,003	51,704
	11,072	6,192	7,004	51,705

Reconciliation of net profit/(loss) after tax to net cash flows from operations

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Profit /(loss)for the year	37,277	(585,021)	(145,514)	(139,674)
Adjustments for:				
Depreciation and amortisation	42,198	90,107	150,191	132,233
Impairment of property, plant and equipment	—	780,445	—	—
Net loss/(gain) on disposal of property, plant and equipment	1,031	(174)	1,540	11,916
Finance costs	237,551	—	—	—
Unwind of discount rate	6,322	6,153	5,621	8,175
Income tax expense/(benefit)	120,041	(249,439)	(62,546)	60,090
(Increase)/decrease in assets				
Trade and other receivables	31,448	(137,607)	22,536	35,736
Inventories	(994)	15,782	10,349	(7,752)
Prepayments and other assets	3,606	(6,963)	8,264	(22,612)
Increase/(decrease) in liabilities				
Trade and other payables	42,087	28,125	(9,500)	(27,374)
Provisions	10,096	43,489	(20,595)	13,888
Derivatives	(47,472)	(77,588)	45,871	106,574
Other liabilities	(378)	(46)	651	(317)
Net cash from operating activities	482,813	(92,737)	6,868	170,883

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

9. Trade and other receivables

Current				
Trade receivables—at amortised cost	102,301	201,989	64,894	100,094
Trade receivables—at fair value through profit or loss	81,281	1,587	10,033	2,178
Reimbursement right and other statutory receivables	22,897	34,352	25,393	20,585
	206,479	237,928	100,320	122,857
Non-current				
Receivable	—	—	19,555	19,555
	—	—	19,555	19,555
Ageing of trade receivables past due but not impaired				
Past due 0 - 30 days	12,337	21,621	6,258	3,923
More than 30 days	—	—	—	—
	12,337	21,621	6,258	3,923

Trade receivables generally have terms of up to 60 days. Customers who trade on credit terms are subject to extensive credit verification procedures. For trade receivables carried at amortised cost, the Group determines expected credit losses using a provision matrix approach, based on historical credit loss experience for the debtor's past due status, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. For all periods presented the expected credit loss rate for trade debtors not past due is less than 0.5% and 3% for trade debtors past due. Accordingly, the exposure to credit risk on trade debtors is not significant. With respect to trade receivables that are neither impaired nor past due, there is no indication as of reporting date that the debtors will not meet their payment obligations.

The table below shows the movement in the loss allowance account for non-current receivables:

	2017 $'000	**2016 $'000**	**2015 $'000**	**(Unaudited) 2014 $'000**
Opening balance	19,555	—	—	—
Net remeasurement of loss allowance	—	19,555	—	—
Closing balance	19,555	19,555	—	—

10. Inventories

Raw materials and stores	52,508	58,655	67,379	67,081
Work in progress—cost	28,413	19,427	9,219	13,346
Work in progress—NRV	4,170	4,929	2,883	2,855
Finished goods—cost	14,571	16,192	34,644	42,227
Finished goods—NRV	1,644	1,108	1,968	933
Total inventories at the lower of cost and net realisable value	101,306	100,311	116,093	126,442

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

11. Property, plant and equipment

31 Dec 2017	**Leasehold improvements $'000**	**Freehold land $'000**	**Plant, vehicles and equipment $'000**	**Mineral lease and development costs $'000**	**Total $'000**
Gross carrying amount at cost	221,034	8,191	1,334,224	869,969	2,433,418
Accumulated depreciation and impairment	(162,390)	—	(1,113,444)	(611,295)	(1,887,129)
Net carrying amount	58,644	8,191	220,780	258,674	546,289
Movement					
Opening carrying amount—at cost	56,672	8,191	192,375	274,883	532,121
Additions	6,999	—	43,661	8,501	59,161
Disposals and write-offs	—	—	(2,795)	—	(2,795)
Depreciation and amortisation	(5,027)	—	(12,461)	(24,710)	(42,198)
Net carrying amount at end of year	58,644	8,191	220,780	258,674	546,289
31 Dec 2016					
Gross carrying amount at cost	214,035	8,191	1,293,997	861,468	2,377,691
Accumulated depreciation and impairment	(157,363)	—	(1,101,622)	(586,585)	(1,845,570)
Net carrying amount	56,672	8,191	192,375	274,883	532,121
Movement					
Opening carrying amount—at cost	143,200	8,191	619,165	517,057	1,287,613
Additions	89	—	33,355	81,438	114,882
Disposals and write-offs	—	—	(717)	—	(717)
Impairment	(77,051)	—	(411,362)	(292,032)	(780,445)
Depreciation and amortisation	(9,566)	—	(48,066)	(31,580)	(89,212)
Net carrying amount at end of year	56,672	8,191	192,375	274,883	532,121
31 Dec 2015					
Gross carrying amount at cost	213,946	8,191	1,261,359	780,030	2,263,526
Accumulated depreciation and impairment	(70,746)	—	(642,194)	(262,973)	(975,913)
Net carrying amount	143,200	8,191	619,165	517,057	1,287,613
Movement					
Opening carrying amount—at cost	157,468	8,191	661,626	478,388	1,305,673
Additions	232	—	38,871	93,599	132,702
Disposals and write-offs	—	—	(1,542)	—	(1,542)
Depreciation and amortisation	(14,500)	—	(79,790)	(54,930)	(149,220)
Net carrying amount at end of year	143,200	8,191	619,165	517,057	1,287,613
31 Dec 2014 (Unaudited)					
Gross carrying amount at cost	213,714	8,191	1,224,030	686,431	2,132,366
Accumulated depreciation and impairment	(56,246)	—	(562,404)	(208,043)	(826,693)
Net carrying amount	157,468	8,191	661,626	478,388	1,305,673
Movement					

Opening carrying amount—at cost	164,710	8,191	718,990	345,506	1,237,397
Additions	4,406	—	40,521	168,399	213,326
Disposals and write-offs	(45)	—	(12,772)	—	(12,817)
Depreciation and amortisation	(11,603)	—	(85,113)	(35,517)	(132,233)
Net carrying amount at end of year	157,468	8,191	661,626	478,388	1,305,673

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

11. Property, plant and equipment (Continued)

Fixed assets are encumbered to the extent set out in note 13.

12. Trade and Other Payables

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Current				
Trade payables	18,348	14,222	8,906	8,903
Accruals	156,286	117,101	71,805	105,445
Other payables	1,554	2,778	25,265	1,128
	176,188	134,101	105,976	115,476

13. Borrowings

Current				
Related party borrowing—on demand	—	1,490,184	1,320,819	1,216,601
	—	1,490,184	1,320,819	1,216,601
Non-current				
Related party borrowing—long term loan	404,441	—	—	—
	404,441	—	—	—

	Interest rate	Facility Limit ($'000)	2017 $'000
Non-current:			
Related party AUD facilities	11.5%	AUD 1,995,277	404,441
Related party USD facility	—	USD 220,000	—
Total			404,441

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Current:				
Wesfarmers Intercompany loan	—	1,490,184	1,320,819	1,216,601
Total	—	1,490,184	1,320,819	1,216,601

On 25 January 2017, the Group established borrowing facilities, as shown in the table above, with Wesfarmers. Prior to this, the Group had an intercompany non-interest bearing loan with Wesfarmers which was repayable on-demand. This loan was replaced with a number of finance facilities, which are non-interest bearing and have various maturity dates from January 2020 to January 2027.

The finance facilities are secured by a fixed and floating charge over the Group's assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

13. Borrowings (Continued)

As at 31 December 2017, the Group had drawn down $1,086,639,000 of the AUD facility used to settle the on demand intercompany loan, and $317,662,000 of the facility was used to cover bank guarantees issued by Wesfarmers on behalf of the Group.

At 31 December 2017 $590,976,000 of the AUD facility and all of the USD facility remained undrawn and available to be utilised by the Group.

The above facilities were provided for working capital and other purposes, such as to cover bank guarantees issued on behalf of the Group, primarily to the State Government of Queensland in respect of the Group's rehabilitation obligations.

Since the above facilities are non-interest bearing and repayable at maturity, the fair value on initial recognition of the amount drawn down under the facility was measured based on the present value of the future cash out flow on maturity, discounted using a market interest rate of 11.5%. The rate of interest applied was determined through an independent quantitative and qualitative assessment of the Group operating on a standalone basis.

As the financing facilities were provided by the ultimate parent entity at the time, the resulting difference between the fair value of the loan recognised and the face value of loan drawn down was recognised as an equity contribution (refer note 22).

On 25 August 2017, Curragh repaid $300,000,000 of the term loan facility from the excess cash it had accumulated to that date. The carrying value of the loan (measured at amortised cost) was remeasured on the repayment date using the original effective interest rate and the revised face value. This resulting in a measurement adjustment of $191,512,000 recognised in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the long term loan at 31 December 2017 was $486,444 compared to its carrying value of $404,441.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

14. Provisions

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Current				
Employee benefits	29,530	25,527	23,640	29,279
	29,530	25,527	23,640	29,279
Non-current				
Employee benefits	2,533	2,685	2,583	3,711
Mine and plant rehabilitation	239,238	226,673	179,021	187,228
	241,771	229,358	181,604	190,939
Total provisions	271,301	254,885	205,244	220,218
Mine and plant rehabilitation provision				
Carrying amount at beginning of year	226,673	179,021	187,228	153,010
Arising and acquired during the year	7,250	10,323	2,189	(2,775)
Utilised	(274)	(5,434)	(1,503)	(3,612)
Unwind of discount	6,305	5,605	5,256	7,053
Adjustments	(716)	37,158	(14,149)	33,552
Carrying amount at the end of the year	239,238	226,673	179,021	187,228

Provisions have been calculated using discount rates between two per cent and four per cent (31 December 2016, 2015 and 2014 (Unaudited): between two per cent and four per cent).

Mine and plant rehabilitation

In accordance with mining lease agreements and Group policies, obligations exist to remediate areas where mining activity has taken place. Work is ongoing at various sites and in some cases will extend over a number of years. Provisions have generally been calculated assuming current technologies. As part of the measurement methodology, the risks are incorporated in the cash flows rather than the discount rates to aid with comparability.

15. Related Party Transactions

The immediate and ultimate parent of the Group, Wesfarmers Limited, is incorporated in Australia.

All receivables and payables to and from related parties, except for related party borrowings are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided to any related party with the exception of the deed of cross guarantee as disclosed in note 19. For the year ended 31 December 2017, 31 December 2016 and 31 December 2015, the

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

15. Related Party Transactions (Continued)

Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014 (Unaudited): nil).

	Sales to related parties				Purchases of goods and services from related parties				Amounts owed by related parties				Amounts owed to related parties			
	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Ultimate Parent:																
Wesfarmers Limited*	—	—	—	—	1,556	4,780	5,613	19,305	77,264**	—	—	—	14	—	740	—
Affiliates:																
Bullivants	—	—	—	—	355	352	240	268	—	—	—	—	21	35	—	5
Bunnings	—	—	—	—	2	—	—	—	—	—	—	—	—	—	—	—
Blackwoods	—	—	—	—	2,273	1,571	2,224	2,483	—	—	—	—	219	98	—	74
Officeworks	—	—	—	—	22	4	6	9	—	—	—	—	—	2	—	—
Protectory Alsafe	—	—	—	—	—	30	278	617	—	—	—	—	—	—	—	—
QNP	—	—	—	—	41,447	40,274	47,926	44,005	—	—	—	—	3,267	4,004	2,887	2,712
Wesfarmers Federation Insurance	—	—	—	—	17	17	20	23	—	—	—	—	—	—	—	—
Kleenheat Gas	—	—	—	—	—	—	—	8	—	—	—	—	—	—	—	—
Wesfarmers Resources Limited	—	—	—	—	12,114	10,718	13,494	16,098	—	—	—	—	—	—	—	—
	—	—	—	—	57,786	57,746	69,801	82,816	77,264	—	—	—	3,521	4,139	3,627	2,791

* The balances exclude borrowings and equity transactions with related parties (note 15), derivatives (note 17) and tax funding/sharing arrangements with related parties (note 2k) which are disclosed in the notes to the financial statements.

** This balance relates to cash held with Wesfarmers within its Internal Funds Management System ("IFMS").

Compensation of key management personnel of the Group

	2017 $	2016 $	2015 $	(Unaudited) 2014 $
Short-term benefits	3,263,096	4,627,533	4,865,417	4,869,020
Post-employment benefits	87,263	147,910	129,198	134,773
Long-term benefits	1,307,792	793,649	1,905,586	1,917,066
Termination benefits	31,635	542,235	15,343	—
Total compensation paid to key management personnel	4,689,786	6,111,327	6,915,543	6,920,859

For key management personnel who are not directly employed by the Group but by other related parties, an allocation of compensation is made based on an estimate of time spent working within the Group.

16. Financial Risk Management

The Group holds financial instruments for the following purposes:

Financing: to raise finance for the Group's operations or to invest surplus funds. The principal types of instruments used include: term loans, intercompany loans, bank guarantees, cash and short-term deposits.

Operational: The Group's activities generate financial instruments, including cash, trade receivables and trade payables.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

Risk management: to reduce risks arising from the financial instruments described above, the Group enters into derivative financial instruments, including forward exchange contracts.

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
The Group holds the following financial assets and liabilities at reporting date:				
Financial assets not measured at fair value				
—Cash and cash equivalents	11,072	6,192	7,004	51,705
—Related party receivables	77,264	—	—	—
—Trade and other receivables	102,301	201,989	64,894	100,094
Financial assets at fair value through profit or loss				
—Trade receivables	81,281	1,587	10,033	2,178
Financial assets	271,918	209,768	81,931	153,977
Liabilities at amortised cost				
—Trade and other payables	176,188	134,101	105,976	115,476
—Borrowings	404,441	1,490,184	1,320,819	1,216,601
Liabilities at fair value through profit and loss				
—Foreign exchange derivative liabilities	15,979	63,452	141,040	95,169
Financial liabilities	596,608	1,687,737	1,567,835	1,427,246

Loans, receivables and cash deposits are initially recognised on the date that they are originated. All other financial assets are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount presented in the combined statement of financial position when, and only when, there is a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously. There are no offsetting financial positions for the periods presented (2014 (Unaudited): $ 894,000 asset offset).

All financial liabilities are recognised initially when the contractual provisions of the instrument apply. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

Financial risks

The Group's activities expose it to a variety of financial risks, including market risk, liquidity risk and credit risk. There have been no changes to the Group's exposure to financial risks or the manner in which these are managed or measured.

Liquidity risk

Responsibility for managing liquidity risk lies with senior management and the board of directors, who assess the Group's short, medium and long term funding and liquidity requirements. The Group's strategy is to ensure it will have sufficient liquidity to meet its liabilities when due by managing its cash flows and having access to adequate finance facilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

The Group manages liquidity risk by maintaining its IFMS borrowing and financing facilities provided by Wesfarmers, which is assessed through monitoring the Group's forecast and actual cash flows.

The following tables analyse the Group's financial liabilities, including net settled derivatives, into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the balance sheet. This maturity analysis does not include the deed of cross guarantee disclosed in note 19.

	<3 months $'000	3 - 6 months $'000	6 - 12 months $'000	>12 months $'000	Total liability/ (asset) $'000
31 December 2017					
Third party trade and other payables	176,188	—	—	—	176,188
Borrowings	—	—	—	1,086,639	1,086,639
Total non-derivatives	176,188	—	—	1,086,639	1,262,827
Net foreign exchange derivative liabilities	5,784	5,752	2,115	2,328	15,979
Total	181,972	5,752	2,115	1,088,967	1,278,806
31 December 2016					
Third party trade and other payables	134,101	—	—	—	134,101
Borrowings	1,490,184	—	—	—	1,490,184
Total non-derivatives	1,624,285	—	—	—	1,624,285
Net foreign exchange derivative liabilities	17,520	18,172	12,088	15,672	63,452
Total	1,641,805	18,172	12,088	15,672	1,687,737
31 December 2015					
Third party trade and other payables	105,976	—	—	—	105,976
Borrowings	1,320,819	—	—	—	1,320,819
Total non-derivatives	1,426,795	—	—	—	1,426,795
Net foreign exchange derivative liabilities	19,532	27,961	33,394	60,153	141,040
Total	1,446,327	27,961	33,394	60,153	1,567,835
31 December 2014 (Unaudited)					
Third party trade and other payables	115,476	—	—	—	115,476
Borrowings	1,216,601	—	—	—	1,216,601
Total non-derivatives	1,332,077	—	—	—	1,332,077
Net foreign exchange derivative liabilities	10,503	12,157	22,694	49,815	95,169
Total	1,342,580	12,157	22,694	49,815	1,427,246

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

Market risk—Foreign exchange risk

The Group only operates within Australia, however it is exposed to foreign currency risk from transactions in currencies other than the Australian dollar, predominately the US dollar.

The Group's exposure to the US dollar at the reporting date was as follows:

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Financial assets				
Cash and cash equivalents	11,072	6,191	7,003	51,704
Receivables	173,869	192,722	64,413	94,385
Financial liabilities				
Foreign exchange derivative liabilities	15,979	63,452	141,040	95,169

Foreign currency risk management

The Group uses different methods to measure and manage different types of risks to which it is exposed. The objective of the Group's policy on foreign exchange risk management is to protect the Group from adverse currency fluctuations. Strategies include monitoring levels of exposure to foreign exchange to ensure exposure is kept to an acceptable level and hedging the risk.

The Group's foreign currency exposure arises from sales or purchases by an operating entity in currencies other than its functional currency. The Group's export sales are denominated in currencies other than the functional currency of the operating entity making the sale.

Sensitivity to foreign exchange movements

The sensitivity analysis below shows the impact that a reasonably possible change in foreign exchange rates would have on profit after tax and equity, based solely on the Group's foreign exchange risk exposures existing at the balance sheet date. The Group has used the observed range of actual historical rates for the preceding five-year period, with a heavier weighting placed on recently observed market data, in determining reasonably possible exchange movements to be used for the current year's sensitivity analysis. Past movements are not necessarily indicative of future movements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

The following exchange rates have been used in performing the sensitivity analysis:

Actual 2017	0.78
+10%	0.86
–10%	0.70
Actual 2016	0.72
+10%	0.80
–10%	0.65
Actual 2015	0.73
+10%	0.80
–10%	0.66
Actual 2014 (Unaudited)	0.82
+10%	0.90
–10%	0.74

The impact on profit and equity is estimated by relating the hypothetical changes in the US dollar exchange rate to the balance of financial instruments at the reporting date. Foreign currency risks arise on account of financial instruments being denominated in a currency that is not the functional currency of the entity holding the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

Had the Australian dollar moved against the US dollar, as illustrated in the table above, with all other variables held constant, the Group's profit after tax and other equity would have been affected by the change in value of its financial assets and financial liabilities as shown in the table below.

		AUD/USD +10%		AUD/USD –10%	
	USD exposure $'000	Impact on profit / (loss) $'000	Impact on equity $'000	Impact on profit / (loss) $'000	Impact on equity $'000
Year ended 31 December 2017					
Financial assets					
Cash and cash equivalents	11,072	(704)	—	861	—
Third party trade and other receivables	173,869	(11,065)	—	13,523	—
Net impact		(11,769)	—	14,384	—
Financial liability					
Foreign exchange derivative liabilities	15,979	—	—	—	—
Net impact		—	—	—	—
Year ended 31 December 2016					
Financial assets					
Cash and cash equivalents	6,191	(394)	—	481	—
Third party trade and other receivables	192,722	(12,264)	—	14,990	—
Net impact		(12,658)	—	15,471	—
Financial liability					
Foreign exchange derivative liabilities	63,452	—	—	—	—
Net impact		—	—	—	—
Year ended 31 December 2015					
Financial assets					
Cash and cash equivalents	7,003	(446)	—	545	—
Third party trade and other receivables	64,413	(4,099)	—	5,010	—
Net impact		(4,545)	—	5,555	—
Financial liability					
Foreign exchange derivative liabilities	141,040	36,037	—	(55,624)	—
Net impact		36,037	—	(55,624)	—
Year ended 31 December 2014 (Unaudited)					
Financial assets					
Cash and cash equivalents	51,704	(3,290)	—	4,021	—
Third party trade and other receivables	94,385	(6,006)	—	7,341	—
Net impact		(9,296)	—	11,362	—
Financial liability					
Foreign exchange derivative liabilities	95,169	114,877		(156,920)	—
Net impact		114,877		(156,920)	—

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

Market risk—Commodity price risk

The Group's exposure to commodity price risk is largely operational and arises largely from coal price fluctuations, which impact its mining operations. The Group's strategy is to not enter into any financial instruments that vary with movements in coal prices. Excluding the foreign exchange risk component, which is managed as part of the Group's overall foreign exchange risk management policies and procedures referred to previously, these exposures are not hedged. A ten per cent increase or decrease in the provisional price applied in the measurement of trade receivables at fair value through profit or loss will impact the fair value, and profit after tax, by the same proportion as noted below:

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Trade and receivables—at fair value through profit or loss	81,281	1,587	10,033	2,178
10% increase in price	8,128	159	1,003	218
10% decrease in price	(8,128)	(159)	(1,003)	(218)

Market risk—Interest rate risk

The Group is not exposed to material interest rate risk exposure.

Credit risk

The Group aims to mitigate the risk that its counterparties will default on their obligations, resulting in a financial loss to the Group, by dealing with creditworthy counterparties. The Group is exposed to credit risk primarily through its receivables balances with customers, cash at bank and intercompany receivables.

Customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. An ageing of trade receivables past due is included in note 9.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the Group's maximum exposure to credit risk. This does not include the credit risk exposure on the deed of cross guarantee as disclosed in note 19. Apart of cash held within the IFMS with Wesfarmers, there are no significant concentration of credit risks within the Group.

Fair values of financial instruments

Management has assessed that the fair values of its cash and cash equivalents; trade and other receivables; and trade and other payables to approximate their carrying amounts largely due to the short-term maturities of these instruments. The intercompany loan as at 31 December 2016, 2015 and 2014 was on demand and therefore the fair value of the loan was equivalent to its carrying value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

16. Financial Risk Management (Continued)

The fair values of forward contracts are calculated by reference to forward exchange market rates at reporting date for contracts with similar maturity profiles. The inputs into the valuation include foreign exchange forward rates and interest rate curves.

Valuation of financial instruments

For all fair value measurements and disclosures, the Group uses the following to categories the method used:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In determining the fair value of trade receivables and borrowings the Group has used a discounted cash flow model valuation technique.

All of the Group's financial instruments carried at fair value were valued using market observable inputs (Level 2). The fair value of the long term borrowings disclosed in note 13, was determined using a discounted cash flow model (Level 3 in the fair value hierarchy). The significant unobservable input was the interest rate of 11.5 per cent applied.

17. Derivatives

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Current				
Foreign currency forward contracts	13,650	47,780	80,887	45,354
	13,650	47,780	80,887	45,354
Non-current				
Foreign currency forward contracts	2,329	15,672	60,153	49,815
	2,329	15,672	60,153	49,815

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

17. Derivatives (Continued)

	Notional amount $'000	Weighted average forward rate $'000	Asset $'000	Liability $'000
Year ended 31 December 2017				
Foreign exchange contracts				
Sale of USD	USD 126,000	0.78	—	99
Purchases of USD	USD 126,000	0.71	—	15,880
Total derivative liability			—	15,979
Year ended 31 December 2016				
Foreign exchange contracts				
Sale of USD	USD 387,000	0.81	—	55,328
Purchase of USD	USD 387,000	0.71	—	8,124
Total derivative liability			—	63,452
Year ended 31 December 2015				
Foreign exchange contracts				
Sale of USD	USD 872,000	0.82	—	130,888
Purchase of USD	USD 427,000	0.71	—	10,152
Total derivative liability			—	141,040
Year ended 31 December 2014 (Unaudited)				
Foreign exchange contracts				
Sale of USD	USD 1,092,000	0.87	—	96,063
Purchase of USD	USD 15,000	0.86	894	—
Total derivative liability			894	96,063

18. Impairment of non-current assets

Recognised impairment

The Group represents one CGU for impairment purposes. A $780,445,000 pre-tax impairment was recognised in 2016 in respect of plant, vehicles and equipment. The reduction in the recoverable value of Curragh was the result of a continued deterioration in export coal price forecasts and long-term exchange rate assumptions. The recoverable amount was determined using the life of mine (LOM) discounted cash flow valuation methodology and considers both JORC reserves and JORC resources.

Refer to note 11 for the class of property, plant and equipment impacted by the impairment.

Curragh's recoverable value at 31 December 2017, 31 December 2016 and 31 December 2015 approximates its carrying value.

Inputs to impairment calculations

In determining FVLCOD, the valuation model incorporates the cash flows projected over the LOM. These projections are discounted using a risk-adjusted discount rate commensurate with a typical market participant's assessment of the risk associated with the projected cash flows.

Discount rates used are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

18. Impairment of non-current assets (Continued)

reference to external sources of information and use consistent assumptions. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

Key assumptions

The key assumptions used for assessing the recoverable amount of the Curragh CGU were as follows:

- remaining mine life of approximately 2017: 17 years, 2016: 20 years and 2015: 19 years (2014 (Unaudited): 20 years);
- long-term export coal price estimates sourced from Wood Mackenzie, a global provider of market intelligence to the energy, metals and mining industries;
- AUD/USD exchange rates based on the December forward curve of the spot rate for 2017: 0.77, 2016: 0.72 and 2015: 0.77 (2014 (Unaudited): 0.77);
- mine cash cost escalations of approximately 2017:2.5 per cent, 2016: 2.2 per cent and 2015: 2.5 per cent (2014 (Unaudited): 2.5 per cent) per annum; and
- post-tax discount rate of 2017: 9.9 per cent, 2016: 10.0 per cent and 2015: 11.0 per cent (2014 (Unaudited): 11.0 per cent).

Any reasonable possible changes in key assumptions may lead to an impairment pre 31 December 2016 and a further impairment or reversal of previous impairment at 31 December 2017.

19. Deed of Cross Guarantee

The head entity of the Group, Coronado Curragh Pty Ltd, was a party to the Wesfarmers Limited Deed of Cross Guarantee and a member of the Wesfarmers Limited Closed Group up until and including 31 July 2017. With effect from 1 August 2017, Curragh ceased to be a party to the Wesfarmers Limited Deed of Cross Guarantee.

Each year, the loss allowance for this guarantee was measured at an amount equal to the 12 month ECL as there was no significant increase in the risk of default. Due to the net asset deficiency of the Group for each of the 12 month periods ended 31 December 2016, 2015 and 2014, the 12 month ECL was considered to be insignificant.

20. Earnings per share

	2017	2016	2015	(Unaudited) 2014
Profit/(loss) attributable to ordinary equity holders ($'000)	37,277	(585,021)	(145,514)	(139,674)
WANOS* used in the calculation of basic EPS (shares)	2	2	2	2

WANOS* used in the calculation of diluted EPS (shares)	2	2	2	2
Basic EPS and diluted EPS ($'000 dollars per share)	18,639	(292,511)	(72,757)	(69,837)

* Weighted average number of ordinary shares

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

21. Dividends

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
To equity holders	—	—	6,000	20,000
Dividends paid per share	—	—	3,000	10,000

22. Contributed equity

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Issued and fully paid—2 ordinary shares (par value of $1 each)	—	—	—	—
Equity contribution by Ultimate parent	919,749	—	—	—
Total contributed equity	919,749	—	—	—

There has been no movement in the Group's shares on issue. The movement in contributed equity relates to an equity contribution from Wesfarmers Limited (ultimate parent entity) as a result of putting in place formal borrowing facilities that are interest free and were drawn down during 2017 (refer note 14).

23. Commitments and contingencies

Operating lease commitments

The Group has entered into commercial leases on office buildings and equipment. The group has also entered into mining service contracts that include the use of specified equipment which are considered operating leases.

Future minimum rentals payable under non-cancellable operating leases not included within this financial report were as follows:

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Within one year	12,276	12,681	13,254	10,897
Greater than one year but not more than five years	34,626	44,679	47,721	42,504
Greater than five years	5,591	8,105	16,500	25,526
	52,493	65,465	77,475	78,927

Capital commitments

Commitments arising from contracts for capital expenditure contracted for at balance date not included in this financial report were as follows:

Within one year	4,343	3,708	1,800	1,455
Greater than one year but not more than five years	—	—	—	—

4,343	3,708	1,800	1,455

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

24. Auditors remuneration

	2017 $'000	2016 $'000	2015 $'000	(Unaudited) 2014 $'000
Ernst & Young- Australia:				
Audit of financial report	342	278	285	235
Other services	45	11	11	11
	387	289	296	246

25. Events after balance sheet date

Sale of Curragh

On 22 December 2017, Wesfarmers Limited announced it had agreed to sell the Group to Coronado Coal Group (the Purchaser") under an agreement which also includes a value share mechanism linked to future metallurgical coal prices (the "Transaction"). The sale was subject to a number of conditions precedent which were all satisfied subsequent to period end, and the sale was completed on 29 March 2018 once the conditions precedent were satisfied.

As a result of the Transaction, the value of Curragh's net assets (excluding related party loans) was realised of $700,000,000. This constitutes a trigger for the reversal of the previous impairment recognised in 2016 based on an arm's length market value for the entity. During the period ended 29 March 2018 $263,097,000 ($184,167,900 net of tax) was recognised as an impairment reversal in the consolidated statement of profit or loss and other comprehensive income to write up the property plant and equipment to equal the value of the Transaction.

New Stanwell coal supply contract and commitment

Curragh has a Coal Supply Agreement ("CSA") with Stanwell Corporation Limited ("Stanwell") to supply thermal coal to the Stanwell Power Station. The CSA also provides Curragh with mining rights to the Curragh North Mining Lease. A proportion of the Curragh North Mining Lease, the Stanwell Reserved Area ("SRA"), was reserved for the benefit of Stanwell and could not be mined without Stanwell's consent. Under the CSA, Curragh pays certain rebates to Stanwell on metallurgical coal exported from the Curragh East Mining Area and the Curragh North Mining Area.

On 14 August 2018, Curragh entered into the Curragh Mine New Coal Supply Deed ("Supply Deed") with Stanwell.

The Supply Deed grants Curragh the right to mine the coal reserves contained in the SRA and in exchange for these rights Curragh has agreed certain amendments to the CSA and has agreed to enter into a further coal supply agreement, the New Coal Supply Agreement ("NCSA") that will commence on or around the expiry of the CSA (currently expected to expire in 2027).

The consideration for the access to additional reserves and access to the SRA will be deferred and payable as a discount to thermal coal market value over the term of the NCSA. No export rebates are payable during the term of the NCSA. The net present value of the deferred consideration is approximately $210,000,000.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

25. Events after balance sheet date (Continued)

WICET

Curragh has an equity interest and user agreement with WICET Holdings Pty Ltd ("WICET") as part of its overall port arrangements. On 11 September 2018 the Supreme Court of New South Wales approved a scheme of arrangement ("Debt Scheme") for WICET's senior secured debt facilities to be amended and its repayment, previously 30 September 2018, to be extended for a further term of 8 years.

Extension of repayment terms—AUD Facility 1

As part of the sale of Curragh from Wesfarmers Limited to Coronado Group LLC (the "Transaction"), on 29 March 2018 (completion date), Curragh repaid $700,000,000 of the term loan facility from funds provided by Coronado Australia Holdings Pty Ltd (parent entity following the Transaction) and the remaining $386,000,00 of the term loan facility was assigned to Coronado Group LLC by Wesfarmers. All other facilities provided by Wesfarmers were withdrawn on completion date.

At the same time on the date of completion, Curragh entered into a new cash advance facility loan agreement with Coronado Australia Holdings Pty Ltd for $700,000,000 with a repayment date of 29 March 2028 at a market interest rate of 8.95 per cent.

On 31 August 2018 the repayment date for AUD facility 1 was extended to 25 January 2068.

No other matters or circumstances have arisen since the end of the financial year, which are not otherwise dealt with in the financial statements, that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

26. New and amended Accounting standards and interpretations issued but not yet effective

The following new and amended accounting standards and interpretations issued but not yet effective are relevant to current operations. They are available for early adoption but have not been applied by the Group in this financial report.

- AASB Interpretation 22—*Foreign Currency Transactions and Advance Consideration*. This interpretation clarifies the determination of the spot exchange rate on initial recognition of related assets, expenses or income on the derecognition of a non-monetary asset or nonmonetary liability arising from the payment or receipt of advance considerations. The Interpretation is effective for financial years beginning on or after 1 January 2018. The Group is in the process of assessing the potential impact of this interpretation.

- AASB Interpretation *Uncertainty over Income Tax Treatments.* This interpretation clarifies the application of the recognition and measurement criteria in IAS Income Taxes when there is uncertainty over income tax treatments. The interpretation addresses whether an entity considers uncertain tax treatments separately and how an entity determines taxable profit or loss, tax bases, unused tax losses or tax credits and tax rates. The Interpretation is effective for financial years beginning on or after 1 January 2018. The Group is in the process of assessing the potential impact of this interpretation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE 12 MONTHS ENDED 31 DECEMBER 2017, 2016 AND 2015

26. New and amended Accounting standards and interpretations issued but not yet effective (Continued)

- AASB 15 *Revenue from Contracts with Customers (AASB 15)*. This Standard establishes new principles for reporting information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers and supersedes a number of current Revenue Standards. The core principle of the Standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard is effective for financial years beginning on or after 1 January 2018. Based on the work performed to date, the Group does not expect the application of AASB 15 to have a material effect on the consolidated net income, balance sheet or cash flows of the Group. The Group is planning to adopt this standard using the modified retrospective approach.

- AASB 16 *Leases (AASB 16).* This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. The Standard is effective for financial years beginning on or after 1 January 2019. The Group is currently evaluating the implications of AASB 16. Information on the undiscounted amount of the Group's operating lease commitments under the current leases standard, is disclosed in note 23. Under AASB 16, the present value of these commitments would be shown as a liability on the balance sheet together with an asset representing the right-of-use. The ongoing income statement classification of what is currently predominantly presented as occupancy-related expenses will be split between amortisation and interest expense.

Unaudited Pro Forma Combined Financial Information

The following unaudited consolidated pro forma statements of operations present the combination of the historical financial statements of Coronado and Curragh, adjusted to give effect to: (1) the Reorganization Transaction (see definition in Note 1 to the unaudited consolidated pro forma statements of operations) and (2) the acquisition of Wesfarmers Curragh Pty Ltd by Coronado (the "Transaction").

The unaudited consolidated pro forma statement of operations for the year ended December 31, 2018 combine the historical consolidated statement of operations of Coronado and the historical combined statement of operations for Curragh, giving effect to the Reorganization Transaction and the acquisition of Wesfarmers Curragh Pty Ltd by Coronado as if they had been consummated on January 1, 2018. The unaudited consolidated pro forma statement of operations for the year ended December 31, 2017 combine the historical consolidated statement of operations of Coronado and the historical combined statement of operations for Curragh, giving effect to the Reorganization Transaction and the acquisition of Wesfarmers Curragh Pty Ltd by Coronado as if they had been consummated on January 1, 2017. The unaudited consolidated pro forma statement of operations for the year ended December 31, 2017 has been included as a supplementary item. This will facilitate a pro forma comparison between the year ended December 31, 2018 and December 31, 2017 in Management's Discussion and Analysis of Financial Condition and Results of Operations. We believe a discussion of these two periods is more meaningful as it is on a comparable basis.

The unaudited consolidated pro forma statements of operations do not reflect the costs of any integration activities or benefits. The unaudited pro forma adjustments are based upon current available information and assumptions that Coronado believes to be reasonable. The pro forma adjustments and related assumptions are described in the accompanying notes presented on the following pages.

The unaudited consolidated pro forma statements of operations are for informational purposes only and are not intended to represent or to be indicative of the actual results of operations or financial position that the combined Coronado and Curragh group would have reported had the transactions been completed as of the dates set forth in the unaudited consolidated pro forma statements of operations and should not be taken as being indicative of Coronado's future consolidated results of operation. The actual results may differ significantly from those reflected in the unaudited consolidated pro forma statements of operations for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited consolidated pro forma statements of operations and actual amounts. As a result, the pro forma consolidated information does not purport to be indicative of what the results of operations would have been had the transaction been completed on the applicable dates of the unaudited consolidated pro forma statements of operations.

Unaudited consolidated pro forma statement of operations for the year ended December 31, 2018

Unaudited Consolidated pro forma statement of operations

For the year-ended December 31, 2018

(U.S. dollars and AUD in thousands)

	Historical Coronado Global Resources Inc.	Pro Forma Adjustment Note 2(a) Income tax expense adjustment	Tax effected Pro Forma Coronado Global Resources Inc.	Historical 1 January 2018 to 29 March 2018: Curragh	Historical 1 January 2018 to 29 March 2018: Note 2(b) Reclassification	Historical 1 January 2018 to 29 March 2018: Note 2(c) IFRS to US GAAP Adjustments	Historical 1 January 2018 to 29 March 2018: Curragh in US GAAP	Historical 1 January 2018 to 29 March 2018: Note 2(d) Curragh in USD and US GAAP	Pro Forma adjustments: Pro forma adjustments	Pro Forma adjustments: Note 2	Consolidated pro forma
	USD			AUD	AUD	AUD	AUD	USD	USD		USD
Revenues:											
Coal revenues	$ 1,500,730	—	1,500,730	406,696	—	—	406,696	313,494	—		$ 1,814,224
Coal revenues from related parties	444,870	—	444,870	—	—	—	—	—	—		444,870
Other Revenues	34,904	—	34,904	—	—	—	—	—	3,006	(e)	37,910
Total Revenues	1,980,504	—	1,980,504	406,696	—	—	406,696	313,494	3,006		2,297,004
Cost and expenses:											
Cost of coal revenues (exclusive of items shown separately below)	991,994	—	991,994	204,132	(15,367)	—	188,765	145,506	—		1,137,500
Depreciation, depletion and amortization	162,117	—	162,117	—	16,971	1,525	18,496	14,257	7,977	(f)	184,352
Freight expense	117,699	—	117,699	—	47,769	—	47,769	36,822	—		154,521
Stanwell rebate	127,692	—	127,692	—	55,949	—	55,949	43,127	—		170,819
Other royalty expenses	181,715	—	181,715	93,886	(55,949)	—	37,937	29,243	—		210,958
Impairment	—	—	—	(263,097)	—	263,097	—	—	—		—
Selling, general, and administrative expenses	66,207	—	66,207	50,098	(47,769)	—	2,329	1,795	(38,101)	(g)	29,901
Total costs and expenses	1,647,424	—	1,647,424	85,019	1,604	264,622	351,245	270,750	(30,124)		1,888,051
Operating income	333,080	—	333,080	321,677	(1,604)	(264,622)	55,451	42,744	33,130		408,953
Other income (expenses):											
Interest income	2,029	—	2,029	—	—	—	—	—	—		2,029
Interest expense	(60,007)	—	(60,007)	(444,895)	1,604	—	(443,291)	(341,703)	336,058	(h)	(65,652)
Loss on debt extinguishment	(58,085)	—	(58,085)	—	—	—	—	—	3,905	(i)	(54,180)
Other, net	(27,216)	—	(27,216)	10,098	—	—	10,098	7,784	15,695	(j)	(3,737)
Total other income (loss), net	(143,279)	—	(143,279)	(434,797)	1,604	—	(433,193)	(333,919)	355,658		(121,540)
Income before tax	189,801	—	189,801	(113,120)	—	(264,622)	(377,742)	(291,175)	388,788		287,413
Income tax expense	(75,212)	(21,190)	(96,402)	(102,443)	—	79,387	(23,056)	(17,772)	(4,314)	(k)	(118,488)
Net income	114,589	(21,190)	93,399	(215,563)	—	(185,235)	(400,798)	(308,947)	384,474		168,925
Less: Net loss attributable to noncontrolling interest	(92)	—	(92)	—	—	—	—	—	—		(92)
Net income (loss) attributable to Coronado Global Resources Inc.	114,681	(21,190)	93,491	(215,563)	—	(185,235)	(400,798)	(308,947)	384,474		169,017
Earnings per share of common stock											
Basic	$ 0.21	—	0.97	—	—	—	—	—	—		$ 1.75
Diluted	$ 0.21	—	0.97	—	—	—	—	—	—		$ 1.75
Average common shares outstanding											
Basic	$ 96,651,692	—	96,651,692	—	—	—	—	—	—		96,651,692
Diluted	$ 96,656,067	—	96,656,067	—	—	—	—	—	—		96,656,067

See accompanying notes to the unaudited consolidated statement of operations.

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Note 1. Basis of Preparation

The accompanying unaudited consolidated pro forma statement of operations was prepared in accordance with Article 11 of Regulation S-X and present the pro forma combined results of operations of Coronado based upon the historical financial statements of each of Coronado and Curragh, after giving effect to the Transaction and change in tax status, and are intended to reflect the impact of the Transaction and change in tax status on Coronado's statement of operations. The accompanying unaudited consolidated pro forma statement of operations has been prepared using, and should be read in conjunction with the audited consolidated financial statements of Coronado for the year ended December 31, 2018. Assumptions and estimates underlying the pro forma adjustments are described in these notes.

The accompanying unaudited consolidated pro forma statement of operations is presented for illustrative purposes only and does not purport to be indicative of the actual results that would have been achieved by Coronado if the Transaction had been consummated as of the beginning of the periods presented or that will be achieved in the future. The unaudited consolidated pro forma statement of operations does not reflect the costs of any integration activities or benefits that may result from realization of synergies expected to result from the Transaction. In addition, throughout the period presented in the unaudited consolidated pro forma statement of operations until the date of acquisition on March 29, 2018, the operations of Curragh were conducted and accounted for as part of the former shareholder. Curragh's unaudited combined financial information has been derived from the former shareholder's historical accounting records and reflect certain allocations of direct costs and expenses. All of the allocations and estimates in such financial information are based on assumptions that the management of the former shareholder believes are reasonable. In the opinion of management, the unaudited consolidated pro forma statement of operations includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the period presented. Curragh's financial information does not necessarily represent the financial position of Curragh had it been operated as a stand-alone company during the period.

The unaudited consolidated pro forma statement of operations combines the historical consolidated statement of operations of Coronado for the year ended December 31, 2018 and the unaudited combined financial information of Wesfarmer's Curragh Pty Ltd for the 3 months ended March 29, 2018, giving effect to the Transaction and change in tax status as if both had been consummated on January 1, 2018.

Note 2. Income Statement Adjustments

The unaudited consolidated pro forma statement of operations reflects the following adjustments ($ in thousands):

(A) Income tax expense adjustment

Coronado Global Resources Inc. was formed on August 13, 2018 by conversion of Coronado Group HoldCo LLC, from a limited liability company to a corporation. Coronado Group HoldCo LLC was a wholly-owned subsidiary of Coronado Group LLC ("Coronado LLC"), a Delaware limited liability company.

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Note 2. Income Statement Adjustments (Continued)

During the year ended December 31, 2018, Coronado LLC and Coronado Global Resources Inc. completed a common control reorganization of their legal entity structure (the "Reorganization Transaction"). In connection with the Reorganization Transaction:

Coronado Group HoldCo LLC was converted into Coronado Global Resources Inc., a Delaware corporation to consolidate Coronado Coal Corporation and Coronado Australia Holdings Pty Ltd under common ownership.

Coronado LLC contributed all membership interest in the US LLC's to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources Inc.

Immediately following the Reorganization Transaction, Coronado Global Resources Inc. held all the interests of Coronado Australia Holdings Pty Ltd and Coronado Coal Corporation and remained a subsidiary of Coronado LLC, owned by funds managed by The Energy & Minerals Group ("EMG") and members of Coronado management. Due to the Reorganization Transaction, the US-based business of the Company effectively became a taxable on September 19, 2018, the day Coronado LLC contributed all membership interests in the US LLC's to Coronado Coal Corporation.

This adjustment reflects the Reorganization Transaction as if it occurred on January 1, 2018, making the entire entity taxable at that point in time. See Note 6 of the December 31, 2018 audited financial statements of Coronado for further details on this pro forma adjustment.

(B) Reclassifications

These adjustments represent reclassifications to conform the accounting presentation of Curragh's financial statements to Coronado's financial statements.

(C) IFRS to US GAAP adjustments (in AUD)

Impairment was adjusted as follows:

	December 31, 2018
Elimination of Curragh's impairment reversal[(1)]	263,097
Total IFRS to US GAAP adjustment to impairment expense	263,097

(1) Represents the removal of the IFRS impairment reversal consistent with pushing back the US GAAP acquisition fair values to January 1, 2018 and the prohibition under US GAAP of the reversal of impairment expense.

Depreciation, depletion and amortization was adjusted as follows:

	December 31, 2018
Adjustment to accretion of Curragh asset retirement obligation[(1)]	1,525
Total IFRS to US GAAP adjustment to depreciation, depletion and amortization expense	1,525

(1) Under US GAAP, a company-specific risk adjusted discount rate is used which is higher than the discount rate required by IFRS. The higher discount rate under US GAAP reduces the ARO booked initially and results in a higher accretion expense each period as the discounted ARO balance increases.

Note 2. Income Statement Adjustments (Continued)

See Note K for discussion of the calculation of the income tax expense.

(D) USD translation rate

In order to translate the Curragh AUD results into USD, an exchange rate of .7708 was utilized. This represents the average exchange rate for the period from January 1, 2018 to June 30, 2018.

(E) Other revenues

Other revenues were adjusted as follows:

	December 31, 2018
Amortization of the Stanwell below market CSA[(1)]	3,006
Total pro forma adjustment to other revenues	3,006

(1) Relates to the amortization of the Stanwell below market CSA. The Stanwell below market CSA represents the fair value attributable to the Australian coal supply obligation arising from the Coronado Curragh business combination.

(F) Depreciation, depletion and amortization

Depreciation, depletion and amortization were adjusted as follows:

	December 31, 2018
Adjustment to depreciation of Curragh assets acquired[(1)]	7,977
Total pro forma adjustment to depreciation, depletion and amortization	7,977

(1) Represents the adjustment to Curragh's historical depreciation and amortization as a result of preliminary fair value adjustments to the acquired depreciable assets, mineral reserves and amortizable intangible assets.

(G) Selling, general and administrative

Selling, general and administrative expenses were adjusted as follows:

	December 31, 2018
Transaction costs[(1)]	(38,101)
Total pro forma adjustment to selling, general and administrative expenses	(38,101)

(1) Relates to advisory and legal fees incurred in the year ended December 31, 2018, which are directly attributable to the Transaction, but which are not expected to have a continuing impact on results following the consummation of the Transaction.

Note 2. Income Statement Adjustments (Continued)

(H) Interest expense

Interest expense was adjusted as follows:

	December 31, 2018
Eliminate intercompany interest expense[1]	341,702
Reversal of Bank of American Term Loan[2]	3,828
Recognition of DB Term Loan interest expense[3][4]	(8,117)
Amortization of DB Term Loan debt issuance costs and discount[5]	(1,355)
Total pro forma adjustment to interest expense	336,058

(1) Represents the removal of the historical interest charge in relation to an intercompany loan Curragh had with its previous shareholder which was assigned to Coronado upon acquisitions and is therefore eliminated in consolidation.

(2) Represents the reversal of interest expense related to the Bank of America Term Loan on Coronado's Statement of Operations. This loan was extinguished on March 29, 2018 in conjunction with the acquisition of Curragh. In order to represent the financing in-place as if the acquisition occurred on January 1, 2018, the effects of this note have been removed.

(3) Represents additional interest expense related to the DB Term Loan. This $700 million loan, established on March 29, 2018, was used to partially finance the acquisition of Curragh and the additional interest charge reflects this loan as if it were in existence on January 1, 2018. The assumed interest rate for the three months to March 29, 2018 was 8.802%, representing LIBOR plus a 6.5% spread. This is the actual interest rate of the loan at origination. Due to the proximity of the assumed origination (January 1, 2018) and the actual origination (March 29, 2018) as well as the fact the loan was extinguished on October 24, 2018, the interest rate at March 29, 2018 was determined to be representative and more meaningful for the pro forma adjustment than utilizing the current rate.

(4) For each one-eighth of 1% change in estimated interest rate associated with the $700 million DB Term Loan, interest expense would increase or decrease by $.4 million for the year ended December 31, 2018.

(5) Represents the additional amortization of debt issuance costs and the debt discount associated with the DB Term Loan.

Note 2. Income Statement Adjustments (Continued)

(I) Loss on debt extinguishment

Loss on debt extinguishment was adjusted as follows:

	December 31, 2018
Reversal of debt extinguishment related to the Bank of America Term Loan(1)	3,905
Total pro forma adjustment to loss on debt extinguishment expense	3,905

(1) Represents the reversal of the debt extinguishment expense related to the Bank of America Term Loan on Coronado's Statement of Operations. This loan was extinguished on March 29, 2018 in conjunction with the acquisition of Curragh. In order to represent the financing in-place as if the acquisition occurred on January 1, 2018, the effects of this note have been removed.

(J) Other, net

Other, net was adjusted as follows:

	December 31, 2018
Transaction costs[(1)]	15,695
Total pro forma adjustment to selling, general and administrative expenses	15,695

(1) Relates to the loss on Fx swap incurred in the year ended December 31, 2018, which is directly attributable to the Transaction as it locked in the USD exchange rate in advance of the purchase of Curragh. This loss on Fx swap is not expected to have a continuing impact on results following the consummation of the Transaction.

(K) Income tax expense

For purposes of the unaudited pro forma condensed combined financial statements, an Australian statutory tax rate of approximately 30% has been used for pro forma adjustments related to Curragh. A US blended statutory tax rate (Federal and State) of approximately 27% has been used for pro forma adjustments related to the US LLC's. This does not reflect Coronado's effective tax rate, which will include other tax items such as state and foreign taxes as well as other tax charges and benefits, and does not take into account any historical or possible future tax events that may impact Coronado following the consummation of the Transaction.

Unaudited consolidated pro forma statement of operations for the year ended December 31, 2017

Unaudited Consolidated pro forma statement of operations

For the year-ended December 31, 2017

(U.S. dollars and AUD in thousands)

	Historical Coronado Global Resources Inc.	Pro Forma Adjustment Note 2(a) Income tax expense adjustment	Tax effected Pro Forma Coronado Global Resources Inc.	Historical: Curragh	Historical: Note 2(b) Reclassification	Historical: Note 2(c) IFRS to US GAAP Adjustments	Historical: Curragh in US GAAP	Historical: Note 2(d) Curragh in USD and US GAAP	Pro Forma adjustments: Pro forma adjustments	Pro Forma adjustments: Note 2	Consolidated pro forma
	USD			AUD	AUD	AUD	AUD	USD	USD		USD
Revenues:											
Coal revenues	$ 384,722	—	384,722	1,792,509	—	—	1,792,509	1,373,824	—		$ 1,758,546
Coal revenues from related parties	371,663	—	371,663	—	—	—	—	—	—		371,663
Other Revenues	11,859	—	11,859	—	—	—	—	—	31,443	(e)	43,302
Total Revenues	768,244	—	768,244	1,792,509	—	—	1,792,509	1,373,824	31,443		2,173,511
Cost and expenses:											
Cost of coal revenues (exclusive of items shown separately below)	463,638	—	463,638	829,674	(34,790)	—	794,884	609,219	—		1,072,857
Depreciation, depletion and amortization	75,503	—	75,503	—	48,520	7,398	55,918	42,857	47,219	(f)	165,579
Freight expense	15,880	—	15,880	—	189,170	—	189,170	144,985	—		160,865
Stanwell rebate	—	—	—	—	191,794	—	191,794	146,996	—		146,996
Other royalty expenses	39,665	—	39,665	363,946	(191,794)	—	172,152	131,942	—		171,607
Impairment	—	—	—	—	—	—	—	—	—		—
Selling, general, and administrative expenses	21,793	—	21,793	200,340	(196,578)	—	3,762	2,883	—		24,676
Total costs and expenses	616,479	—	616,479	1,393,960	6,322	7,398	1,407,680	1,078,882	47,219		1,742,580
Operating income	151,765	—	151,765	398,549	(6,322)	(7,398)	384,829	294,942	(15,776)		430,931
Other income (expenses):											
Interest income	168	—	168	268	—	—	268	205	—		373
Interest expense	(10,123)	—	(10,123)	(243,872)	6,322	—	(237,550)	(182,064)	123,946	(g)	(68,241)
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—		—
Other, net	473	—	473	2,372	—	—	2,372	1,818	—		2,291
Total other income (loss), net	(9,482)	—	(9,482)	(241,232)	6,322	—	(234,910)	(180,041)	123,946		(65,577)
Income before tax	142,283	—	142,283	157,317	—	(7,398)	149,919	114,901	108,170		365,354
Income tax expense	—	(58,336)	(58,336)	(120,040)	—	2,219	(117,821)	(90,301)	21,142	(h)	(127,495)
Net income	142,283	(58,336)	83,947	37,277	—	(5,179)	32,098	24,600	129,312		237,859
Less: Net loss attributable to noncontrolling interest	(70)	—	(70)	—	—	—	—	—	—		(70)
Net income (loss) attributable to Coronado Global Resources Inc.	$ 142,353	(58,336)	84,017	37,277	—	(5,179)	32,098	24,600	129,312		237,929

See accompanying notes to the unaudited consolidated statement of operations.

Note 1. Basis of Preparation

We are providing the following information on a supplemental basis. The accompanying unaudited consolidated pro forma statement of operations was prepared in accordance with Article 11 of Regulation S-X and presents the pro forma combined results of operations of Coronado based upon the historical financial statements of each of Coronado and Curragh, after giving effect to the Transaction and change in tax status, and are intended to reflect the impact of the Transaction and change in tax status on Coronado's statement of operations. The accompanying unaudited consolidated pro forma statement of operations has been prepared using, and should be read in conjunction with the audited consolidated financial statements of Coronado for the year ended December 31, 2017 and the audited consolidated financial statements of Wesfarmer's Curragh Pty Ltd for the year ended December 31, 2017 included elsewhere in this registration statement. Assumptions and estimates underlying the pro forma adjustments are described in these notes.

The accompanying unaudited consolidated pro forma statement of operations is presented for illustrative purposes only and does not purport to be indicative of the actual results that would have been achieved by Coronado if the Transaction had been consummated as of the beginning of the periods presented or that will be achieved in the future. The unaudited consolidated pro forma statement of operations does not reflect the costs of any integration activities or benefits that may result from realization of synergies expected to result from the Transaction. In addition, throughout the period presented in the unaudited consolidated pro forma statement of operations, the operations of Curragh were conducted and accounted for as part of the former shareholder. Curragh's audited consolidated financial statements have been derived from the former shareholder's historical accounting records and reflect certain allocations of direct costs and expenses. All of the allocations and estimates in such financial statements are based on assumptions that the management of the former shareholder believes are reasonable. In the opinion of management, the unaudited consolidated pro forma statement of operations includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the period presented. Curragh's financial statements do not necessarily represent the financial position of Curragh had it been operated as a stand-alone company during the period.

The unaudited consolidated pro forma statement of operations combines the historical consolidated statement of operations of Coronado for the year ended December 31, 2017 and the audited consolidated financial statements of Wesfarmer's Curragh Pty Ltd for the year ended December 31, 2017, giving effect to the Transaction and change in tax status as if it had been consummated on January 1, 2017.

We believe that a comparison of the Coronado's pro forma results for the year ended December 31, 2018, included elsewhere in this Registration Statement, to the Coronado pro forma results for the year ended December 31, 2017 provides useful information because it reflects the business operations on a more comparable basis.

Note 2. Income Statement Adjustments

The unaudited consolidated pro forma statement of operations reflects the following adjustments ($ in thousands):

(A) Income tax expense adjustment

Coronado Global Resources Inc. was formed on August 13, 2018 by conversion of Coronado Group HoldCo LLC, from a limited liability company to a corporation. Coronado Group HoldCo LLC was a wholly-owned subsidiary of Coronado Group LLC ("Coronado LLC"), a Delaware limited liability company.

Note 2. Income Statement Adjustments (Continued)

During the year ended December 31, 2018, Coronado LLC and Coronado Global Resources Inc. completed a common control reorganization of their legal entity structure (the "Reorganization Transaction"). In connection with the Reorganization Transaction:

Coronado Group HoldCo LLC was converted into Coronado Global Resources Inc., a Delaware corporation to consolidate Coronado Coal Corporation and Coronado Australia Holdings Pty Ltd under common ownership.

Coronado LLC contributed all membership interest in the US LLC's to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources Inc.

Immediately following the Reorganization Transaction, Coronado Global Resources Inc. held all the interests of Coronado Australia Holdings Pty Ltd and Coronado Coal Corporation and remained a subsidiary of Coronado LLC, owned by funds managed by The Energy & Minerals Group ("EMG") and members of Coronado management. Due to the Reorganization Transaction, the US-based business of the Company effectively became a taxable on September 19, 2018, the day Coronado LLC contributed all membership interests in the US LLC's to Coronado Coal Corporation.

This adjustment reflects the Reorganization Transaction as if it occurred on January 1, 2017, making the entire entity taxable at that point in time. For the purposes of calculating the pro forma income tax adjustment, a US blended statutory rate (Federal and State) of 41% was utilized. This does not reflect Coronado's effective tax rate, which will include other tax items such as state and foreign taxes as well as other tax charges and benefits, and does not take into account any historical or possible future tax events that may impact Coronado following the consummation of the Transaction.

(B) Reclassifications

These adjustments represent reclassifications to conform the accounting presentation of Curragh's financial statements to Coronado's financial statements.

(C) IFRS to US GAAP adjustments (in AUD)

Depreciation, depletion and amortization was adjusted as follows:

	December 31, 2017
Adjustment to accretion of Curragh asset retirement obligation(1)	7,398
Total IFRS to US GAAP adjustment to depreciation, depletion and amortization expense	7,398

Under US GAAP, a company-specific risk adjusted discount rate is used which is higher than the discount rate required by IFRS. The higher discount rate under US GAAP reduces the ARO booked initially and results in a higher accretion expense each period as the discounted ARO balance increases.

See Note H for discussion of the calculation of the income tax expense.

(D) USD translation rate

In order to translate the Curragh AUD results into USD, an exchange rate of .7664 was utilized. This represents the average exchange rate for the period from January 1, 2017 to December 31, 2017.

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Note 2. Income Statement Adjustments (Continued)

(E) Other revenues

Other revenues were adjusted as follows:

	December 31, 2017
Amortization of the Stanwell below market CSA[1]	31,443
Total pro forma adjustment to other revenues	31,443

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(1) Relates to the amortization of the Stanwell below market CSA. The Stanwell below market CSA represents the fair value attributable to the Australian coal supply obligation arising from the Coronado Curragh business combination.

(F) Depreciation, depletion and amortization

Depreciation, depletion and amortization were adjusted as follows:

	December 31, 2017
Adjustment to depreciation of Curragh assets acquired[1]	47,219
Total pro forma adjustment to depreciation, depletion and amortization	47,219

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(1) Represents the adjustment to Curragh's historical depreciation and amortization as a result of preliminary fair value adjustments to the acquired depreciable assets, mineral reserves and amortizable intangible assets.

(G) Interest expense

Interest expense was adjusted as follows:

	December 31, 2017
Eliminate intercompany interest expense[1]	182,064
Reversal of Bank of American Term Loan[2]	9,333
Recognition of DB Term Loan interest expense[3][4]	(62,284)
Amortization of DB Term Loan debt issuance costs and discount[5]	(5,167)
Total pro forma adjustment to interest expense	123,946

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(1) Represents the removal of the historical interest charge in relation to an intercompany loan Curragh had with its previous shareholder which was assigned to Coronado upon acquisitions and is therefore eliminated in consolidation.

(2) Represents the reversal of interest expense related to the Bank of America Term Loan on Coronado's Statement of Operations. This loan was extinguished on March 29, 2018 in conjunction with the acquisition of Curragh. In order to represent the financing in-place as if the acquisition occurred on January 1, 2017, the effects of this note have been removed.

(3) Represents additional interest expense related to the DB Term Loan. This $700 million loan, established on March 29, 2018, was used to partially finance the acquisition of

Note 2. Income Statement Adjustments (Continued)

Curragh and the additional interest charge reflects this loan as if it were in existence on January 1, 2017. The assumed interest rate for the year-ended December 31, 2017 was 8.802%, representing LIBOR plus a 6.5% spread. This is the actual interest rate of the loan at origination. Due to the fact that this loan was extinguished on October 24, 2018 this rate was determined to be representative and consistent for the pro forma adjustment and more meaningful than utilizing the current rate.

(4) For each one-eighth of 1% change in estimated interest rate associated with the $700 million DB Term Loan, interest expense would increase or decrease by $.8 million for the year ended December 31, 2017.

(5) Represents the additional amortization of debt issuance costs and the debt discount associated with the DB Term Loan.

(H) Income tax expense

For purposes of the unaudited pro forma condensed combined financial statements, an Australian statutory tax rate of approximately 30% has been used for pro forma adjustments related to Curragh. A US blended statutory tax rate (Federal and State) of approximately 41% has been used for pro forma adjustments related to the US LLC's. This does not reflect Coronado's effective tax rate, which will include other tax items such as state and foreign taxes as well as other tax charges and benefits, and does not take into account any historical or possible future tax events that may impact Coronado following the consummation of the Transaction.

Exhibit 10.19

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release ("Agreement") is entered into by and between Ellen Ewart (hereinafter referred to as "Executive") and Coronado Global Resources Inc and all entities owned or controlled by Coronado Global Resources Inc. (hereinafter referred to collectively as "Company").

WHEREAS, Executive has been employed by the Company; and

WHEREAS, the Company and Executive have agreed upon the terms and conditions of Executive's separation from employment with the Company as set forth herein. Executive makes this Agreement on behalf of herself, her executors, heirs, administrators, assigns and anyone else claiming by, through or under Executive.

NOW, THEREFORE, with intent to enter into a legally binding agreement, and in consideration of the mutual promises set forth herein, it is agreed as follows:

1. Definitions. As used in this Agreement, these words shall have the following meanings:

   a. RELEASEES means the Company and all former and current owners, shareholders, partners, sponsors, members, investors, predecessors, officials, officers, representatives, insurers, reinsurers, agents, directors, employees, subsidiaries, affiliates, and divisions and all other related entities and their respective heirs, successors, and assigns and all other persons and entities acting by, through, under, or in concert with any of them.

   b. CLAIM(S) means any and all charges, complaints, claims, liabilities, obligations, promises, agreements, grievances, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorney's fees whether or not actually incurred).

2. Separation Date. Company and Executive agree that Executive's last day of employment shall be May 31, 2019 (the "Separation Date"). The parties agree that this separation is a result of Executive's willful resignation.

3. Salary. Executive shall be paid her regular salary thru Separation Date. This amount was paid on May 15, 2019.

4. Vacation: Executive shall be paid 15 vacation days of accrued but unused vacation for 2019. The vacation days will be paid on June 15, 2019.

5. Severance. The Company agrees to pay Executive, in addition to accrued salary and vacation days, a one-time severance payment of $25,000. This payment shall be made on June 15, 2019.

6. MIUs. Executive holds Management Incentive Units (MIUs) pursuant to the Second Amended and Restated Limited Liability Company Agreement of Coronado Group LLC which became effective October 2018 (hereinafter “Company Agreement”). Pursuant to that Company Agreement (Section 3.5), Executive agreed to the automatic forfeiture of 66.66% of her held MIUs upon the Executive’s termination of her status as an employee of the Company. Pursuant to the provisions of the Company Agreement, such forfeiture is automatic, and Executive is not entitled to any compensation or consideration in connection with the forfeiture of MIUs. However, in consideration for the Executive’s execution of this Agreement, and provided that Executive complies with all terms and conditions set forth in this Agreement, the Company’s Board of Managers has elected, as permitted by applicable provisions of the Company Agreement, to allow Executive to retain 100% of her MIUs, which shall constitute valuable consideration for the Executive to execute this Agreement and Release .As a result, Executive shall continue to hold 16.5 Tier I Units; 7.5 Tier II Units and 7.5 Tier III Units. Executive’s rights, restrictions and remedies regarding her retained MIU’s are governed by the terms of the Company Agreement

7. COBRA. Executive’s medical coverage as well as her dental and vision coverage will end on the Separation Date. A federal law in the form of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that when an individual loses medical coverage due to loss of employment, that individual and her eligible dependents will have the option to continue the same level of coverage for a period of up to 18 months. Infinisource (“COBRA ADMINISTRATOR”) will send Executive a COBRA election form detailing the COBRA rates as well as general information. Executive may elect full health coverage or any portion of health coverage, such as dental and vision coverage, for just herself To elect coverage under COBRA, Executive must complete the appropriate COBRA election forms and return the forms to the COBRA Administrator **by the deadline specified on the COBRA election notification**.

8. Company Provided Life Insurance. Company provided Basic Life Insurance and Basic AD&D coverage will end on the Separation Date. Continuation options for Basic Life Insurance are available if exercised within 31 days of termination. Options include converting to an individual policy at Executive’s own expense. The appropriate conversion forms can be obtained by calling Greenbrier Minerals Benefits department at (681) 207-7288.

9. Company Provided Short-Term Disability Benefits. Company provided Short-Term Disability benefits will end on the Separation Date

10. Other. Wage and Tax Statement (W2) and Affordable Care Act (ACA) Reporting will be mailed to Executive at the appropriate time. It is the responsibility of the Executive Please keep the Human Resources Department advised of any future address changes. The Company reserves the right to terminate the any benefit plans, change required contributions, or modify any benefit plans in whole or in part at any time for any reason, including changes to any and all the benefits provided. Upon the Separation Date, all other benefit programs and plans will terminate.

11. Return of Property. Executive and Company agree that Executive has returned to the Company any property that belongs to the Company, which was in Executive’s possession or

Executive’s Initials /s/ E.E.

control, including, but not limited to cellular phones, laptop computers, vehicles, tools and equipment, keys, ID badges, files, including computer files and software.

12. Indemnification and Cooperation. Executive agrees to cooperate with the Company regarding any lawsuits or other issues that may arise in the future which relate to Executive's tenure as a Company employee. Further, the Company agrees that it will continue to indemnify and hold Executive harmless to the fullest extent provided in the Company's By-laws and Amended and Restated Articles of Incorporation.

13. Mutual Non-Disparagement. Executive agrees that she will not make or publish, directly or indirectly, any statement, whether verbal or written, regarding or relating to any of the Releasees, their products or business, their officers, directors, other Executives or agents which is critical, disparaging or demeaning or which could reasonably be interpreted as being critical, disparaging or demeaning. The Company agrees that its officers, Board members and other Executives will not make or publish, directly or indirectly, any statement, whether verbal or written, regarding or relating to Executive which is critical, disparaging or demeaning or which could reasonably be interpreted as being critical, disparaging or demeaning.

14. Confidentiality. Executive further agrees that the existence and terms of this Agreement are confidential. Accordingly, Executive shall not disclose the Agreement's existence or the terms thereof to any person or entity, except that Executive may disclose the terms of the Agreement to, an attorney, tax advisor or accountant, and as otherwise required and compelled by law. In so doing, Executive shall instruct her, attorney, or tax advisor or accountant that the information is confidential and shall not be disclosed to any other person or entity. Executive represents that she has not, to date, disclosed to any person, other than to her attorney, tax advisor or accountant, the contents of any and all terms in this Agreement. Executive understands and acknowledges that the Company may be required to file this Agreement with Securities and Exchange Commission and upon such filing the existence and terms of this Agreement shall no longer be confidential.

15. Status of Any Non-Compete and Non-Solicitation Obligations. Executive is released from any prior obligations to refrain from being employed by or engaging in any business which either competes with the Company or which involves the provision of services or advice similar in nature to what executive provided to the Company. This specifically includes the provisions of Section 6(c) and 6(d) of that certain Employment Agreement dated December 25, 2018 by and between Executive and the Company (the "Employment Agreement"). Nothing in this paragraph prevents Executive from joining another company that competes in the same marketplace as the Company. However, in doing so, Executive acknowledges and agrees to abide by the terms of this Agreement, including her agreement to be bound to her obligations of confidentiality regarding the Company and its business. Executive acknowledges that in waiving the provisions of Section 6(c) and 6(d) of the Employment Agreement, Executive is not entitled to any payment pursuant to Section 6(g) of the Employment Agreement.

16. Release. In exchange for the above-referenced consideration, and as a material inducement for RELEASEES to enter into this Agreement, Executive agrees not to sue and/or be a party to any proceeding of any kind or nature against RELEASEES for any CLAIMS. She also irrevocably and unconditionally releases and forever discharges the RELEASEES from each and every CLAIM of any nature whatsoever, known or unknown, including, but not limited to those

Executive's Initials /s/ E.E.

arising out of or relating to her employment with Company or her separation therefrom, under any federal, state or local law and common law, including the West Virginia Human Rights Act or any state law claims of unlawful discharge. Executive also agrees that she has not assigned or transferred any such CLAIMS to another person or entity.

Executive has read this Mutual Release and been provided a full and amply opportunity to study it, and Executive understands that this is a full, comprehensive and Mutual Release and includes any claim under the age discrimination in employment act. <u>Executive acknowledges that Executive has been advised in writing to consult with legal counsel before signing this Mutual Release, and Executive has had the opportunity to consult with an attorney and was given the phone number of the West Virginia State Bar Association: (866) 989-8227 or (304) 553-7220. Executive was given a period of at least twenty-one days to consider signing this Mutual Release, and Executive has seven days from the date of signing to revoke Executive's acceptance by delivering timely notice of her revocation to the Company's Chief Legal Officer mailed to the Company's its principal place of business in Beckley, West Virginia</u>. Executive is signing this Mutual Release voluntarily, without coercion, and with full knowledge that it is intended, to the maximum extent permitted by law, as a complete and final release and waiver of any and all claims. Executive acknowledges and agrees that the payments set forth are contingent upon Executive signing this Mutual Release and will be payable only if and after the revocation period has expired.

17. <u>Waiver.</u> Executive represents she does not claim an interest in, has not made any CLAIMS, or has not filed any complaints or charges against any or all of the RELEASEES with any local, state, or federal department, agency or court. Executive also waives the right to recover any damages or other relief in any CLAIM or suit brought by or through any local, state, or federal department, agency, or court.

18. <u>Non-Admission.</u> Executive also acknowledges and agrees that neither this Agreement nor any actions or statements taken hereunder constitute nor are they to be construed as an acknowledgment, evidence, or admission of any liability or violation of any law or statute, the common law, or any agreement which exists or which allegedly may exist by and among Executive and any or all of the RELEASEES. The RELEASEES specifically deny and disclaim any liability.

19. <u>Controlling Law</u>. This Agreement shall be governed and interpreted in all respects by the laws of the State of West Virginia. The parties to this Agreement hereby submit to the jurisdiction of the state and federal courts located in the State of West Virginia for the resolution of any disputes under this Agreement.

20. <u>Entire Agreement</u>. Executive agrees she is fully able and competent to enter into this Agreement, that she has read this Agreement in its entirety, that he had an opportunity to review it with an attorney, and that her agreement to all of its provisions is made freely, voluntarily, and with full knowledge and understanding of its contents. Further, Executive represents and acknowledges that in executing this Agreement, she does not rely and has not relied upon any representation or statement made by any or all of the RELEASEES with regard to the subject matter, basis, or effect of this Agreement or otherwise, other than the obligations of the parties set forth in this Agreement. This Agreement sets forth the entire agreement between the parties hereto and fully supersedes any and all prior agreements or understandings, between them.

[signature page follows]

Executive's Initials <u>/s/ E.E.</u>

[Signature page to Ewart Separation Agreement]

/s/ Ellen Ewart
Ellen Ewart
1056 Blackwell Road
Annapolis, MD 21403
Executive
Date: 5/29/19

/s/ Garold Spindler, on behalf of Coronado Global Resources Inc.
Title:
Date:

Executive's Initials /s/ E.E.

Exhibit 10.20

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [***].

Amended Coal Supply Agreement

Stanwell Corporation Limited

Wesfarmers Curragh Pty Ltd

Agreement for Wesfarmers to Supply Coal to Stanwell being an amendment to Contract No. SCL 0344/99 (as amended 7 December 2004 by way of a restatement) by way of a restatement

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Date 6 November 2009

Parties

1. Stanwell Corporation Limited (ABN 37 078 848 674) of Level 12, 1 Eagle Street, Brisbane in the State of Queensland (***Stanwell***); and

2. Wesfarmers Curragh Pty Ltd (ABN 90 009 362 565) of Level 11, Wesfarmers House, 40 The Esplanade, Perth, Western Australia (***Wesfarmers***)

Recitals

A Stanwell owns and operates power stations for the purpose of generating electricity.

B As of 30 January 1981 Arco Australia Ltd, ACI Resources Ltd, RW Miller & Co. Pty Ltd and Mitsui & Co. (Australia) Ltd, as owners of the Curragh Mine, of the first part and the Queensland Electricity Generating Board, the Queensland Coal Board and the State Electricity Commission of the second part entered an agreement entitled "Coal Supply Agreement for the Supply of Steaming Coal from an Initial Development of the Curragh Coal Deposits", pursuant to which the co-venture (as defined therein) agreed to supply coal to the Queensland Electricity Generating Board ("***OCSA***").

C The OCSA was subsequently amended by agreements entered on 19 December 1985, 25 May 1994 (two agreements), and 23 December 1994.

D By virtue of various deeds of assignment and other agreements and of the passing of various laws and regulations, the then owners of the Curragh Mine which were entitled to the ownership of the Curragh Coal (being Arco Coal Australia Inc (ARBN 009 738 407) ("***Arco***"), and Mitsui Coal Development (Australia) Pty Ltd (ACN 001 825 734) ("***Mitsui***")) and Stanwell, as parties to the OCSA, agreed to resolve certain disputes that had arisen between the Parties in relation to the OCSA, by entering into Contract No. SCL034/99 on 2 December 1999 ("***RCSA***") in replacement of the OCSA.

E The RCSA was amended by Amendment No. 1 dated 23 May 2000.

F By various deeds of assignment and other agreements, Wesfarmers became the sole owner of the Curragh Mine and by Deed made on 26 June 2000 became Wesfarmers under the RCSA, as amended, in place of Arco and Mitsui.

G As a result of a tender process instigated by Stanwell for the development of an area within the then area of MDL 162 to supply coal to Stanwell's power stations in Queensland (as Stanwell may decide), Wesfarmers, as the successful tenderer, applied for and obtained the Curragh North Mining Lease.

H On 7 December 2004, the Parties executed the Coal Supply Agreement ("***CSA***") which effected an amendment to the RCSA, as amended, by way of a restatement.

I The Parties have agreed to amend the existing coal supply arrangements.

J In addition to the obligations of Wesfarmers to Stanwell under this Agreement Wesfarmers shall produce coal for export from the Tenements.

K The securing of a stable supply of Coal is of fundamental importance to Stanwell and securing a stable demand for its coal production is of fundamental importance to Wesfarmers.

L It is of fundamental importance to Wesfarmers to be entitled to source up to 50% of the coal to be supplied to Stanwell under this Agreement from outside the Tenements and Stanwell has agreed to Wesfarmers being so entitled on the basis that Stanwell will be no worse off than had coal from the Tenements been delivered under this Agreement.

M Wesfarmers has agreed to sell and deliver and Stanwell has agreed to accept and purchase Coal in accordance with the terms and conditions of this Agreement.

N This document when executed will effect an amendment to the CSA by way of a restatement of the CSA.

It is agreed as follows.

1. Interpretation

1.1 In this Agreement and in the Recitals and Schedules hereto the following words and expressions, unless and except insofar as the context otherwise indicates or requires shall have the meaning designated in this Clause 1.1:

"**Act**" means the *Mineral Resources Act 1989 (Q1d)*.

"**Amended Coal Supply Agreement Option Deed**" means the deed titled "Amended Coal Supply Agreement Option Deed" executed by the Parties on 4 September 2009.

"**Additional Areas**" means the areas set out in Part C of Schedule 1.

"**Annual Base Tonnage**" for any Year means the tonnage for that Year as provided in Clause 5.1(a).

"**Annual Contract Tonnage**" means for any Year:

(a) the Annual Base Tonnage for that Year, plus;

(b) any Annual Option Tonnage for that Year, plus;

(c) any other tonnage Wesfarmers is obliged to deliver in that Year pursuant to this Agreement, minus;

(d) any deliveries cancelled from such Tonnages pursuant to Clauses 5A.9, 13.3 and 14.3.

"**Annual Option Tonnage**" for any Year means, subject to Clause 5A, the tonnage for that Year regarding which Stanwell has exercised its option pursuant to Clause 2.6.

"**As Converted Into A$**" means:

(a) in relation to "Wes farmers Selling Expenses" in Clause 5A.1:

(i) for letter of credit confirmation charges and all other charges relating to letters of credit means US$ converted to A$ at the spot rate notified by Wesfarmers Bank on the date when the amount is actually received by Wesfarmers under the applicable contract for the export of Stanwell Actual Export Tonnage;

(ii) for all other "Wesfarmers Selling Expenses", US$ converted into A$ at the hedge rate on the date of the bill of lading for the relevant shipment;

(b) in relation to the "Reference Coal Contract Price" in Clause 12.5(a) , US$ converted into A$ at the hedge rate on the date of the bill of lading for the relevant shipment; and

(c) in relation to the definition of "Stanwell Actual Export Tonnage Receipts" in Clause 5A.1, US$ converted into A$ at the spot rate notified by Wesfarmers Bank on the date when the amount is actually received by Wesfarmers under the applicable contract for the export of Stanwell Actual Export Tonnage.

For paragraphs (a)(ii) and (b), conversion from US$ into A$ at the hedge rate shall be based on the A$/US$ hedge settlement rate as displayed on WM/Reuters Australian Fix 10am Rate at approximately 10am Australian Eastern Standard time on the applicable date of conversion. If such rate does not exist at the relevant time then the Parties shall, at the request of either Party, agree a rate. If agreement has not been reached on the conversion rate within a period of two (2) Months after the applicable request, then the conversion rate shall be determined under Clause 18.8.

In paragraphs (a)(i) and (c), "Wesfarmers Bank" means the bank used by Wesfarmers from time to time for the receipt of amounts under contracts for the export of Stanwell Actual Export Tonnage.

"**Base Contract Tonnage**" has the meaning ascribed in Clause 2.4.

"**Base Price**" has the meaning ascribed in Clause 9.1.

"**Base Tonnage**" means Coal delivered or to be delivered under Clause 2.5.

"**Coal**" means coal from the Tenements or Substitute Coal that meets the requirements of Clause 7.

"**Coal Supply Option Deed**" means the deed titled "Coal Supply Option Deed" executed by the Parties on 24 January 2003, as amended by the "Deed Amending the Coal Supply Option Deed" executed by the Parties on 24 September 2003.

"**Commencement Date**" means 1 January 2000.

"**Consumer Price Index**" means the consumer price index for Brisbane (ABS Cat. No. 6401, Table 1 — All Groups) published by the Australian Bureau of Statistics or any other Australian Government Body that publishes that index. If such consumer price index ceases to exist or be published or the base components or method of calculation of that index is altered significantly, the Parties shall confer forthwith at the request of either to negotiate upon the adoption of another suitable index to replace that consumer price index. If agreement has not been reached within a period of two (2) Months after request has been made for a conference for this purpose, then the replacement index shall be determined under Clause 18.8.

"**Contract Price**" has the meaning ascribed in Clause 9.2.

"**Contract Term**" means the period from the Commencement Date to the Final Delivery Date.

"**Curragh Coal**" means coal produced from the Curragh Mine.

"**Curragh Mine**" means Wesfarmers' coal mining facilities located within the Tenements that are described in paragraph (a) of the definition of "Tenements" in this Clause 1.1 and Wesfarmers' processing facilities located within or in the vicinity of those Tenements.

"**Curragh North Approvals Date**" means 18 November 2004.

"**Curragh North Area**" means the area covered by the Curragh North Mining Lease and is specified in Part A of Schedule 1.

"**Curragh North Coal**" means coal extracted from the Curragh North Mine.

"**Curragh North Commencement Date**" means the day the aggregate volume of Curragh North Coal exceeds 100,000 Tonnes. The Parties acknowledge that this day was 18 November 2004.

"**Curragh North Mine**" means Wesfarmers' coal mining facilities located within the Curragh North Area.

“**Curragh North Mining Lease**” means Mining Lease Number 80110 and any renewals, extensions and amendments thereof and any tenements issued to Wesfarmers in place thereof or over any part of the area covered by the foregoing tenement.

“**Curragh North Project**” means:

(a) the development, construction and operation of a mine or mines for Curragh North Coal in the Curragh North Area; and

(b) the construction and use of the Haul Road,

that will enable Wesfarmers to meet its obligations under this Agreement.

“**Curragh North Termination**” has the meaning ascribed in the Mining Lease Procedures Deed.

“**eligible employee**” has the meaning given by the operation of section 3 of the LSL Levy Act.

“**Final Delivery Date**” means the later of the following dates:

(a) the date upon which:

(i) the aggregate of the deliveries of the Annual Base Tonnage

equals

(ii) the Base Contract Tonnage, less,

(A) the aggregate quantity of Coal in Tonnes Equivalent which forms part of any deliveries cancelled under Clauses 13.3 or 14.3; and

(B) (where Lower Nominations exceed Higher Nominations) the aggregate of Lower Nominations less the aggregate of Higher Nominations, where:

Higher Nomination for a Nomination Year means the quantity, stated in Tonnes Equivalent, by which the Annual Base Tonnage nominated by Stanwell for that Nomination Year is greater than 95% of the Nominal Base Annual Tonnage for that Nomination Year;

Lower Nomination for a Nomination Year means the quantity, stated in Tonnes Equivalent, by which the Annual Base Tonnage nominated by Stanwell for that Nomination Year is less than 95% of the Nominal Base Annual Tonnage for that Nomination Year;

Nomination Year means the 2010 Year and every succeeding Year until the end of the Term;

and

(b) where Stanwell has, at least 12 Months before the commencement of the Year in which the date in Paragraph (a) occurs, exercised its option under Clause 2.6, the date upon which the final quantity of Option Tonnage the subject of that exercise, has (subject to Clause 5A) been delivered.

The formula in Paragraph (a)(ii)(B) must be read subject to the worked examples in Schedule 6.

The Parties recognise that formula is intended only to apply once and will act reasonably in relation to its application. To that end, the Parties must consult from at least 1 July in the Year immediately before the expected Year of the Final Delivery Date to achieve this result. For the avoidance of doubt, where there is Coal remaining to be delivered in a Year that is less than Annual Contract Tonnage for that Year (noting that the Nominal Base Annual Tonnage is not pro-rated for any Year), then, unless Wesfarmers agrees otherwise under Clause 5.1, it would be expected that by application of Clause 5, Wesfarmers shall deliver and Stanwell shall take delivery of Coal for that Year such that the Final Delivery Date will occur during that Year.

For example, if by the application of paragraphs (a) and (b) above, 300,000 Tonnes Equivalent of Coal remained to be delivered in that Year, then the Final Delivery Date would occur in the first Quarter of that Year.

"**GOC**" has the meaning ascribed in section 5 of the *Government Owned Corporations Act* 1993 (Queensland).

"**Government Body**" means any government, governmental or semi-government or judicial entity, any body politic, any ministry, inspectorate, official, public or statutory person or other statutory or administrative entity, domestic or foreign, federal, state or local.

"**GST**" means any tax, levy, charge or impost implemented under the GST Act or an Act of the Parliament of the Commonwealth of Australia substantially in the form of, or which has a similar effect to, the GST Act.

"**GST Act**" means the Act entitled *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* or any Act passed in substitution for or replacement of that Act and expressions and words defined in that Act and used in this Agreement have the meanings defined in that Act.

"**Haul Road**" means the haul road between the Curragh North Mining Lease (and its environs) and the Curragh Mine (and its environs) to enable coal to be transported to the Curragh Mine Loading Plant, and which is within the Haul Road Mining Lease.

"**Haul Road Mining Lease**" means the area that is shown as the "Haul Road Mining Lease", as shown in the plan annexed in Part I of Schedule 1 to this Agreement, and which is part of Mining Lease 80110.

"**Holding Company**" has the meaning given that term in section 9 of the *Corporations Act 2001 (Cth)*.

"**Invoice Price**" has the meaning ascribed in Clause 9.3.

"**Loading Plant**" means the loading plant located at the mine at which a delivery of coal is to be made.

"**LSL**" means the levy imposed by the LSL Levy Act.

"**LSL Levy Act**" means the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 (Cth).

"**Marketable Reserves**" has the meaning given to that term, in relation to coal, in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code), the 1999 edition being attached as Schedule 4.

"**MDL**" means a mineral development licence granted under the Act.

"**Medium Term Arrangement**" means:

(a) any contractual arrangement for the sale and purchase of coal by Wesfarmers with a third party, or by Stanwell with a third party, as applicable, having a term of not less than three Months and not more than one Year; and

(b) any such arrangement for a term of not more than one Year which contains an option for Stanwell or Wesfarmers to extend that term, provided that such option is not exercised after the relevant interruption to supply or to taking of deliveries, as applicable, ceases without the prior consent of Stanwell (where Wesfarmers is the party to the agreement) or of Wesfarmers (where Stanwell is the party to the agreement).

"**Metallurgical Coal**" means coal that is produced from the Tenements for consumption in coke, steel, direct smelting or other related metallurgical industry.

"**Mining Lease Procedures Deed**" means the deed titled "Mining Lease Procedures Deed" executed by the Parties on 24 January 2003 as amended by the "Deed Amending the Mining Lease Procedures Deed" executed by the Parties on 24 September 2003.

"**Minister**" means the Minister under the Act.

"**ML**" or "**Mining Lease**" means a mining lease granted under the Act.

"**Month**" means calendar month.

"**Monthly Tonnages**" has the meaning ascribed in Clauses 5.3 and 5.4.

“**Nominal Base Annual Tonnage**” means the annual quantity of Coal for a particular year set out in Clause 2.5.

“**Nominal Net Weight**” for a train means 97.5% of the aggregate of the weight of coal capable of being carried in the wagons in that train, for each particular class of wagon as most recently advised by Stanwell’s Carrier.

“**Option Deed for Curragh North Project Assets**” means the deed titled “Option Deed for Curragh North Project Assets” executed by the Parties on 24 January 2003.

“**Option Tonnage**” means, subject to Clause 5A, Coal delivered or to be delivered under Clause 2.6.

“**Party**” means Wesfarmers or Stanwell.

“**Power Station**” means:

(a) the Stanwell Power Station; and

(b) any other power station:

(i) owned by Stanwell which Stanwell may nominate to receive and use Coal; and

(ii) where the Coal has been test burned by Stanwell and determined by Stanwell to be suitable for use,

in each case depending upon where the Coal is intended to be used.

“**Project Documents**” means this Agreement, the Amended Reversion Deed, the Coal Supply Option Deed, the Amended Coal Supply Agreement Option Deed, the Mining Lease Procedures Deed, the Option Deed for Curragh North Project Assets, the Reserved Area Consent Option Deed and the Reserved Area Deed of Consent each to the extent that it is in force.

“**Quarter**” means any period of 3 consecutive Months beginning on January 1, April 1, July 1 and October 1 of any Year.

“**Quarterly Tonnages**” has the meaning ascribed in Clause 5.1.

“**Rail Energy Payment**” has the meaning ascribed in Clause 12.4.

“**RCSA**” has the meaning given in Recital D.

“**Related Body Corporate**” has the meaning given that term in section 50 of the *Corporations Act 2001 (Cth)*.

“**Reserved Area**” has the meaning ascribed to that term in Clause 2.9.

“**Reserved Area Deed of Consent**” means the deed titled “Reserved Area Deed of Consent” executed by the Parties on 6 November 2009.

“**Reserved Area Consent Option Deed**” means the deed titled “Reserved Area Consent Option Deed” executed by the Parties on 4 September 2009.

“**Reversion Deed**” means the deed titled “Amended Reversion Deed” executed by the Parties on or about the same date as this Agreement.

“**Sales Representative**” means Curragh Coal Sales Co Ply Ltd (ABN 89 010 459 220) or any successor as a sales representative to Wesfarmers for the purposes of this Agreement and who is so notified by Wesfarmers to Stanwell to be such sales representative. The Parties acknowledge that, effective 9 May 2007, Wesfarmers was appointed Sales Representative.

“**Standard Coal Quality**” means all of Gross Calorific Value, Ash and Total Moisture specifications as set out in Clause 7.1.

“**Stanwell Power Station**” means the existing coal fired power station operated by Stanwell near Gracemere in the State of Queensland.

"**Stanwell's Carrier**" means Queensland Rail or such other person who from time to time contracts with Stanwell for the transport of Coal.

"**State Body**" means each of:

(a) the State of Queensland;

(b) a Government Body of the State of Queensland; and

(c) a GOC.

"**Substitute Coal**" has the meaning ascribed in Clause 3.2.

"**Tenements**" means:

(a) Mining Lease Numbers 1878, 1990, 80010, 80011, 80012, 80086 and 80112 and any renewals, extensions and amendments thereof and any tenements issued to Wesfarmers in place thereof or over any part of the area covered by the foregoing tenements;

(b) the Curragh North Mining Lease; and

(c) the Water Reserve Mining Lease.

"**Thermal Coal**" means coal that is produced from the Tenements and that is not Metallurgical Coal.

"**Tonne**" means a metric ton of 1,000 kg. For the purpose of conversion, a metric ton equals 0.984206 long tons and a long ton equals 1.016047 metric tons.

"**Tonne Equivalent**" means a quantity of Coal with an as received Gross Calorific Value of 25.6 gigajoules, determined by the sampling and analysis techniques provided in this Agreement.

"**Total Contract Tonnage**" has the meaning ascribed in Clause 2.3.

"**Trade Certified**" means that the Weighbridge is certified under the Trade Measurement Act 1990 (Q1d).

"**Water Reserve Mining Lease**" means Mining Lease number 80123, and any renewals, extensions and amendments thereof and any tenements issued to Wesfarmers in place thereof or over any part of the area covered by the foregoing tenement.

"**Water Reserve Mining Lease Application**" means the Mining Lease application that is over the Water Reserve Mining Lease Area, any accompanying environmental authority application and any other applications required to enable the Curragh North Project to be carried out on that land.

"**Water Reserve Mining Lease Area**" means the land described in Part E of Schedule 1.

"**Weekly Tonnages**" has the meaning ascribed in Clauses 5.5 to 5.7 inclusive.

"**Weighbridge**" means the weighbridge at or near the Loading Plant or other weighbridge agreed in writing by the Parties, with each Party acting reasonably.

"**Wesfarmers' Carrier**" means any person who from time to time contracts with Wesfarmers for the transport of Substitute Coal.

"**Year**" means a calendar year commencing on January 1 and ending on December 31.

1.2 In this Agreement and in the Recitals and Schedules hereto, unless and except insofar as the context otherwise indicates or requires:

(a) All payments required to be made under this Agreement shall be made in Australian Dollars and Cents.

(b) References to "A$" or "$" shall be a reference to Australian dollars and references to "US$" shall be a reference to United States dollars.

(c) Each provision shall be deemed to be separate and severable from each other provision. If any provision is determined to be invalid or unenforceable, such determination and the consequential severance (if any) shall not invalidate the rest of this Agreement which shall remain in full force and effect as if such provision had not been made a part thereof unless the effect of the severance of any such provision would be to frustrate this Agreement in which case the legal principles of frustration of contract shall apply.

(d) Reference to a Party includes that Party's successors and permitted assigns and references to Wesfarmers or Stanwell shall include their successors and permitted assigns.

(e) Reference to Australian or British Standards shall unless otherwise agreed by the Parties be reference to such Standards as at the date hereof.

(f) Save as expressly provided in this Agreement, reference to any statute shall include reference to any modification thereof or any statutory provision substituted therefore and any regulation, rule, by-law, Order in Council or Proclamation made thereunder or pursuant thereto.

(g) Percentages shall where the context permits refer to percentages by mass.

(h) A reference to a person includes a corporation of any type, and any other legal structure, as well as a natural person.

(i) Where a word or phrase is given a particular meaning, other parts of speech or grammatical forms of that word or phrase have corresponding meanings.

(j) A reference to a law, document, deed or agreement, including this Agreement, includes a reference to that law, document, deed or agreement as amended, novated, supplemented, varied or replaced from time to time.

(k) The terms "include" and "including" shall be deemed to be followed by the words "without limitation".

(l) If a Party is required to use "its best endeavours" under this Agreement, that Party is entitled to take into consideration commercial considerations (including time and cost) and whether the obligation can be achieved and any such obligation shall be so interpreted.

(m) A reference to the "date of this Agreement" is a reference to the date this document was executed by the Parties.

2. Agreement to Buy and Sell/Total Contract Tonnage

Agreement

2.1 Commencing on the Commencement Date, Wesfarmers shall sell and deliver to Stanwell, and Stanwell shall purchase and accept from Wesfarmers, Coal in the quantities and on the terms and conditions provided in this Agreement.

Term

2.2 (a) This Agreement shall continue in force until the Final Delivery Date, unless this Agreement is terminated earlier in accordance with its terms.

(b) From two Years prior to the expected Final Delivery Date, either Party may request the other Party to discuss the possibility of extending this Agreement to cover additional tonnages of Coal. In such case the Parties will discuss such possibility but neither Party shall be obliged to agree to any such extension.

Total Contract Tonnage

2.3 The Total Contract Tonnage shall be:

(a) the Base Contract Tonnage, plus;

(b) any quantity of Coal with regard to which Stanwell has exercised its option under Clause 2.6, minus;

(c) the aggregate quantity of Coal in Tonnes Equivalent, which forms part of any deliveries cancelled under Clauses 5A.9, 13.3 or 14.3.

2.4 The Base Contract Tonnage shall be:

(a) if the Curragh North Commencement Date does not occur, [***] Tonnes Equivalent; and

(b) if the Curragh North Commencement Date occurs, and from that date, 67.05 million Tonnes Equivalent.

2.5 The Nominal Base Annual Tonnage shall be:

(a) In the event the Base Contract Tonnage is the amount calculated pursuant to Clause 2.4(a):

(i) [***] Tonnes Equivalent for each Year to the end of 2005;

(ii) [***] Tonnes Equivalent for each Year from and including 2006 to the end of 2015; and

(iii) [***] Tonnes Equivalent for each Year thereafter.

(b) In the event the Base Contract Tonnage is the amount calculated pursuant to Clause 2.4(b):

(i) [***] Tonnes Equivalent for each Year to the end of 2005;

(ii) [***] Tonnes Equivalent for each Year from and including 2006 to the end of 2010;

(iii) [***] Tonnes Equivalent for each Year from and including 2011 to the end of 2015; and

(iv) [***] Tonnes Equivalent for each Year thereafter until the Final Delivery Date,

provided that, assuming the Base Contract Tonnage had remained at the amount calculated pursuant to Clause 2.4(a), there would be some Coal to be delivered as at the end of 2015, then the Parties shall discuss in good faith whether the amount to be delivered in a subsequent Year should be altered.

Option Tonnage

2.6 (a) Subject to the occurrence of, and from the Curragh North Commencement Date, Stanwell shall have the option, exercisable by at least 12 Months' notice to Wesfarmers before the commencement of the Year concerned (and the Parties acknowledge and agree that such notice period shall commence running from the time the notice is given regardless of whether that time period commences on a date that precedes the date of this Agreement or the Curragh North Commencement Date), of acquiring up to the following additional tonnages:

(i) [***] Tonnes Equivalent per Year, from the Curragh North Commencement Date to the end of 2015; and

(ii) 1.0 million Tonnes Equivalent per Year, from and including 2016 to the Final Delivery Date.

(b) The exercise or non-exercise by Stanwell of its option for any Year shall not prejudice its right to exercise or not exercise the option in any later Year.

(c) For the avoidance of doubt, Stanwell will be deemed not to have exercised its option under Clause 2.6 in respect of any Option Tonnage that becomes and remains Stanwell Actual Export Tonnage (as defined in Clause 5A.1) or in respect of which clause 5A.9 applies.

Adjustment for Variation in Curragh North Commencement Date

2.7 Notwithstanding Clause 2.6, with respect to the Year within which the actual Curragh North Commencement Date falls:

(a) if Stanwell wishes to exercise its option under Clause 2.6, it shall give notice under Clause 2.6 at least 15 Months prior to the actual Curragh North Commencement Date (and the Parties acknowledge and agree that such notice period shall commence running from the time the notice is given regardless of whether that time period commences on a date that precedes the date of this Agreement), in which notice it shall nominate the tonnage (up to[***] Tonnes Equivalent) on a full Year basis; and

(b) if the Curragh North Commencement Date occurs at other than the commencement of such Year, the Annual Option Tonnage for that Year shall be the full Year tonnage nominated under Clause 2.7(a) reduced pro rata in accordance with the number of days in that Year until the Curragh North Commencement Date.

Non-exclusive Supply Agreement

2.8 Without derogating from the obligations of Wesfarmers and Stanwell under this Agreement, Wesfarmers acknowledges and agrees that:

(a) it is not the exclusive supplier of coal to Stanwell;

(b) Stanwell is not obliged to purchase all of its coal requirements from Wesfarmers; and

(c) Stanwell may seek and obtain supplies of coal from third party suppliers of coal.

Reserved Area

2.9 (a) Wesfarmers acknowledges that the coal reserves in the areas described as "Reserved Area" in Part B of Schedule 1, although included in the Curragh North Area, are reserved by and for the benefit of Stanwell.

(b) Subject to Clause 2.9(c), Wesfarmers shall use its best endeavours to maintain, when granted, the Curragh North Mining Lease over the Reserved Area to the extent it is covered by the Curragh North Mining Lease, but shall not mine or otherwise deal with the same.

(c) (i) Wesfarmers shall not be liable for any loss of or reduction in, or alteration of, the Curragh North Mining Lease or the Reserved Area due to "Causes Outside the Control of Wesfarmers".

(ii) It is acknowledged that the boundaries of the Reserved Area are defined by the intersection of the high wall and the Pisces Coal Seam and that Wesfarmers is entitled to mine up to that intersection.

(d) In this Clause 2.9, "**Causes Outside the Control of Wesfarmers**" means things that could not be avoided or overcome by a prudent coal mining company exercising proper skill and care, and provided that Wesfarmers has exercised such skill and care, shall include:

(i) the finding that any or all of the Curragh North Mining Lease is invalid either wholly or to the extent that it affects native title;

(ii) the finding that any or all of the Curragh North Mining Lease is invalid due to some legal or technical error in its grant; and

(iii) the cancellation of (or alteration of the rights attaching to) any or all of the Curragh North Mining Lease due to acts by Stanwell or third parties.

Water Reserve Mining Lease

2.10 Stanwell will not object to Wesfarmers making the Water Reserve Mining Lease Application and Stanwell shall use its reasonable endeavours to cooperate with any reasonable request of Wesfarmers for the purpose of obtaining the Water Reserve Mining Lease.

3. Source of Coal / Substitute Coal

Source of Coal

3.1 (a) Coal supplied under this Agreement shall be from the Tenements, except as provided in Clause 3.1(b).

(b) Wesfarmers shall have the right to deliver Substitute Coal for use in the Power Station, and Stanwell shall accept delivery of that Substitute Coal, subject to Clauses 3.3 to 3.8, inclusive. Stanwell's sole obligations to accept delivery of that Substitute Coal are set out in this Clause 3.

(c) Except as otherwise expressly provided in this Agreement, the provisions of this Agreement shall apply to that Substitute Coal as if it were coal produced from the Tenements.

Substitute Coal

3.2 (a) "**Substitute Coal**" means coal produced from sources other than the Tenements and either:

(i) is coal that meets the provisions of Clause 7 and has been previously utilised at the Power Station; or

(ii) if the coal has not been previously utilized at the Power Station, then coal that Stanwell has test burned and determined is suitable for use at the Power Station in accordance with Clause 3.2(c).

(b) Wesfarmers may at any time request Stanwell to provide a list of coal that has been previously utilized at the Power Station, including its source and quality and Stanwell shall provide that information within 7 days of receiving that request.

(c) Where coal has not been previously utilized at the Power Station, then Wesfarmers may request Stanwell to test burn the coal and Stanwell shall do so and shall inform Wesfarmers of its determination, with reasons within 60 days of receiving that request. Stanwell shall act reasonably and in good faith in the test burn and in determining the suitability of such coal. Such trial coal shall be purchased and transported on the same basis as Coal is purchased and transported under this Agreement.

Transportation of Substitute Coal

3.3 Clauses 3.4 to 3.8, inclusive, shall apply in relation to the transport of Substitute Coal that is not delivered at the Curragh Mine Loading Plant.

Transportation and Rail Rates of Substitute Coal from Designated Mines

3.4 (a) "**Designated Mine(s)**" means any mine other than the Curragh Mine or the Curragh North Mine for which Stanwell at the relevant time has rail freight arrangements in place for transport of coal from that mine to the Power Station.

(b) Within 7 days of receiving a request from Wesfarmers, Stanwell shall inform Wesfarmers of all Designated Mines.

(c) Stanwell shall use its best endeavours to achieve rail freight rates for the transport of coal from Designated Mines to the Power Station that are at least equivalent to or better than market rates at the time and are based on utilisation equivalent to Stanwell's planned total coal consumption for the Year concerned.

(d) For any proposed delivery of Substitute Coal from a Designated Mine, Wesfarmers may request Stanwell to inform it of any Difference (as defined in Clause 3.6) that would apply to that delivery; and if Wesfarmers were to arrange the transportation of that Substitute Coal, any Capacity Charges (as defined in Clause 3.6) that would apply. Stanwell shall provide that information (or Stanwell's best estimate thereof, based on reasonable grounds) within 5 days of the request. Wesfarmers may then elect to:

(i) have Stanwell arrange transportation of the Substitute Coal, and in that event Stanwell shall arrange the transportation;

(ii) provided Wesfarmers has made the request at least 7 days before the proposed delivery, arrange the transportation of the Substitute Coal; or

(iii) cancel the proposed delivery of Substitute Coal.

Transportation and Rail Rates of Substitute Coal from other Mines

3.5 (a) "**Other Mine(s)**" means any mine that is not the Curragh Mine, the Curragh North Mine or a Designated Mine.

(b) For any proposed delivery of Substitute Coal from any Other Mine:

(i) Wesfarmers shall give Stanwell at least 14 days notice of that proposed delivery from a nominated Other Mine and request Stanwell to obtain a quotation for a rail freight rate for the transportation of Substitute Coal from that Other Mine.

(ii) Stanwell shall use its best endeavours to achieve rail freight rates for the transport of coal from that Other Mine to the Power Station that are at least equivalent to or better than market rates at the time and are based on utilisation equivalent to Stanwell's planned total coal consumption for the Year concerned.

(iii) Within 7 days of receiving that notice and request, Stanwell shall obtain and inform Wesfarmers of:

(A) any such quotation;

(B) any Difference (as defined in Clause 3.6) that would apply to that delivery; and if Wesfarmers were to arrange the transportation of that Substitute Coal, any Capacity Charges (as defined in Clause 3.6) (or Stanwell's best estimate thereof, based on reasonable grounds) that would apply.

(iv) Wesfarmers may then elect to:

(A) have Stanwell arrange transportation of the Substitute Coal and in that event Stanwell shall arrange the transportation;

(B) arrange the transportation of the Substitute Coal; or

(C) cancel the proposed delivery of Substitute Coal.

Payment for Transportation

3.6 (a) In this Clause 3.6:

(i) "**Transport Cost**" means the amount, in $/Tonne, equal to applicable rate for the transport of coal from the relevant Designated Mine or Other Mine, as the case may be, taking into account all rail performance Freight Incentives and Corridor Improvement Incentives available from Stanwell's Carrier or Wesfarmers' Carrier, as the case may be.

(ii) "**Train Weight**" means the weight, in Tonnes, of Substitute Coal contained in each rail consignment for delivery to the unloading facility at the Power Station determined in accordance with Clause 8;

(iii) "**CC Cost**" means the cost (Transport Cost times Train Weight), in total $'s, of delivery of a rail consignment to the unloading facility at the Power Station that Stanwell incurs or would incur had the Substitute Coal been supplied from the Curragh Mine Loading Plant at the same time;

(iv) "**SC Cost**" means the cost (Transport Cost times Train Weight), in total $'s, of delivery of a rail consignment of Substitute Coal to the unloading facility at the Power Station;

(v) "**Difference**" means:

SC Cost less CC Cost

Provided that the Difference shall not exceed the amount advised by Stanwell under Clauses 3.4 or 3.5, as the case may be.

If positive the Difference is defined as "**Overs**"

If negative the Difference is defined as "**Unders**"

(vi) **"Capacity Charges"** means any penalty rail rate or cost that Stanwell is required to pay under a rail freight agreement(s) with Stanwell's rail provider(s), which agreement(s) relate(s) in whole or in part to the transport of Coal from the Curragh Mine Loading Plant imposed because of any arrangements for the transport by Wesfarmers of Substitute Coal, taking into account the effect of the transport of other suppliers' coal under that rail freight agreement(s).

(vii) "**Freight Incentives**" means rail performance incentives that are available and which actually apply to Stanwell's Carrier's or Wesfarmers' Carrier, as the case may be, rail rate at the relevant time.

(viii) "**Corridor Improvement Incentives**" means rail corridor incentives available to rail users at the relevant time.

(b) For each rail consignment of Substitute Coal delivered to the Power Station, the Parties will calculate and declare the Overs and Unders.

(c) If Stanwell arranges transportation of Substitute Coal and:

(i) Unders is declared:

(A) Stanwell will pay SC Cost to the rail provider;

(B) Stanwell will pay the Unders to Wesfarmers; and

(C) The Parties shall record the Unders for consideration under Clause 3.6(g).

(ii) Overs is declared:

(A) Stanwell will pay SC Cost to the rail provider;

(B) Wesfarmers will pay the Overs to Stanwell; and

(C) The Parties shall record the Overs for consideration under Clause 3.6(g).

(d) If Wesfarmers arranges transportation of Substitute Coal and:

(i) Unders is declared:

(A) Wesfarmers will pay SC Cost to the Rail Provider;

(B) Stanwell will pay CC Cost to Wesfarmers; and

(C) The Parties shall record the Unders for consideration under Clause 3.6(g).

(ii) Overs is declared:

(A) Wesfarmers will pay the SC Cost to the Rail Provider;

(B) Stanwell will pay CC Cost to Wesfarmers; and

(C) The Parties shall record the Overs for consideration under Clause 3.6(g).

(e) The financial transactions under Clause 3.6(c) and (d) shall be conducted for each rail consignment of Substitute Coal, unless otherwise agreed.

(f) After the end of each Year, and as soon as the information becomes available, Stanwell will provide an invoice (with such supporting information as Wesfarmers may reasonably require) to Wesfarmers for Capacity Charges, if any, with such payment to be made within 14 days of receipt of such invoice.

(g) Within 30 days of the giving of the invoice referred to in Clause 3.6(f) for any Year, the Parties will determine, in respect of that Year:

(i) The total Overs for all rail consignments;

(ii) The total Unders for all rail consignments; and

(iii) (Total Overs plus Capacity Charge less Total Unders) ("**Excess**").

(h) If the Excess is negative Wesfarmers shall pay to Stanwell a sum equal to 50% of the Excess, with such payment to be made within 14 days of receipt of such invoice from Stanwell.

(i) The Party entitled to payment under this Clause 3.6 will provide an invoice for payment by the other Party, with such payment to be made as provided in Clause 12.10 (with Clause 12.10 applying *mutatis mutandis* to payments by Wesfarmers).

(j) The Parties will provide sufficient information (when available) to enable each other to raise invoices and to record the necessary information for purposes of this Clause 3.6 and for internal recording purposes.

Notification of Delivery of Substituted Coal

3.7 Wesfarmers recognises that Stanwell needs to be informed in advance of delivering Substitute Coal, including the forward delivery schedule. Wesfarmers shall give at least 7 days notice of any delivery of such coal but Stanwell shall use its best endeavours to accept such coal on shorter notice where it will suffer no material adverse effect in doing so.

Limit of Amount of Substitute Coal

3.8 Notwithstanding any other Clause, Wesfarmers shall not have the right to deliver any Substitute Coal which if delivered would cause the Substitute Coal to be delivered in any Year to exceed 50% of the Annual Contract Tonnage for that Year.

Additional Areas

3.9 Wesfarmers shall not:

(a) deposit spoil or permit any other person to deposit spoil; or

(b) mine or permit any other person to mine coal,

in each case in the Additional Areas without the prior consent of Stanwell, which consent shall not be unreasonably withheld. In the case of any proposal to mine coal, Stanwell may first require Wesfarmers and Stanwell to reach agreement on the utilisation of that coal by the Parties and any other commercial terms that are reasonable having regard to the principles upon which Wesfarmers and Stanwell negotiated the other terms of this Agreement. Wesfarmers and Stanwell shall each act reasonably and in good faith in seeking to reach any such agreement.

3.10 Should Stanwell at any time wish either by itself, or have another person, mine coal in the Additional Areas, Stanwell shall give prior notice to Wesfarmers to that effect. Wesfarmers and Stanwell shall then each act reasonably and in good faith in seeking to take all action necessary to achieve Stanwell's intent provided that Wesfarmers shall not be required to take any action that would adversely affect its operations on the Mining Lease 80086 outside of the Additional Areas or otherwise prejudice that Mining Lease.

4. This Clause is not being used intentionally

5. Annual Base Tonnage, Rates of Delivery and Notification of Requirement

Annual Contract Tonnage/Quarterly Delivery Rate

5.1 Not later than six Months prior to the commencement of each Year, Stanwell shall, by notice to Wesfarmers:

(a) nominate, within a range of:

(i) in the 2009 Year and in preceding Years, +/- [***]% of the Nominal Base Annual Tonnage for such Year; and

(ii) in the Years 2010 until the Final Delivery Date, +[***]%/-[***]% of the Nominal Base Annual Tonnage for such Year, the Tonnes Equivalent of Coal to be delivered in such Year, which nominated tonnage, or if no such nomination is made, the Nominal Base Annual Tonnage for that Year, shall thereupon become the Annual Base Tonnage for that Year;

(b) confirm:

(i) the Annual Option Tonnage; and

(ii) any additional Tonnes that have been postponed in accordance with Clause 13.8, Clause 14.8 or Clause 17.1 and that Wesfarmers is obliged to deliver in that Year pursuant to this Agreement; and

(c) propose the Quarterly Tonnage for each Quarter of such Year.

If Stanwell fails to give such notice, or if Wesfarmers disagrees with the Quarterly Tonnages as proposed by Stanwell, then the Quarterly Tonnages for such Year shall be one quarter of the Annual Contract Tonnage. With respect to the Year within which the actual Curragh North Commencement Date falls and with reference to Clause 2.6(a), any notice given under that Clause in respect to the Annual Option Tonnage for that Year shall be deemed to be a confirmation under Clause 5.1(b)(i).

5.2 Notwithstanding Clause 5.1, either Wesfarmers or Stanwell may at any time propose any Annual Contract Tonnage and Quarterly Tonnage for the next Year. The other Party shall consider any such proposal but shall be under no obligation to accept the same. If the Parties agree upon a different Annual Contract Tonnage and Quarterly Tonnage that shall become the Annual Contract Tonnage and Quarterly Tonnage for the periods concerned.

Monthly Deliveries

5.3 Wesfarmers shall give notice of its intended Monthly Tonnage for each Month during a Quarter no later than 30 days before the commencement of that Quarter. If Stanwell disagrees with the Monthly Tonnages notified by Wesfarmers, the Parties will discuss the same in good faith with a view to agreeing upon Monthly Tonnages that meet the requirements of both Wesfarmers and Stanwell.

5.4 Failing agreement, the Monthly Tonnages for the Quarter shall be approximately one third of the Quarterly Tonnage.

Weekly Deliveries

5.5 Wesfarmers shall give notice of its intended Weekly Tonnage for each week of each Month no later than 7 days before the commencement of that Month. If Stanwell disagrees with the Weekly Tonnages notified by Wesfarmers, the Parties will discuss the same in good faith with a view to agreeing upon Weekly Tonnages that meet the requirements of both Wesfarmers and Stanwell.

5.6 Failing agreement, the Weekly Tonnages for the Month shall provide for deliveries each week of approximately one quarter of the Monthly Tonnage.

5.7 If both Parties agree, any Weekly Tonnages may be changed to take into account Wesfarmers' planned exports of coal from the Tenements and Stanwell's other planned purchases of coal for the Power Station.

Obligation to Deliver and Accept Deliveries

5.8 Subject to Clause 5A, Wesfarmers shall deliver, and Stanwell shall take delivery of, Coal at rates which meet the requirements of Clauses 5.1 to 5.7, inclusive.

Specific Deliveries

5.9 Wesfarmers shall make day to day arrangements regarding the scheduling of trains directly with Stanwell's Carrier or Wesfarmers' Carrier and with designated personnel at the Power Station.

Proportion of Base Tonnage and Option Tonnage

5.10 (a) The operation of this Clause 5.10 is subject to the occurrence of the Curragh North Commencement Date.

(b) Each specific delivery, and the Coal to be delivered each Year, Quarter and Month, shall be deemed to comprise Base Tonnage Coal and Option Tonnage Coal in proportion to the ratio that the Nominal Base

Annual Tonnage for that Year bears to the Annual Option Tonnage for that Year, provided however that if less than the Annual Contract Tonnage is delivered or accepted in any Year, the shortfall amount shall be deemed to apply first to Option Tonnage Coal. To the extent the quantity of Coal delivered in the Year is less than the Annual Base Tonnage the shortfall shall be applied to the Annual Base Tonnage.

5A. Export of Option Tonnage

5A.1 In this Clause 5A (and in Clause 12.4), the following words and expressions, unless and except insofar as the context otherwise indicates or requires shall have the meaning designated in this Clause 5A.1:

"**Export Confirmation**" means a completed "Pro-forma Stanwell Export Thermal Coal Confirmation" in the form set out in Schedule 5 to this Agreement.

"**Export Royalties**" means, in relation to a particular shipment of Stanwell Actual Export Tonnage, royalties paid or payable by Wesfarmers under the Act or any other relevant statute in respect of that Stanwell Actual Export Tonnage.

"**Nominated Quarterly Option Tonnage**" has the meaning given to that term in Clause 5A.4(b).

"**Offer Expiration Time**" means the date and time set out in the relevant Export Confirmation.

"**Spare Capacity**" means any spare capacity that Wesfarmers has under its rail and port agreements to enable the export of the Stanwell Designated Export Tonnage, including any rail capacity allocated by Stanwell's rail provider to Wesfarmers as contemplated under Clause 5A.4(c).

"**Stanwell Actual Export Tonnage**" means Stanwell Designated Export Tonnage that becomes and remains Stanwell Actual Export Tonnage in accordance with this Clause 5A.

"**Stanwell Actual Export Tonnage Invoice Price**" for any shipment means the Contract Price for Stanwell Actual Export Tonnage for that shipment, as if the Stanwell Actual Export Tonnage were Option Tonnage, adjusted to reflect the quality of the coal delivered to the customer in that shipment, in accordance with Clause 11.

"**Stanwell Actual Export Tonnage Proceeds**" means, in relation to a particular shipment of Stanwell Actual Export Tonnage, A$X calculated as follows:

A$X =	[0.5 x	(Stanwell Actual Export Tonnage Receipts	less	the aggregate of: • Stanwell Actual Export Tonnage Invoice Price x Stanwell Actual Export Tonnage Weight; and • Statutory Charges x Stanwell Actual Export Tonnage Weight; • Export Royalties; • Wesfarmers Selling Expenses; and • Stanwell Selling Expenses)]	plus	Stanwell Selling Expenses

This formula must be read subject to the worked examples in Schedule 7.

"**Stanwell Actual Export Tonnage Receipts**" means the amount actually received by Wesfarmers under or in relation to a contract or contracts as consideration for the export of Stanwell Actual Export Tonnage, including any insurance or similar payments, As Converted Into A$.

"**Stanwell Actual Export Tonnage Weight**" means the bill of lading weight of the Stanwell Actual Export Tonnage in Tonnes.

"**Stanwell Designated Export Tonnage**" means any Option Tonnage that Stanwell elects to nominate as Stanwell Designated Export Tonnage under Clause 5A.4, but only for so long as it continues to remain as Stanwell Designated Export Tonnage under this Clause 5A.

"**Stanwell Selling Expenses**" means the aggregate of:

(a) any charges paid by Stanwell to Stanwell's Carrier for the transport of that particular shipment of Stanwell Actual Export Tonnage to the port except to the extent that Wesfarmers has reimbursed Stanwell for those charges (subject to Wesfarmers' right of audit under Clause 5A.8); and

(b) A$[***] per Tonne escalated at the Consumer Price Index from 1 July 2008 and calculated Quarterly using the applicable Quarterly compounding factor.

"**Statutory Charges**" means the "Statutory Charges Payment" calculated pursuant to Clauses 12.3(b), (c) and (d) for each Tonne of Stanwell Actual Export Tonnage Weight as if the relevant Stanwell Actual Export Tonnage were Option Tonnage delivered to Stanwell under this Agreement.

"**Wesfarmers Marketing And Administration Fee**" means A$[***] per Tonne escalated at the Consumer Price Index from 1 July 2008 and calculated Quarterly using the applicable Quarterly compounding factor.

"**Wesfarmers Selling Expenses**" means, in relation to a particular shipment of Stanwell Actual Export Tonnage, the aggregate of:

(a) Wesfarmers Marketing And Administration Fee;

(b) any charges paid by Stanwell to Stanwell's Carrier for the transport of that particular shipment of Stanwell Actual Export Tonnage to the port to the extent that Wesfarmers has reimbursed Stanwell for those charges; and

(c) all other expenses (including expenses that are Wesfarmers Selling Expenses under clause 5A.4(i)) paid or payable by Wesfarmers to third parties arising out of or in connection with the export of that particular shipment of Stanwell Actual Export Tonnage, including rail and port charges, agent commissions, sampling and weight determination fees, trade finance insurance, letter of credit confirmation charges, export industry related charges, demurrage and dispatch, and shipping costs where delivery is other than FOB Port of Gladstone, in each case where relevant As Converted Into A$ (excluding for the avoidance of doubt any expenses incurred up to the delivery of that coal at the Loading Plant).

"**Wiggins Island Terminal**" means the proposed Wiggins Island Coal Terminal to be constructed and operated at the Port of Gladstone.

"**Wiggins Island Terminal/Rail Commitment**" means the unconditional commitment to construct:

- the Wiggins Island Terminal; and
- sufficient below and above track rail capacity to transport coal from the Loading Plant to the Wiggins Island Terminal,

including in each case an unconditional commitment to fund that construction.

5A.2

(a) Subject to clause 5A.2(c), all Coal delivered to Stanwell under this Agreement must be used by Stanwell at a Power Station.

(b) For all Coal delivered to Stanwell under this Agreement, Stanwell has no rights to:

  (i) export that Coal; or

  (ii) subject to clause 5A.2(c), use that Coal at any other power station or on-sell that Coal to a domestic user of that Coal.

(c) For so long as Stanwell is a GOC, Stanwell may use any Coal delivered to Stanwell under this Agreement at, or on-sell that Coal to, any other Queensland power station:

(i) in respect of which a State Body owns at least a 50% interest; and

(ii) which Stanwell may nominate to receive and use Coal; and

(iii) where the Coal has been test burned and determined by Stanwell to be suitable for use,

provided that:

(A) for purposes of Clause 7, the Coal shall be deemed to have been delivered to Stanwell for use in the Stamen Power Station; and

(B) Stanwell must ensure that the relevant power station owner and operator shall use the Coal at the relevant power station and shall not export the Coal, or sell the Coal to another domestic user of the Coal.

For the avoidance of doubt, this clause 5A.2(c) ceases to have effect from the time at which Stanwell ceases to be a GOC, and any on-sale agreement between Stanwell and any party contemplated by this clause 5A.2(c) must be expressed to terminate immediately upon Stanwell ceasing to be a GOC.

5A.3 Notwithstanding Clause 5A.2, Stanwell may receive certain benefits from the export by Wesfarmers of coal that Stanwell may otherwise have had a right to have delivered to it as Option Tonnage under this Agreement. These benefits are set out exclusively in this Clause 5A.

5A.4

(a) For any period after 31 December 2009, Stanwell may in each notice given under Clause 5.1 indicate a specified Tonnes Equivalent of Option Tonnage from the Annual Option Tonnage (that is confirmed in that notice) that Stanwell is likely to nominate under this Clause 5A.4 as Stanwell Designated Export Tonnage for each Quarter. Stanwell may also give such a notice under this Clause 5A (irrespective of any notice already given under Clause 5.1) for the 2010 year, by 30 September 2009.

(b) Not later than two Months prior to the commencement of each Quarter commencing after 31 December 2009, Stanwell may, by notice in writing to Wesfarmers nominate a specified Tonnes Equivalent of Option Tonnage from the Option Tonnage component of the Quarterly Tonnage applicable for that Quarter as Stanwell Designated Export Tonnage for that Quarter, subject to reduction of that nominated tonnage in accordance with this Clause 5A.4 ("**Nominated Quarterly Option Tonnage**").

(c) If Stanwell has provided a notice under Clause 5A.4(b), then not later than one Month prior to the commencement of the applicable Quarter, Wesfarmers must by notice in writing to Stanwell stipulate the volume (if any) of Spare Capacity available for the Nominated Quarterly Option Tonnage for that Quarter. Without limiting the discretion set out in Clause 5A.4(d), Wesfarmers may request Stanwell to have Stanwell's Carrier allocate any spare rail capacity to Wesfarmers for the purpose of stipulating in the notice to Stanwell under this Clause 5A.4(c) that Wesfarmers has Spare Capacity (which Stanwell may but is not obliged to do) and within 5 days of Stanwell notifying Wesfarmers in writing of any allocation of capacity and the Stanwell Selling Expenses for that capacity, Wesfarmers must indicate in writing to Stanwell whether Wesfarmers will utilise that capacity.

(d) Notwithstanding any other Clause of this Agreement, Wesfarmers has no obligation to use any capacity under any of its rail or port agreements for the Nominated Quarterly Option Tonnage. However, if Wesfarmers does have Spare Capacity, Wesfarmers shall use reasonable endeavours to provide this Spare Capacity for the export of Stanwell Designated Export Tonnage.

(e) If Wesfarmers stipulates in the notice under Clause 5A.4(c) that it has no Spare Capacity, then all of the relevant Nominated Quarterly Option Tonnage ceases to be Stanwell Designated Export Tonnage and remains Option Tonnage as if Stanwell had not provided a notice under Clause 5A.4(b) (**Unsold Option Tonnage**) and Clause 5A.9 applies to that Unsold Option Tonnage.

(f) If Wesfarmers stipulates in the notice under Clause 5A.4(c) that it has Spare Capacity, but such Spare Capacity is less than the relevant Nominated Quarterly Option Tonnage, then:

(i) the relevant Nominated Quarterly Option Tonnage shall be deemed reduced to equal such Spare Capacity; and

(ii) the Nominated Quarterly Option Tonnage in excess of such Spare Capacity ceases to be Stanwell Designated Export Tonnage and remains Option Tonnage as if Stanwell had not provided a notice in respect of such excess tonnage under Clause 5A.4(b) (also **Unsold Option Tonnage**) and Clause 5A.9 applies to that Unsold Option Tonnage.

(g) To the extent that Wesfarmers stipulates in the notice under Clause 5A.4(c) that it has Spare Capacity, Wesfarmers will, prior to the commencement of the applicable Quarter (unless otherwise agreed), use its best endeavours to secure offers to enter export sales contracts from customers for up to the Nominated Quarterly Option Tonnage, which may include blending or co-shipment with other coal owned by Wesfarmers, provided that Wesfarmers shall not, without informing Stanwell when forwarding to Stanwell the relevant Export Confirmation, solicit or enter export sales contracts which may result in negative Stanwell Actual Export Tonnage Proceeds.

(i) Wesfarmers must as soon as practicable notify Stanwell of the material terms of any offer to enter an export sales contract in respect of any Nominated Quarterly Option Tonnage by completing, executing and forwarding to Stanwell the relevant Export Confirmation.

(ii) Stanwell must provide a duly executed Export Confirmation or reject it by notice in writing to be received by Wesfarmers before the Offer Expiration Time.

(iii) If no duly executed Export Confirmation or rejection is received by Wesfarmers by the Offer Expiration Time for that Nominated Quarterly Option Tonnage, Stanwell will be deemed to have rejected the Export Confirmation (“**deemed rejection**”).

(iv) Notwithstanding any other Clause of this Agreement, to the extent that, prior to the commencement of the applicable Quarter (unless otherwise agreed):

a. Wesfarmers is unable to secure offers to enter into export sales contracts from customers for all or any part of the Nominated Quarterly Option Tonnage; or

b. Stanwell rejects any Export Confirmation or there is a deemed rejection,

then the affected volume of the Nominated Quarterly Option Tonnage ceases to be Stanwell Designated Export Tonnage and remains Option Tonnage as if the affected volume had not been the subject of a notice provided by Stanwell under Clause 5A.4(b) (also **Unsold Option Tonnage**) and Clause 5A.9 applies to that Unsold Option Tonnage.

(h) Upon Wesfarmers’ receipt of an Export Confirmation duly executed by Stanwell then for the volume of Nominated Quarterly Option Tonnage specified in that Export Confirmation:

(i) Stanwell will be taken to have approved Wesfarmers’ entry into the relevant export sales contract;

(ii) Wesfarmers will use its best endeavours to proceed to enter the relevant export sales contract and export the specified volume of Nominated Quarterly Option Tonnage in accordance with the export sales contract;

(iii) the specified volume of Nominated Quarterly Option Tonnage shall cease to be Stanwell Designated Export Tonnage and shall become and, except as provided in Clause 5A.4(i)(iii)b, remain Stanwell Actual Export Tonnage,

and unless otherwise agreed:

(iv) the Option Tonnage for the relevant Quarter (and the Annual Option Tonnage for the relevant Year) shall be reduced by the Stanwell Actual Export Tonnage Weight adjusted back to Tonnes Equivalent;

(v) the Monthly Tonnages for the relevant Quarter shall be reduced by approximately one third of the volume of the Stanwell Actual Export Tonnage for that Quarter; and

(vi) the Weekly Tonnages for the relevant Quarter shall be reduced by approximately one twelfth of the volume of the Stanwell Actual Export Tonnage for that Quarter.

(i) For the avoidance of doubt, Wesfarmers will not proceed to enter into an export sales contract for Stanwell Designated Export Tonnage until such time as it has received the relevant Export Confirmation duly executed by Stanwell. However, once Wesfarmers has received the relevant Export Confirmation duly executed by Stanwell, Wesfarmers takes the risk of, notwithstanding its best efforts, the export sales contract not being fully executed and performed provided that:

(i) In respect to each particular shipment of Stanwell Actual Export Tonnage:

a. subject to clause 5A.4(i)(i)(b), Wesfarmers must use all reasonable endeavours to obtain payment, or otherwise to enforce rights (for example by claiming under insurance policies in lieu of payment by the buyer), relating to Stanwell Actual Export Tonnage provided that its reasonable third party costs of doing so are Wesfarmers Selling Expenses provided that if there are no Stanwell Actual Export Tonnage Receipts then Stanwell will reimburse Wesfarmers for 50% of those costs; and

b. Wesfarmers is not required to engage in any dispute resolution, including with the buyer or the insurance company. However, where Wesfarmers elects to engage in any form of dispute resolution, its reasonable third party costs of doing so are Wesfarmers Selling Expenses provided that, if there are no Stanwell Actual Export Tonnage Receipts then Stanwell will reimburse Wesfarmers for 50% of those costs;

(ii) Stanwell shares the risk of there being no Stanwell Actual Export Tonnage Receipts in respect of a shipment as contemplated under Clause 5A.7; and

(iii) if the export sales contract is not fully executed and performed, then Wesfarmers must notify Stanwell in writing ("**Applicable Notice**") and unless otherwise agreed:

a. if the relevant Stanwell Designated Export Tonnage or Stanwell Actual Export Tonnage (as the case may be) is at the relevant time not located at the Tenements, Wesfarmers will use its best endeavours to secure alternative offers to enter export sales contracts from customers in respect of the relevant Stanwell Actual Export Tonnage, which may include blending or co-shipment with other coal owned by Wesfarmers, provided that Wesfarmers acting reasonably may solicit export sales contracts which may result in negative Stanwell Actual Export Tonnage Proceeds, and:

1. Wesfarmers must as soon as practicable notify Stanwell of the material terms of any offer to enter an export sales contract in respect of any such Stanwell Actual Export Tonnage by completing, executing and forwarding to Stanwell the relevant Export Confirmation;

2. Stanwell will be taken to have provided a duly executed Export Confirmation to Wesfarmers by the Offer Expiration Time; and

3. Wesfarmers may proceed to enter the relevant export sales contract and export the specified volume of Stanwell Actual Export Tonnage in accordance with the export sales contract.

b. if the relevant Stanwell Designated Export Tonnage or Stanwell Actual Export Tonnage (as the case may be) is at the relevant time located at the Tenements, Stanwell may elect by giving written notice to Wesfarmers to treat the coal the subject of that export sales contract as having ceased to be Stanwell Designated Export Tonnage and remains Option Tonnage as if Stanwell had not provided a notice in respect of such coal under Clause 5A.4(b) (also **Unsold Option Tonnage)** and Clause 5A.9 applies to that Unsold Option Tonnage. If Stanwell fails to give that written notice within two days of receiving the Applicable Notice, Clause 5A.4(i)(iii)a will apply.

5A.5 For the avoidance of doubt:

(a) at no time does title in Option Tonnage, that becomes and remains Stanwell Actual Export Tonnage, pass to Stanwell;

(b) the Stanwell Designated Export Tonnage for a particular Year may not exceed the Annual Option Tonnage for that Year; and

(c) subject to Clause 5A.9, nothing in this Clause 5A shall affect Wesfarmers' obligation to deliver, and Stanwell's obligation to take delivery of, the Option Tonnage in that Year that does not become and remain Stanwell Actual Export Tonnage.

5A.6 Wesfarmers shall submit to Stanwell as soon as practicable after the end of each Month an invoice for all Stanwell Actual Export Tonnage Proceeds for that Month as notified in writing by Stanwell in respect of each shipment pursuant to this Clause 5A in that Month (which invoice, for amounts paid by Wesfarmers to Stanwell in respect of any Stanwell Actual Export Tonnage Proceeds for that Month, may be a recipient created tax invoice), including Wesfarmers' best estimate (on an accruals basis) of any amounts, including Wesfarmers Selling Expenses, Statutory Charges and Export Royalties where the final amount cannot yet be determined. Where appropriate, an adjustment will be made between the Parties for any such expense which has been levied on an interim basis within 14 days of the final amount being determined.

5A.7 Wesfarmers shall pay Stanwell, or Stanwell shall pay Wesfarmers (as the case may be), any Stanwell Actual Export Tonnage Proceeds and any Stanwell Selling Expenses by the 20th day of the Month following the Month in which Wesfarmers receives the relevant Stanwell Actual Export Tonnage Receipts.

For the avoidance of doubt:

(i) Wesfarmers shall not pay Stanwell, and Stanwell shall not pay Wesfarmers (as the case may be), the Stanwell Actual Export Tonnage Proceeds in relation to a particular shipment unless and until Wesfarmers receives the Stanwell Actual Export Tonnage Receipts in relation to the relevant shipment; and

(ii) If the Stanwell Actual Export Tonnage Proceeds in relation to a particular shipment is a negative amount, those Stanwell Actual Export Tonnage Proceeds shall be payable by Stanwell to Wesfarmers; and

(iii) subject to this clause 5A.7 but notwithstanding any other provision of this Agreement, Stanwell is not required under any circumstances to make any payment under this Agreement for Option Tonnage that becomes and remains Stanwell Actual Export Tonnage.

5A.8 No more than once each Year, Stanwell may, at its cost, appoint a firm of accountants (that have a substantial presence in at least Brisbane, Sydney and Melbourne) ("**Auditor**") with instructions to determine the accuracy of each invoice produced under clause 5A.6. Wesfarmers shall give the Auditor, on a confidential basis (including the Auditor not disclosing the information to Stanwell), all information and assistance the Auditor reasonably requires to make that determination. If the determination gives rise to a dispute, then the dispute shall be resolved in accordance with Clause 18. This right of audit (for the avoidance of doubt, being no more than once each Year) may also be exercised by Wesfarmers, with the necessary changes, in respect of the Stanwell Selling Expenses (as defined in Clause 5A.1).

5A.9 These provisions apply to Unsold Option Tonnage for any Quarter:

(a) Notwithstanding any other provision of this Agreement, Stanwell may for any Quarter, by written notice to Wesfarmers and without payment or penalty, cancel up to 50% of the Unsold Option Tonnage for that Quarter (the amount so cancelled being "**Cancelled Unsold Option Tonnage**") provided that:

a. for any Unsold Option Tonnage that becomes Unsold Option Tonnage under Clauses 5A.4(e), 5A.4(f) or 5A.4(g)(iv), Stanwell must provide that written notice before the start of that Quarter; and

b. for any Unsold Option Tonnage that becomes Unsold Option Tonnage under Clause 5A.4(i)(iii)b, Stanwell must provide that written notice by the earlier of the start of that Quarter and five days after that Unsold Option Tonnage becomes Unsold Option Tonnage.

(b) Cancelled Unsold Option Tonnage ceases to be Option Tonnage, clause 14 will not apply to or take account of Cancelled Unsold Option Tonnage and Stanwell is not required to take delivery of or pay for Cancelled Unsold Option Tonnage or to make any payment under clause 12.3 in respect of Cancelled Unsold Option Tonnage.

For the avoidance of doubt any Unsold Option Tonnage that does not become Cancelled Unsold Option Tonnage (including as a result of Stanwell not providing the written notice to Wesfarmers within the period set out in Clause 5A.9(a)) or Stanwell Actual Export Tonnage, remains Option Tonnage in the applicable Quarter as if the affected volume had not been the subject of a notice provided by Stanwell under Clause 5A.4(b).

5A.10 If at any time after 30 June 2010, Stanwell wishes to enter into a long term arrangement with Wesfarmers for the export of significant volumes of Option Tonnage which Stanwell does not require for use in a Power Station, the Parties agree to meet in good faith to discuss such an arrangement. It is envisaged that such an arrangement would be conditional on Wiggins Island Terminal/Rail Commitment and would involve a commitment from Wesfarmers to use best endeavours to obtain additional rail capacity and port capacity at Wiggins Island Terminal to facilitate export of that Option Tonnage.

5A.11 If at any time after 30 June 2010, Stanwell does not require significant volumes of Base Tonnage for use in a Power Station, the Parties agree to meet in good faith to discuss an arrangement for selling those volumes into the export or domestic markets.

6. Delivery Facilities/Title/Risk

6.1 Coal shall be delivered by Wesfarmers onto rail wagons at the Loading Plant, at Wesfarmers' cost.

6.2 (a) Except as provided in Clause 6.2(b), subject to reasonable maintenance requirements that have, where possible, been previously notified by Wesfarmers to Stanwell, Wesfarmers shall deliver Coal at the Loading Plant at the Curragh Mine at a rate of at least [***] Tonnes per hour and have the Loading Plant available twenty-four (24) hours per day, seven (7) days a week.

(b) If there is a Curragh North Termination, then from and including the date of the Curragh North Termination, Clause 6.2(a) shall apply as if the words "subject to reasonable maintenance requirements that have, where possible, been previously notified by Wesfarmers to Stanwell," were deleted.

6.3 Where Stanwell is to arrange the transportation of Substitute Coal, Wesfarmers shall deliver such Substitute Coal at a rate which forms the basis of the rail rates agreed with Stanwell's Carrier.

6.4 Wesfarmers shall maintain adequate stockpiles of Coal to ensure continuity of deliveries taking into account such contingencies as might reasonably be foreseeable to a prudent mine operator.

6.5 Where Stanwell is to arrange the transport, Stanwell shall ensure that sufficient rollingstock is available at the Loading Plant at no cost to Wesfarmers to allow Wesfarmers to carry out its obligations hereunder.

6.6 (a) Where Stanwell is to arrange transport, delivery and acceptance of Coal shall be deemed to have been made and taken, and risk and title shall pass to Stanwell, when Coal from the Loading Plant is discharged onto rail wagons.

(b) Where Wesfarmers is to arrange transport of Substitute Coal, delivery and acceptance of that Coal shall be deemed to have been made and taken, and risk and title shall pass to Stanwell, when the Coal is discharged from Wesfarmers' Carrier's rail wagons at the unloading facilities at the Power Station.

6.7 While Wesfarmers will seek in good faith to comply with Schedules 2 and 3, Wesfarmers has no contractual obligation to do so; and Stanwell has no claim against Wesfarmers for any breach by Wesfarmers of those provisions.

6.8 When either Party proposes to enter into a contract for rail haulage with an operator other than Queensland Rail, either Party may request renegotiation of the provisions of Schedule 3 of this Agreement if it considers its interests to be adversely affected by the proposed contract. In such event the Parties will meet in good faith to endeavour to agree upon revised terms which meet their respective needs. If no agreement is reached by the Parties to amend this Agreement, this Agreement shall continue unchanged.

7. Quality of Coal

Standard Coal Quality

7.1 The Standard Coal Quality, which shall form the basis of price and price variations for varying Coal quality, shall be:

Gross Calorific Value (as sampled):	[***] GJ/t
Ash (at [***]% Total Moisture):	[***]%
Total Moisture (as sampled):	[***]%

7.2 Wesfarmers will use its best endeavours to ensure that Coal supplied will generally meet Standard Coal Quality.

7.3 If Coal supplied by Wesfarmers is of lesser quality than the Standard Coal Quality over a period of two consecutive Months, Stanwell may request advice from Wesfarmers on the action, if any, Wesfarmers proposes to take in an endeavour to deliver Coal of Standard Coal Quality.

Limiting Specifications

7.4 (a) Subject to Clause 7.4(b), if in the reasonable opinion of Stanwell after consultation between the Parties following a request under Clause 7.3 on the basis of previous deliveries and any inspection under Clause 7.10, the quality of Coal delivered or likely to be delivered hereunder at any time and from time to time does not meet any of the following limiting Coal specifications (for the purpose of this Clause 7, the "**Limiting Specifications**"):

Gross Calorific Value (as received)	[***] GJ/t	min
Ash (at [***]% total moisture)	[***]%	max
Total Moisture (as received)	[***]%	max
Sulphur (at [***]% total moisture)	[***]%	max
Slagging Index (0.8 x deformation temperature + 0.2 x hemisphere temperature (in reducing atmosphere))	[***]˚C	min
Volatile Matter (as received)	[***]%	min

then, if in Stanwell's reasonable opinion the failure of such Coal to meet these Limiting Specifications materially affects, or is likely to materially affect, the normal operation of the Power Station, Stanwell may by notice suspend delivery of Coal hereunder from the time of giving of such notice until Wesfarmers can demonstrate that the Coal ready for delivery is likely to meet all of the Limiting Specifications.

(b) If there is a Curragh North Termination, then from and including the date of the Curragh North Termination the Limiting Specification that is Volatile Matter (as received) at [***]% will change to Volatile Matter (moisture free basis) at [***]% Min.

7.5 Stanwell shall furnish to Wesfarmers, as soon as practicable after the giving of any notice of suspension hereunder, a statement setting out the reasons for Stanwell's decision to suspend deliveries, together with any relevant evidence and a portion of the sample or samples tested where applicable. Such a suspension shall constitute an interruption to supply in terms of Clause 13.

7.6 For rejection purposes coal quality will be determined on a mine stockpile basis and not on a train by train basis.

7.7 Wesfarmers shall use its best endeavours to ensure that Coal will meet the Limiting Specifications.

7.8 If Wesfarmers is not able to demonstrate as required in Clause 7.4 within a reasonable period of time, then Clause 13 shall apply.

Quality Generally

7.9 Wesfarmers shall keep Stanwell informed on matters which may affect the quality of Coal.

7.10 Stanwell may at any reasonable time, after the giving of a reasonable notice, inspect Wesfarmers' facilities and operations including Wesfarmers' drilling and quality control operations.

7.11 If Wesfarmers on an ongoing basis cannot meet the Slagging Index Limiting Specification of [***]˚C minimum, and Wesfarmers so requests, Stanwell will meet with Wesfarmers to discuss whether it will be possible for Stanwell to accept coal which does not meet that Limiting Specification over a particular period of time and if so on what basis, but Stanwell shall not be obliged to agree to accept such coal. However Stanwell will act reasonably and in good faith in considering such request.

7.12 Wesfarmers will use its best endeavours to ensure that based on representative sampling from Coal quantities in excess of [***] Tonnes:

(a) no more than [***]% and if possible, no more than [***]% of Coal delivered hereunder will pass through a [***] millimetre square mesh screen; and

(b) all coal delivered hereunder will pass through a [***] millimetre square mesh screen.

7.13 Wesfarmers shall, so far as reasonably practicable, co-operate with Stanwell to minimise any operational problems which may be experienced by Stanwell associated with:

(a) the handling of the Coal;

(b) extraneous materials in the Coal at the time of delivery ("**Extraneous Materials**"); or

(c) other undesirable properties of Coal at the time of delivery.

7.14 Stanwell may reject any delivery of Coal containing Extraneous Materials which are likely, in Stanwell's reasonable opinion, to make the Coal unusable by Stanwell.

8. Quantity and Quality Determination

Weight

8.1 The weight of Coal for payment purposes shall be ascertained by the Trade Certified Weighbridge, or in the event of the Trade Certified Weighbridge being unavailable or the Weighbridge not being Trade Certified then:

(a) subject to any agreement that is made as contemplated in clause 8.1(b), the weight of Coal for payment purposes shall be the Nominal Net Weight; and

(b) if the Trade Certified Weighbridge is unavailable for more than 28 consecutive days, or if the Weighbridge is not Trade Certified for more than 28 consecutive days, the Parties will meet in good faith to discuss and seek to agree a replacement method of determining the weight of Coal for payment purposes until the Trade Certified Weighbridge is again available or the Weighbridge is Trade Certified (as applicable). Until any such agreement is reached, Clause 8.1(a) will continue to apply. Clause 18 will not apply to any failure of the Parties to agree as contemplated in this Clause 8.1(b) except to the extent that if the Parties fail to reach agreement where the Trade Certified Weighbridge is unavailable for more than 365 consecutive days, or if the Weighbridge is not Trade Certified for more than 365 consecutive days, either Party may refer the matter for resolution to an Expert under Clause 18.8.

Sampling

8.2 All sampling, sample preparation and analysis of Coal to determine the quality of Coal delivered for the purpose of this Agreement shall be undertaken in accordance with Australian Standards AS4264 and AS1038 unless otherwise indicated or otherwise agreed from time to time.

8.3 The automatic sampler which exists adjacent to the rail loadout bins situated at the Loading Plant will be used to obtain samples representative of Coal delivered by Wesfarmers to rail wagons. Analyses of the sample shall be carried out at Stanwell's cost by Stanwell by an NATA registered laboratory agreed by the Parties. Wesfarmers shall operate the automatic sampler ("Mine Sampler") which exists adjacent to the rail loadout bins situated at the Curragh Mine, and shall request the supplier of Substitute Coal to operate the sampler adjacent to its rail loadout bins, to obtain samples representative of Coal delivered by Wesfarmers to rail wagons. The Mine Sampler shall conform to Australian Standard requirements. Wesfarmers shall provide the agreed NATA registered laboratory with the sample representative of Coal delivered to rail wagons. Analysis of the sample shall be carried out by that agreed laboratory.

8.4 Wesfarmers must use its best endeavours to ensure that the Mine Sampler operates as contemplated in this Clause 8 in respect of each train carrying Coal. If the Mine Sampler does not operate as contemplated in this Clause 8 in respect of a train carrying Coal, a representative of Wesfarmers must notify Stanwell or a nominee appointed by Stanwell for the purpose of this Clause of that event immediately by telephone and as soon thereafter as practicable by facsimile.

8.5 If the Mine Sampler does not operate as contemplated in this Clause 8 in respect of a train carrying Coal, then:

(a) Stanwell is entitled to, but shall not be obliged to, collect or arrange for its representative to collect a sample of Coal when Coal is discharged from the rail wagons at the Power Station unloading conveyor, and that sample shall be taken to be a sample for every purpose under this Agreement as though taken by the Mine Sampler under this Clause 8; or

(b) if Stanwell or its representative does not collect a sample when Coal is discharged from the rail wagons at the Power Station unloading conveyor, then the quality of Coal that is delivered by the train from which a sample was not taken shall be deemed to be equivalent to the average Gross Calorific Value (as received), Ash (at standard total moisture) and Total Moisture (as received) determined in respect of all other deliveries of Coal made under this Agreement during the Month in question.

8.6 Not fewer than three analysis sub-samples shall be prepared from each sample of Coal taken in accordance with this Clause 8. Stanwell shall retain one analysis sub-sample for analysis and shall make one analysis sub-sample available to Wesfarmers if requested by Wesfarmers (provided such request is made within five (5) working days of notification by Stanwell of the results of the analysis of such sample). Stanwell shall seal and retain one analysis sub-sample for twelve weeks for umpire analysis if required.

8.7 As soon as practicable after taking the Coal sample Stanwell or Stanwell's authorized representative shall determine the Total Moisture of the sample and shall determine on an as-received basis Gross Calorific Value, Ash and Moisture of the analysis sub-sample. Analyses shall be determined in accordance with the Standards listed in Clause 8.2 hereof. The following Coal properties representing the quality of Coal delivered shall be calculated from such analyses:

Gross Calorific Value (as sampled)
Ash (at [***]% Total Moisture)
Total Moisture (as sampled)

Stanwell shall notify Wesfarmers of the quality of Coal for each sample determined accordingly, within seven (7) days after sampling.

8.8 Coal properties notified in accordance with Clause 8.7 for samples taken during each Month shall be weight averaged on the basis of mass of individual Coal consignments for that Month to obtain the Monthly average Coal properties to determine the Monthly averaged Gross Calorific Value, Ash and Total Moisture for determination of Coal quality price adjustment pursuant to Clause 11.

8.9 Ash and Total Moisture shall be expressed to the nearest 0.10 percent (0.10%) in individual analyses and averages thereof. Should the calculated average fall exactly midway between two such percentages, then the nearest even one-tenth of a percent shall be accepted. Gross Calorific Value shall be expressed to the nearest 0.01 gigajoule per Tonne for individual analyses and averages thereof.

8.10 In the event of a disagreement with the determination of any Coal properties apart from Total Moisture, Wesfarmers shall notify Stanwell within two weeks of Stanwell's notification of such determination. In that event, the third portion of the appropriate sub-sample shall be delivered to a mutually agreed independent laboratory for umpire analysis. If the umpire analysis differs from Stanwell's analysis by more than the limit of reproducibility between laboratories, the umpire analysis shall be substituted for Stanwell's determination for all purposes. The costs incurred in carrying out any umpire analysis shall be borne by Wesfarmers unless the umpire analysis is adopted in which latter case Stanwell shall bear the costs of the umpire analysis.

8.11 There shall be no umpire analysis of Total Moisture, but Wesfarmers shall be entitled to satisfy itself that the Total Moisture is determined in accordance with this Agreement, by nominating a representative to be present at Total Moisture determination at Stanwell's or its authorized representative's laboratory. However if either Wesfarmers or Stanwell is concerned that the sample may have been contaminated with additional moisture then the Parties will in good faith meet to discuss what Total Moisture should be used.

8.12 Stanwell and Wesfarmers shall be entitled without notice, subject to complying with all laws and with all rules and requirements of the other Party to ensure safety and good environmental practices, to inspect or check the weighing, sampling and analysis facilities of the other Party or its authorized representative and to have access for witnessing the weighing, sampling and analysis of Coal. Wesfarmers shall ensure that its arrangements with suppliers of Substitute Coal permit Stanwell to exercise similar rights in respect of those suppliers.

9. Price of Coal

9.1 (a) Subject to Clause 9.1(b), from 6 August 2004, the Base Price of:

(i) Base Tonnage shall be A$[***]; and

(ii) Option Tonnage shall be A$[***],

per Tonne of Coal of Standard Coal Quality.

(b) If there is a Curragh North Termination, then from and including the date of the Curragh North Termination, the Base Price of Base Tonnage shall change to $[***] per Tonne (as of 1 January 2000) of Coal of Standard Coal Quality, escalated from 1 January 2000 under Clause 10.1 with a CPI Factor of 0.65.

(c) If the date of this Agreement occurs after 6 August 2004, then Clause 9.1(a) shall be deemed to have commenced from 6 August 2004 and an adjustment shall be made in the first payment to be made under Clause 12.1.

9.2 The Contract Price for Base Tonnage and the Contract Price for the Option Tonnage shall be the Base Price for Base Tonnage and Option Tonnage adjusted for the variations in the Consumer Price Index in accordance with Clause 10.

9.3 The Invoice Price for Coal delivered in any Month shall be the Contract Price for Base Tonnage and Option Tonnage for that Month adjusted to reflect the quality of the Coal delivered in that Month, in accordance with Clause 11.

9.4 Except as expressly provided in this Agreement, the Contract Price for each of the Base Tonnage and Option Tonnage shall remain fixed for the Contract Term and shall be inclusive of all costs. Those provisions shall be the only means whereby the Contract Price will be adjusted and the Contract Price so determined shall apply throughout the Contract Term irrespective of any change in Wesfarmers' actual costs, the mine's viability or market prices.

10. Variation in Price with Changes in Indices

CPI Adjustment

10.1 The Contract Price for each Quarter shall be calculated with effect from the first day of that Quarter in accordance with the following formula:

$$CP = \$\text{Base Price} \times \left[1 + \text{CPI Factor} \times \frac{(CNN - CPIBASE)}{(CPIBASE)} \right]$$

Where:

CP = The Contract Price for that Quarter

CPI Factor = 0.75, however if there is a Curragh North Termination, then from and including the date of the Curragh North Termination the CPI Factor reduce to 0.65

CPIBASE = The Consumer Price Index for:

- where the CPI Factor is 0.65, the September Quarter 1999, being 124.0; and
- where the CPI Factor is 0.75, the June Quarter 2002, being 138.1

CPIN = The Consumer Price Index for the Quarter beginning on January 1, April 1, July 1, and October 1, which shall be determined by reference to the Consumer Price Index published for the preceding September, December, March and June Quarters, respectively.

11. Variation in Price with Variations in Quality

11.1 For each of the Base Tonnage and Option Tonnage, the Invoice Price shall be the Contract Price adjusted for variations in quality from the Standard Coal Quality Specification as set out in this Clause 11. Such quality shall be determined in accordance with the provisions of Clause 8.

Adjustments will be made for variations from:

Gross Calorific Value (as sampled):	[***] GJ/t
Ash (at [***]% Total Moisture):	[***]%
Total Moisture (as sampled):	[***]%

11.2 For each of the Base Tonnage and Option Tonnage, the Invoice Price for any Month shall be calculated from the Contract Price in accordance with the following formula:

IP = CP((GCV/[***])-(0.01(AC-[***]))-(0.015(AC^1-[***]))-(0.01(MC-[***]))-(0.03(MC^1-[***])))

Where:

IP	=	Invoice Price
CP	=	Contract Price for that Month
GCV	=	Weight averaged gross calorific value of Coal delivered in that Month determined in accordance with Clause 8
AC	=	Weight averaged ash content of coal delivered in that Month determined in accordance with Clause 8 or [***]% whichever is the greater.
AC^1	=	AC or [***]% whichever is the greater
MC	=	Weight averaged moisture content of coal delivered in that Month determined in accordance with Clause 8 or [***]% whichever is the greater
MC^1	=	MC or [***]% whichever is the greater

12. Payment

Payments to be Made

12.1 Stanwell shall pay to Wesfarmers each Month, or Wesfarmers shall pay to Stanwell each Month, as the case may be:

(a) the Amount Payable for Base Tonnage and Option Tonnage pursuant to Clause 12.2;

(b) the Statutory Charges Payment pursuant to Clause 12.3;

(c) any Rail Energy Payment pursuant to Clause 12.4;

(d) any amount payable pursuant to Clause 12.5;

(e) any amount payable pursuant to Clause 12.6; and

(f) any amount payable in relation to Transport Cost pursuant to Clause 3.6.

Payment for Coal

12.2 Stanwell shall pay each Month for the aggregate quantities of Coal delivered in the previous Month at the Invoice Price for that Month in accordance with the following expression:

Amount Payable = (Invoice Price for Base Tonnages x Base Tonnes Delivered) + (Invoice Price for Optional Tonnage x Optional Tonnes Delivered), where the Invoice Price is determined in accordance with Clause 11.2 and the Tonnes Delivered is the sum of the quantities delivered as ascertained in accordance with Clause 8.

The Amount Payable shall also include Tonnes Delivered during the Month which have been postponed from a previous Month in accordance with Clause 13.8, Clause 14.8, or Clause 17.1 to which shall be applied the Contract Price as provided in those Clauses.

Statutory Charges Payment

12.3 Stanwell shall pay to Wesfarmers a "Statutory Charges Payment" for Coal delivered under this Agreement in each Year made up of the following components:

(a) Royalty component, calculated on a per Tonne basis, being the royalties paid by Wesfarmers under the Act or any other relevant statute on Coal sold to Stanwell during that Year.

(b) Research excise levy component, calculated on a per Tonne basis, being the levy paid on a per Tonne basis by Wesfarmers under the Deed of Agreement between Wesfarmers and Australian Coal Research Limited consistent with industry standards as part of an arrangement set out in the Memorandum of Understanding between the Australian Coal Association and the Minister for Primary Industry and Energy, on Coal sold to Stanwell during that Year.

(c) Long service leave component, being the aggregate of:

(i) LSL paid by Wesfarmers, and any Related Body Corporate of Wesfarmers, as the liable party under the LSL Levy Act during a Year in respect of eligible employees at the Curragh Mine and the Curragh North Mine multiplied by the ratio that the Coal delivered to Stanwell under this Agreement bears to the quantity of all coal produced from the Curragh Mine and the Curragh North Mine sold by Wesfarmers during that Year; and

(ii) LSL paid by contractors of Wesfarmers and contractors of any Related Body Corporate of Wesfarmers, where those contractors are the liable parties under the LSL Levy Act during a Year in respect of eligible employees at the Curragh Mine and the Curragh North Mine multiplied by the ratio that the Coal delivered to Stanwell under this Agreement bears to the quantity of all coal produced from the Curragh Mine and the Curragh North Mine sold by Wesfarmers during that Year, but only to the extent that the LSL relates to eligible employees of those contractors undertaking the following activities relating to coal mining operations carried out at the Curragh Mine or the Curragh North Mine:

(A) removal of overburden, interburden and partings;

(B) extracting coal;

(C) earthworks in the course of undertaking activities in (A) and (B);

(D) blasting for the purposes of undertaking activities in (A), (B) and (C);

(E) transporting, stockpiling, washing and processing coal; and

(F) such other coal mining operations carried out by a contractor of Wesfarmers or a contractor of a Related Body Corporate of Wesfarmers, in either case at the Curragh Mine or Curragh North Mine, as Wesfarmers acting reasonably considers and Stanwell acting reasonably agrees has previously been carried out by an employee of Wesfarmers or a Related Body Corporate of Wesfarmers,

(**Qualifying Activities**).

For both Clause 12.3(c)(i) and (ii), Wesfarmers must give Stanwell such information about the calculation of any LSL paid by Wesfarmers, any Related Body Corporate of Wesfarmers, contractors of Wesfarmers and contractors of any Related Bodies Corporate of Wesfarmers as Stanwell acting reasonably requires to satisfy itself that the calculation of that payment under Clause 12.3(c)(i) and (ii) claimed by Wesfarmers is correct. In the case of contractors of Wesfarmers and contractors of any Related Bodies Corporate of Wesfarmers, Stanwell acknowledges that a statement on letterhead by any such contractor to the effect that LSL payments were made on behalf of its employees conducting works at the Curragh Mine and/or the Curragh North Mine is reasonable for this purpose (and the following words would, for example, be satisfactory to Stanwell for that purpose) provided Stanwell is also satisfied, acting reasonably, that the services provided by the contractor are Qualifying Activities.

"[Name of contractor of Wesfarmers (or if applicable, of Wesfarmers' Related Body Corporate)] confirms that the following Long Service Leave Levy payments were made on behalf of its employees conducting works at the Curragh and/or Curragh North Mines [under our services contract with Wesfarmers Curragh Pty Ltd] for the period [each month; or Year, as applicable]:".

Stanwell has a right of audit under Clause 12.5(h) in respect of any LSL paid by Stanwell under this Clause 12.3(c).

(d) Other charges component, calculated by apportioning all Charges by the ratio that the Coal delivered to Stanwell under this Agreement bears to the quantity of all coal sold by Wesfarmers during that Year.

In this Clause 12.3(d) "**Charges**" means charges, taxes, royalties and other levies paid by Wesfarmers in relation to the Curragh Mine, the Curragh North Mine and the Tenements under any law of the State of Queensland or the Commonwealth of Australia during that Year excluding:

(i) income tax, payroll tax, and any fines or levies imposed by any government authority for failure to comply with any statute or regulation;

(ii) Charges covered by paragraphs (a), (b) and (c) of this Clause 12.3;

(iii) GST, as defined in Clause 12.6, and

(iv) any excess over $50,000 (adjusted for the variations in the Consumer Price Index over 124.0) of any fringe benefits tax arising because of salary sacrifice arrangements with employees. "**Salary sacrifice arrangement**" means the provision of non-cash benefits to an employee in substitution for salary and wages at that individual employee's request and election and on the specific terms negotiated by that employee and excludes non-cash benefits provided to employees generally under the regular terms of employment.

Rail Energy Payment

12.4 Stanwell shall pay to Wesfarmers (or Wesfarmers shall pay to Stanwell if the amount is negative) each Month, on an interim basis, an Interim Rail Energy Payment on Coal Delivered in the Previous Month calculated as follows:

Interim Monthly Rail Energy Payment = CC Interim Monthly Rate x 0.5[(GCV/[***]) -1] x Tonnes Delivered

At the end of each Year, and as soon as the information becomes available, Stanwell shall recalculate each Interim Monthly Rail Energy Payment for each Month of that Year as if each payment had been calculated and paid using the CC Final Monthly Rate and not the CC Interim Monthly Rate ("**Final Monthly Rail Energy Payment**"). Stanwell shall provide an invoice (with such supporting documentation as Wesfarmers may reasonably require) to Wesfarmers setting out the total of the Interim Monthly Rail Energy Payments paid by each of Wesfarmers and Stanwell for that Year; the total of the Final Monthly Rail Energy Payments; and the amounts payable by each Party had the Monthly payments been made for that Year based on the applicable Final Monthly Rail Energy Payment. Any payment by Wesfarmers or Stanwell shall be made within 14 days of the invoice being received as contemplated in Clause 12.11. Clause 12.7 will not apply.

In this Clause 12.4:

"**CC Interim Monthly Rate**" means the amount, in $/Tonne, equal to Stanwell's Carrier's rail rate applying at the time, taking into account Stanwell's best estimate of all available rail performance Freight Incentives and Corridor Improvement Incentives, for the transport of Coal from the Curragh Mine Loading Plant to the unloading facilities at the Power Station.

"**CC Final Monthly Rate**" means the amount, in $/Tonne, equal to Stanwell's Carrier's rail rate applying at the time, taking into account all rail performance Freight Incentives and Corridor Improvement Incentives actually received, for the transport of Coal from the Curragh Mine Loading Plant to the unloading facilities at the Power Station.

"**Coal Delivered in the Previous Month**" means the sum of the Coal delivered in the previous Month.

"**Freight Incentives**" means rail performance incentives that are available and which actually apply to Stanwell's Carrier's rail rate at the relevant time.

"**Corridor Improvement Incentives**" means rail corridor incentives available to rail users at the relevant time.

"**GCV**" has the meaning given to that term in Clause 11.2.

"**Tonnes Delivered**" means, for the relevant period, the sum of the quantities delivered during that period as ascertained in accordance with Clause 8.

Stanwell's Rebates

12.5 **Definitions:**

(a) In this Clause 12.5 (and other provisions of this Clause 12):

"**Expansion Commitment Date**" means the date (not later than the Expansion Commitment Deadline Date) when Wesfarmers has notified Stanwell in writing that:

(i) the Wesfarmers Limited board of directors has given approval to Wesfarmers proceeding with the Expansion Project; and

(ii) Wesfarmers has executed binding, unconditional contractual commitments for the Expansion Project.

"**Expansion Commitment Deadline Date**" means 31 December 2012; or such alternative date as the Parties may agree.

"**Expansion Project**" means the proposed expansion of coal handling and processing plant capacity to at least [***] Tonnes per annum of Metallurgical Coal in respect of coal mined from the Tenements, through Wesfarmers (i) capital investment or (ii) long term lease arrangements (but not including contract washing arrangements) with an agreed expiry date of no earlier than the Final Delivery Date.

"**Floor Price**" means, as the context may require, the Tier 1 Rebate Coal Floor Price or the Tier 2 Rebate Coal Floor Price.

"**Pit U East Area**" means the area described as the Pit U East Area in Part G of Schedule 1 to this Agreement.

"**Pit U East Area ROM Rebate**" means A$2.00 escalated at the Consumer Price Index from 1 July 2008, and calculated Quarterly using the applicable Quarterly compounding factor.

"**Pit U East Area ROM Tonnage**" means:

Insitu Coal Volume (bcm) x Density Correction Factor (t/bcm)

Where:

Insitu Coal Volume (bcm)	=	the volume of insitu coal mined from the Pit U East Area, as determined by survey in accordance with Part H of Schedule 1.
Density Correction Factor (t/bcm) for the Pisces Seam	=	[***]
Density Correction Factor (t/bcm) for the Aries Seam	=	[***]
Density Correction Factor (t/bcm) for the Castor Seam	=	[***]

The Density Correction Factor for each seam will be reviewed:

(i) by Wesfarmers, acting reasonably and in consultation with Stanwell, in the second Year after the Year in which the first [***] of ROM Tonnes of non-oxidised coal are extracted from the relevant

seam in the Pit U East Area. Stanwell may refer the matter for resolution to an Expert under Clause 18.8 where it disagrees with Wesfarmers review; and

(ii) thereafter at the request of either Party (such request not to be made more frequently than once each Year) as the Parties acting reasonably agree. Either Party may refer the matter for resolution to an Expert under Clause 18.8 in the absence of agreement.

Any change to the Density Correction Factor will take effect:

(A) where paragraph (i) applies, on the first day of the Month after the first [***] of ROM Tonnes of non-oxidised coal are extracted from the relevant seam in the Pit U East Area; and

(B) where paragraph (ii) applies, on the first day of the Month after a Party requests the review.

Every Density Correction Factor subsequently reviewed, agreed or determined for this definition must be reviewed, agreed or determined on a basis similar to that underlying the determination for the initial factors set out above.

"**Rebate Coal**" means the volume in Tonnes of coal mined from the Tenements that has been sold by Wesfarmers under domestic and export coal contracts and delivered, accepted and paid for in the relevant Month, excluding however:

(a) Stanwell Actual Export Tonnage;

(b) Wesfarmers Domestic Thermal Tonnage; and

(c) the first 150,000 Tonnes of Wesfarmers Domestic Metallurgical Tonnage in the relevant Year.

"**Reference Coal**" means, subject to Clause 12.5(i), [***].

"**Reference Coal Contract Price**" means the weighted average contract price (in US$ per Tonne FOB Loading Port of Gladstone As Converted Into A$) of the Reference Coal sold and delivered under domestic and export coal supply contracts in the twelve (12) Month period immediately prior to the relevant Month in respect of which the calculation is to be made.

"**Tier 1 Rebate Coal**" means on an annualised basis the Rebate Coal for a Year up to 7.0 million Tonnes.

"**Tier 1 Rebate Coal Floor Price**" means A$58.00, escalated at a rate of 1% per annum from 1 July 2002, and calculated Quarterly using the applicable Quarterly compounding factor.

"**Tier 2 Rebate Coal**" means on an annualised basis the Rebate Coal for a Year from (and excluding) 7.0 million Tonnes.

"**Tier 2 Rebate Coal Floor Price**" means A$93.00, escalated at the Consumer Price Index from 1 July 2008, and calculated Quarterly using the applicable Quarterly compounding factor.

"**Wesfarmers Domestic Metallurgical Tonnage**" means Metallurgical Coal sold by Wesfarmers under domestic coal contracts to a purchaser located in Australia for consumption of that coal in Australia, but excluding any such coal that is subsequently exported.

"**Wesfarmers Domestic Thermal Tonnage**" means Thermal Coal sold by Wesfarmers under domestic coal contracts to a purchaser located in Australia for consumption of that coal in Australia (including Coal sold and delivered to Stanwell under this Agreement), but excluding any such coal that is subsequently exported.

Tonnage Rebate:

(b) Subject to Clause 12.5(c), Wesfarmers shall, until the Final Delivery Date, pay to Stanwell a Tonnage Rebate calculated as follows:

Tonnage Rebate	=	A$0.70 escalated at 1% per annum from 1 July 2002, and calculated Quarterly using the applicable Quarterly compounding factor.	x	Rebate Coal

(c) If the Expansion Commitment Date occurs on or before the Expansion Commitment Deadline Date, Wesfarmers shall, for Rebate Coal paid for after the date on which the Expansion Commitment Date occurs, pay to Stanwell a Tonnage Rebate calculated as follows:

Tonnage Rebate = Tier 1 Tonnage Rebate + Tier 2 Tonnage Rebate

where:

Tier 1 Tonnage Rebate	=	A$0.70 escalated at 1% per annum from 1 July 2002, and calculated Quarterly using the applicable Quarterly compounding factor.	x	Tier 1 Rebate Coal
Tier 2 Tonnage Rebate	=	A$0.70 escalated at the Consumer Price Index from 1 July 2008, and calculated Quarterly using the applicable Quarterly compounding factor.	x	Tier 2 Rebate Coal

For the avoidance of doubt, should the Expansion Commitment Date not occur on or before the Expansion Commitment Deadline Date, this Clause 12.5(c) shall not apply to Rebate Coal and Clause 12.5(b) shall continue to apply.

Price Rebate:

(d) Subject to Clause 12.5(e), Wesfarmers shall, until the Final Delivery Date, pay to Stanwell a Price Rebate calculated as follows:

Price Rebate	=	Rebate Coal	x	[25%	x	(Reference Coal Contract Price - Tier 1 Rebate Coal Floor Price)]

(e) If the Expansion Commitment Date occurs on or before the Expansion Commitment Deadline Date , Wesfarmers shall, for Rebate Coal paid for after the date on which the Expansion Commitment Date occurs, pay to Stanwell a Price Rebate calculated as follows:

Price Rebate = Tier 1 Price Rebate + Tier 2 Price Rebate

where:

Tier 1 Price Rebate	=	Tier 1 Rebate Coal	x	[25%	x	(Reference Coal Contract Price - Tier 1 Rebate Coal Floor Price)]
Tier 2 Price Rebate	=	Tier 2 Rebate Coal	x	[10%	x	(Reference Coal Contract Price - Tier 2 Rebate Coal Floor Price)]

For the avoidance of doubt, should the Expansion Commitment Date not occur on or before the Expansion Commitment Deadline Date, this Clause 12.5(e) shall not apply to Rebate Coal and Clause 12.5(d) shall continue to apply.

(f) For the avoidance of doubt, the Price Rebate for the relevant tier of coal will be zero where the Floor Price applicable for that tier is equal to or greater than the Reference Coal Contract Price.

Pit U East Area ROM Rebate:

(g) Wesfarmers must for every applicable Month, pay to Stanwell an amount equal to:

the Pit U East Area ROM Rebate x the Pit U East Area ROM Tonnage for that Month

Rebates—General:

(h) Wesfarmers shall prepare Monthly, and have certified as correct by a senior executive of Wesfarmers authorized to bind Wesfarmers, a statement ("**Monthly Rebate Coal Statement**") setting out for that Month, the Rebate Coal, the coal that has been delivered and that will become Rebate Coal when paid for, the Reference Coal Contract Price, Wesfarmers Domestic Metallurgical Tonnage and the Pit U East Area ROM Tonnage. No more than once each Year, Stanwell may, at its cost, appoint a firm of accountants (that have .a substantial presence in at least Brisbane, Sydney and Melbourne) ("**Auditor**") with instructions to determine the accuracy of each Monthly Rebate Coal Statement and of each recalculation under section 3 in Schedule (8). Wesfarmers shall give the Auditor, on a confidential basis (including the Auditor not disclosing the information to Stanwell), all information and assistance the Auditor reasonably requires to make that determination. If the determination gives rise to a dispute, then the dispute shall be resolved in accordance with Clause 18.8. This right of audit (for the avoidance of doubt, being no more than once each Year) may also be exercised by Stanwell to determine the accuracy of calculations of any LSL paid or to be paid by Stanwell under Clause 12.3(c).

(i) If at any time the Reference Coal has not been sold and delivered under domestic or export coal supply contracts during the twelve (12) Month period referred to in the definition of Reference Coal Contract Price, the Parties shall, at the request of either Party, agree:

(i) the most suitable brand of coal that is mined from the Tenements that is sold under domestic or export coal supply contracts (during the last twelve (12) Month period in which the Reference Coal has been sold and delivered under domestic or export coal supply contracts), to replace the Reference Coal for purposes of calculating the Reference Coal Contract Price; and

(ii) an amendment to the definition of the Floor Price for each tier of coal such that the difference between:

(A) the new Floor Price for each tier of coal and the new Reference Coal Contract Price at the beginning of the (12) Month period referred to in Clause 12.5(i)(i),

is the same as

(B) the old Floor Price for that tier of coal and the old Reference Coal Contract Price at that date.

(j) If agreement has not been reached on the most suitable brand of coal that is mined from the Tenements under Clause 12.5(i)(i) and new Floor Price for the relevant tier of coal and the new Reference Coal Contract Price under Clause 12.5(i)(ii)(A) within a period of two (2) Months after the applicable request, then the matter not agreed shall be determined under Clause 18.8.

(k) The Parties acknowledge that in accordance with the definition of "Reference Coal Contract Price" in Clause 12.5(a), the relevant reference period for calculating the Reference Coal Contract Price is "the twelve (12) Month period immediately prior to the relevant Month in respect of which the calculation is to be made". On Wesfarmers' request, the Parties shall enter negotiations in good faith to change the aforementioned reference period to "the three (3) Month period immediately prior to the relevant Month in respect of which the calculation is to be made".

(l) For the avoidance of doubt, nothing in this Clause 12.5 shall commit Wesfarmers to sell any minimum volume of Rebate Coal or mine any minimum volume of coal from the Pit U East Area.

GST

12.6 For the purposes of this Agreement,

(a) All amounts expressed or determined to be payable by any Party to another under this Agreement are calculated and will be determined exclusive of GST.

(b) If any payment required to be made by one Party to another under this Agreement is a payment for a taxable supply for the purposes of the GST Act, the amount payable is the amount derived by multiplying the original amount payable by the formula [1 + (the decimal expression of the GST rate imposed under the GST Act)].

(c) If any Party is required to reimburse another for an amount paid or payable for a taxable supply by a third party for which that Party is entitled to claim an input tax credit, the amount required to be reimbursed will be reduced by the amount of the credit.

(d) The obligation to pay any amount is subject to the Party receiving the payment, providing to the other Party in accordance with the requirements of the GST Act a tax invoice for each payment.

(e) Payment of the GST shall be made at the same time as payment for the relevant taxable supply is required to be made or within seven days of delivery of a tax invoice or adjustment note, whichever is later.

(f) If the amount of GST paid or payable by any Party in respect of a taxable supply made under this Agreement differs from the amount of GST paid by that Party by reason of the Australian Commissioner of Taxation lawfully adjusting the amount of GST payable, then the amount of GST paid shall be adjusted accordingly, by a further payment by one Party to the other as the case requires.

Invoicing

12.7 Wesfarmers shall submit to Stanwell as soon as practicable after the end of each Month an invoice for all amounts payable by the Parties pursuant to this Clause 12 in that Month, including Wesfarmers' best estimate (on an accruals basis) of all amounts, such as those estimated amounts to be prorated under Clause 12.3 or 12.5, where the final amount cannot yet be determined, and any adjustments pursuant to Clause 12.11. The foregoing includes taking into account projected sales of Coal/coal where necessary to calculate amounts payable under this Clause 12. For amounts in respect of any Tonnage Rebate and/or Price Rebate:

(a) where Clauses 12.5(c) and 12.5(e) apply, the Parties must comply with Schedule 8 in respect of invoicing and payments for those invoices; and

(b) for amounts payable by Wesfarmers to Stanwell for a Month, may be a recipient created tax invoice.

12.8 Each invoice shall be accompanied by a statement showing in detail the calculations used, the Monthly Rebate Coal Statement referred to in Clause 12.5(h), and, where they exist, copies of third party documentation evidencing payments made by Wesfarmers in respect of amounts payable by Stanwell under Clause 12.3 or 12.5.

Set-Off

12.9 (a) Except as provided in Clause 12.9(b) and 12.9(c), neither Party shall be entitled to set-off against any amounts payable by it to the other Party pursuant to this Agreement, any amounts payable by the other Party to it pursuant to this Agreement or otherwise.

(b) Stanwell shall be entitled to set-off against any amounts payable by it pursuant to this Clause 12, any amounts payable to Stanwell by Wesfarmers pursuant to Clause 12.5.

(c) Wesfarmers shall be entitled to set-off against any amounts payable by it pursuant to Clause 12.5, any amounts payable to Wesfarmers by Stanwell pursuant to this Clause 12.

Payment/Adjustments

12.10 Stanwell shall pay such invoices to a bank account nominated by Wesfarmers by the 15TH day of the Month in which the invoice is submitted or within seven (7) days of receipt of the invoice, whichever is the later date.

12.11 Where appropriate, an adjustment will be made between the Parties for any charge which has been levied on an interim basis (such as those in Clauses 12.3 or 12.5) within 14 days of the final amount being determined.

12.12 If after reasonable consultation with Wesfarmers, Stanwell is of the reasonable opinion the amount of any invoice rendered pursuant to this Clause 12 exceeds the amount actually owing by Stanwell, Stanwell may withhold payment of 50% of the difference, and pay:

(a) the other 50% of the difference; plus

(b) the amount of GST payable by Wesfarmers on the full amount of the invoice; plus

(c) all other undisputed amounts in accordance with Clause 12.10.

In the event of such withholding, Stanwell shall by the due date of payment notify Wesfarmers of the reasons for its opinion in reasonable detail. Withholding as aforesaid shall be deemed to be a dispute which shall be resolved in accordance with Clause 18. Stanwell shall pay the amount withheld to the extent the dispute mechanism determines it is payable within 7 days of that determination.

13. Interruption to Supply

Stable Supply as Fundamental Condition

13.1 (a) Wesfarmers expressly acknowledges that, without derogating from the provisions of this Agreement providing for termination and suspension, it is a fundamental expectation of Stanwell that this Agreement will provide Stanwell with a stable supply of Coal (complying with the quality characteristics provided in this Agreement) for use in the Power Station and that it was on the basis of Wesfarmers' representations of its ability to provide such stable supply as specified herein that Stanwell agreed to enter this Agreement with Wesfarmers.

(b) Irrespective of the allocation of risk for failure to supply the Coal under this Agreement, Wesfarmers shall endeavour to avoid and minimize any interruptions to supply.

(c) (i) For so long as Wesfarmers and Stanwell, or their respective Related Bodies Corporate, are not, nor are they likely to be, competitive with each other in respect of Coal within the meaning of the *Trade Practices Act 1974 (Cth)*, Wesfarmers will not enter into a contract that contains a clause under which Wesfarmers is obliged to supply Coal to a customer in priority to supplying Coal to Stanwell.

(ii) If there is a Curragh North Termination, then from and including the date of the Curragh North Termination Clause 13.1(c)(i) will cease to apply.

(d) Clauses 13.2 to 13.15, inclusive shall apply in the event deliveries of Coal are not tendered in full by Wesfarmers hereunder on the due date or such non-tendering is threatened as provided hereunder, irrespective of the cause, except where the cause is the breach by Stanwell of its obligations hereunder or the non-taking by Stanwell of such Coal.

Wesfarmers to Give Notices and Reports

13.2 (a) Wesfarmers shall give notice ("**Interruption Notice**") to Stanwell promptly upon the occurrence of any event which interrupts or is reasonably likely to interrupt the supply of Coal by Wesfarmers in accordance with this Agreement.

(b) As soon as practicable thereafter, Wesfarmers shall give a report to Stanwell covering the following matters to the best of Wesfarmers' knowledge at the time of giving the report:

(i) the nature of the interruption or threatened interruption;

(ii) the circumstances and cause of the same;

(iii) whether Wesfarmers considers the event to be outside the control of Wesfarmers;

(iv) the likely duration of the interruption;

(v) Wesfarmers' revised delivery plan for Coal at the time of giving the report; and

(vi) details of the efforts that have been made and are planned by Wesfarmers to avoid or minimize the interruption and the effects thereof on Wesfarmers' performance under this Agreement.

(c) So long as the interruption continues or continues to threaten, Wesfarmers shall furnish Stanwell with further reports covering the matters listed in Clause 13.2(b):

(i) whenever there is any material change in the circumstances as set out in the last report; and

(ii) in any event no less than Monthly.

(d) Wesfarmers shall notify Stanwell immediately when the interruption of supply of Coal ends.

Counter Measures by Stanwell

13.3 Stanwell shall be entitled to take reasonable action to avoid or mitigate the effects of the interruption or threatened interruption of supply of Coal, without prejudicing such rights as Stanwell may have under this Agreement with respect to such interruption. In particular but without limitation, Stanwell shall be entitled to take the following actions if the interruption to supply continues, or in the reasonable opinion of Stanwell after consulting with Wesfarmers is likely to continue, for more than;

(a) thirty (30) days, then Stanwell may, at its discretion in accordance with Clause 13.6:

(i) subject to Clause 13.8 postpone the affected deliveries, until any subsequent Year or Years of the Contract Term; or

(ii) without penalty to Stanwell cancel the relevant deliveries and purchase other coal;

(b) ninety (90) days, then Stanwell may, at its discretion in accordance with Clause 13.6, enter Medium Term Arrangements for the purchase of other coal to cover the tonnage of coal which is in Stanwell's reasonable view, likely to be affected by the interruption in which case Stanwell, in addition to its rights under sub-Clause 13.3(a) above, may at its discretion cancel the shipments covered by the Medium Term Arrangements or postpone, subject to Clause 13.8, the same to any subsequent Year or Years; and

(c) fifteen (15) Months, and actually result in Stanwell receiving less than [***]% of the Coal it is entitled to receive under this Agreement during those fifteen (15) Months, then Stanwell may, in addition to its rights described in sub-Clauses 13.3(a) and (b) above, upon notice to Wesfarmers terminate this Agreement provided such notice is given within seven (7) days of the end of that fifteen (15) Month period. Any notice given pursuant to this clause shall state the effective date of such termination.

13.4 In the event Wesfarmers becomes able to recommence performance in accordance with this Agreement during the period of any suspension under sub-Clause 13.3(b), Wesfarmers shall give Stanwell not less than ninety (90) days' notice thereof in which event, upon termination of its Medium Term Arrangements, Wesfarmers shall recommence making and Stanwell shall recommence taking Coal deliveries under this Agreement.

13.5 Before taking any reasonable action under Clause 13.3, Stanwell shall inform Wesfarmers of its proposed action. Wesfarmers may, within 5 days, make representations to Stanwell as to the appropriateness of the proposed action, taking into account among other things, the likelihood of the interruption occurring and its likely duration. In determining what reasonable action to take under Clause 13.3, Stanwell shall take those representations into account.

Stanwell's Elections

13.6 Stanwell may make the elections provided in Clause 13.3 by giving notice to Wesfarmers at any time prior to the recommencement of Wesfarmers' performance after interruption or suspension of this Agreement.

13.7 If Stanwell elects to cancel from this Agreement deliveries which were affected, the Total Contract Tonnage shall be reduced by the affected tonnage.

13.8 If Stanwell elects to treat the affected deliveries as postponed, then the same shall be postponed until such subsequent Years as may be nominated by Stanwell in the notice of election given under Clause 13.6 provided that unless Wesfarmers agrees, the postponed deliveries to be delivered in any Year shall not exceed [***] percent ([***]%) of the Nominal Contract Tonnage for that Year. Such shipments shall be at the same Contract Price as they would have been if the interruption had not occurred.

13.9 If Stanwell elects to enter into Medium Term Arrangements and Wesfarmers gives Stanwell notice of resumption of deliveries Stanwell shall use its best endeavours to terminate the Medium Term Arrangements (without being required to breach the same) such that it is able to take the deliveries when nominated by Wesfarmers.

13.10 If the interruption to making deliveries is only partial or if Wesfarmers is able to recommence partial deliveries only and such partial deliveries are in Stanwell's reasonable view likely to result in Stanwell receiving less than [***]% of the total Coal it is entitled to receive under this Agreement over the succeeding 90 days, Stanwell shall have the option of not accepting any deliveries, in which case the provisions of this Clause 13 shall apply as if no deliveries were possible, or of accepting such deliveries as can be made, in which case this Clause shall apply to the portion of deliveries that cannot be made.

Causes Outside the Control of Wesfarmers

13.11 (a) For the purposes of Clauses 13.14 and 13.15, an interruption to supply of Coal shall be considered to be a "**Cause Outside the Control of Wesfarmers**" only if the following conditions are met:

(i) the cause of the interruption was not reasonably foreseeable and was beyond Wesfarmers' reasonable control;

(ii) the interruption could not have been avoided or overcome by a prudent coal mine operator exercising due diligence;

(iii) Wesfarmers has substantially given the notices and reports required under Clause 13.2;

(iv) any relevant requirements of Clause 13.11(b) are satisfied;

(v) if the Coal is Substitute Coal, the requirements of Clause 13.12 are satisfied; and

(vi) Wesfarmers allocates its available coal to Stanwell on a basis which is no less favourable than to Wesfarmers' other customers.

(b) The following provisions shall apply with respect to the particular causes enumerated:

(i) Interruptions due to breakdowns of machinery will only be considered to be beyond Wesfarmers' reasonable control if Wesfarmers has followed proper maintenance procedures and has in place proper "breakdown" procedures which anticipate normally foreseeable breakdowns and minimize the consequences.

(ii) Interruptions due to failure of supply of goods and services, including shipping and other transportation, electric power and water, will only be considered to be beyond Wesfarmers' reasonable control if Wesfarmers has exercised due prudence in the choice of the supplier and has entered proper contractual arrangements.

(iii) Interruptions due to shortage of reserves, geology, mining conditions, reduction in export demand or increases in costs, however unexpected, will not be considered to be beyond Wesfarmers' reasonable control.

(c) Where Wesfarmers is entitled to recover damages from a third party supplier of goods or services, it shall use its best endeavours to do so (to the extent that a prudent operator and investor would do so) and the cause concerned (to the extent it otherwise qualifies under this Clause 13.11) will only be considered to be a Cause Outside Control of Wesfarmers to the extent such damages recovered by Wesfarmers are insufficient to pay to Stanwell the amounts payable under Clause 13.15.

(d) Without limitation the following are examples of events that could lead to interruption to the supply of Coal beyond Wesfarmers' control if the requirements of Clauses 13.11(a) and 13.11(b) are met:

(i) natural calamities, acts of public enemies, acts of terrorists, insurrections, fires, wars, explosions, floods;

(ii) serious breakdowns of railroad or port facilities;

(iii) breakdowns of mining plant and equipment and other machinery;

(iv) embargoes, orders or acts of a competent court or governmental or other statutory authority;

(v) strike, lockouts, illegal stoppages, or labour or union organised reduction of production; and

(vi) failure of supply of goods and services, including Wesfarmers' Carrier failing to make sufficient rollingstock available at the Loading Plant at a mine to transport Substitute Coal.

Causes Outside Control of Wesfarmers in case of Substitute Coal

13.12 Where the interruption to supply affects Coal which is Substitute Coal, the interruption to supply shall not be considered to result from a Cause Outside Control of Wesfarmers unless the requirements of Clause 13.11 are satisfied (a "**Qualifying Cause**") and either:

(a) coal supplies in the area in Queensland north of latitude 24 degrees are generally interrupted by the same cause; or

(b) the Substitute Coal has been or is to be delivered to the Curragh Mine for delivery to Stanwell through the Curragh Mine Loading Plant and either:

(i) the Qualifying Cause prevents the Substitute Coal from being delivered to the Curragh Mine Loading Plant; or

(ii) the Qualifying Cause occurs after such delivery.

Consequences of Interruption

13.13 Both Wesfarmers and Stanwell shall endeavour to mitigate costs and damages flowing from any interruption to the supply of Coal.

13.14 If the cause of the interruption to supply is a Cause Outside the Control of Wesfarmers, then Wesfarmers shall be relieved of its obligation to make such deliveries at such time to the extent the making is prevented by such cause, without derogating from Wesfarmers' other obligations hereunder.

13.15 Subject to Clause 24.6, if the cause of the interruption to supply is not a Cause Outside the Control of Wesfarmers, then in addition to such other rights as Stanwell may have under this Agreement, Stanwell shall be entitled to recover from Wesfarmers:

(a) indemnification for all of Stanwell's costs and damages resulting from the interruption, including additional costs in obtaining make up coal. Stanwell will use reasonable endeavours to mitigate all such costs and damages; and in addition

(b) liquidated damages equal to [***] percent ([***]%) of the amount determined under (a).

14. Interruption to taking of Deliveries

Stable Demand as Fundamental Condition

14.1 (a) Stanwell expressly acknowledges that, without derogating from the provisions of this Agreement providing for termination and suspension, it is a fundamental expectation of Wesfarmers that this Agreement will provide Wesfarmers with a stable demand for Base Tonnage and, if Stanwell exercises its options, (subject to Clause 5A) Option Tonnage and that it was on the basis of Stanwell's representations of its ability to provide such stable demand as specified herein that Wesfarmers agreed to enter this Agreement with Stanwell.

(b) Irrespective of the allocation of risk for failure to take Coal under this Agreement, Stanwell shall endeavour to avoid and minimize any interruptions to the taking of deliveries of Coal.

(c) Clauses 14.2 to 14.14, inclusive, shall apply in the event Stanwell does not take delivery in full of any deliveries of Coal hereunder on the due date, or such non-taking of delivery is threatened as provided hereunder, irrespective of the cause, except where the cause is the breach by Wesfarmers of its obligations under this Agreement.

Stanwell to Give Notices and Reports

14.2 (a) Stanwell shall give notice ("**Interruption Notice**") to Wesfarmers promptly upon the occurrence of any event which interrupts or is reasonably likely to interrupt the taking of Coal by Stanwell in accordance with this Agreement.

(b) As soon as practicable thereafter, Stanwell shall give a report to Wesfarmers covering the following matters to the best of Stanwell's knowledge at the time of giving the report:

(i) the nature of the interruption or threatened interruption;

(ii) the circumstances and cause of same;

(iii) whether Stanwell considers the event to be outside the control of Stanwell;

(iv) the likely duration of the interruption;

(v) Stanwell's revised plan for taking of deliveries of Coal at the time of giving the report; and

(vi) details of the efforts that have been made and are planned by Stanwell to avoid or minimize the interruption and the effects thereof on Stanwell's performance under this Agreement.

(c) So long as the interruption continues or continues to threaten, Stanwell shall furnish Wesfarmers with further reports covering the matters listed in Clause 14.2(b):

(i) whenever there is any material change in the circumstances as set out in the last report; and

(ii) in any event no less than Monthly.

(d) Stanwell shall notify Wesfarmers immediately when the interruption ends.

Counter-Measures by Wesfarmers

14.3 Wesfarmers shall be entitled to take reasonable action to avoid or mitigate the effects of the interruption or threatened interruption on Wesfarmers, without prejudicing such rights as Wesfarmers may have under this Agreement with respect to such interruption. In particular but without limitation, Wesfarmers shall be entitled to take the following actions if the interruption continues, or in the reasonable opinion of Wesfarmers after consulting with Stanwell is likely to continue, for more than:

(a) thirty (30) days, then Wesfarmers may, at its discretion in accordance with Clause 14.6:

(i) subject to Clause 14.8 postpone the affected deliveries, until any subsequent Year or Years of the Contract Term; or

(ii) without penalty to Wesfarmers, cancel the same and sell the affected deliveries elsewhere;

(b) ninety (90) days, Wesfarmers may, at its discretion in accordance with Clause 14.6, enter Medium Term Arrangements for the sale of the affected deliveries which in Wesfarmers' reasonable view are likely to be affected by the interruption to third parties, in which case Wesfarmers (in addition to its rights under sub-Clause 14.3(a) above), may, at its discretion cancel the shipments covered by the Medium Term Arrangements or postpone, subject to Clause 14.8, the same to any subsequent Year or Years;

(c) fifteen (15) Months and actually result in Stanwell taking less than [***]% of the Coal it is entitled to receive under this Agreement during those fifteen (15) Months, then Wesfarmers may (in addition to its rights under paragraphs (a) and (b)), upon notice to Stanwell terminate this Agreement provided such notice is given within seven (7) days of the end of that fifteen (15) Month period. Any notice given pursuant to this clause shall state the effective date of such termination.

14.4 In the event Stanwell becomes able to recommence performance in accordance with this Agreement during the period of any suspension under Clause 14.3(b), Stanwell shall give Wesfarmers not less than ninety (90) days' notice thereof in which event, upon termination of its Medium Term Arrangements, Wesfarmers shall recommence making and Stanwell shall recommence taking Coal deliveries under this Agreement.

14.5 Before taking any reasonable action under Clause 14.3, Wesfarmers shall inform Stanwell of its proposed action. Stanwell may, within 5 days, make representations to Wesfarmers as to the appropriateness of the proposed action, taking into account among other things, the likelihood of the interruption occurring and its likely duration. In determining what reasonable action to take under Clause 14.3, Wesfarmers shall take those representations into account.

Wesfarmers' Elections

14.6 Wesfarmers may make the elections provided in Clause 14.3 by giving notice to Stanwell at any time prior to the recommencement of Stanwell's performance after suspension of this Agreement.

14.7 If Wesfarmers elects to cancel from this Agreement deliveries which were affected, the Total Contract Tonnage shall be reduced by the affected tonnage.

14.8 If Wesfarmers elects to treat the affected deliveries as postponed, then the same shall be postponed until such subsequent Years as may be nominated by Wesfarmers in the notice of election given under Clause 14.6; provided that unless Stanwell agrees, the postponed deliveries to be delivered in any Year shall not exceed [***] percent ([***]%) of the Nominal Contract Tonnage for that Year. Such shipments shall be at the same Contract Price as they would have been if the interruption had not occurred.

14.9 If Wesfarmers elects to enter into Medium Term Arrangements and Stanwell gives Wesfarmers notice of resumption of taking of deliveries Wesfarmers shall use its best endeavours to terminate the Medium Term Arrangements (without being required to breach the same) such that it is able to make the deliveries when nominated by the Stanwell.

14.10 If the interruption to taking of deliveries is only partial, or if Stanwell is able to recommence taking partial deliveries only and such partial taking is likely in Wesfarmers' reasonable view to result in Stanwell taking less than [***]% of the total Coal it is required to take under this Agreement over the succeeding 90 days, Wesfarmers shall have the option of not tendering any deliveries, in which case the provisions of this Clause 14 shall apply as if it were not possible for Stanwell to take any deliveries, or of tendering such deliveries as can be taken, in which case this Clause 14 shall apply to the portion of deliveries that cannot be taken.

Causes Outside the Control of Stanwell

14.11 (a) For the purposes of Clauses 14.13 and 14.14, an interruption to the taking of deliveries shall be considered to be a "**Cause Outside the Control of Stanwell**" if Stanwell is prevented from taking, transporting, or using the Coal in the manner contemplated by this Agreement, but only if the following conditions are met:

(i) the cause of the interruption was not reasonably foreseeable and was beyond Stanwell's reasonable control;

(ii) the interruption could not have been avoided or overcome by a prudent power station operator exercising due diligence;

(iii) Stanwell has substantially given the notices and reports required under Clauses 14.2;

(iv) any relevant requirements of Clause 14.11(b) are satisfied; and

(v) Stanwell takes such Coal as it is able to take on a basis which is no less favourable to Wesfarmers than to Stanwell's other suppliers.

(b) The following provisions shall apply with respect to the particular causes enumerated:

(i) Interruptions due to breakdowns of machinery will only be considered to be beyond Stanwell's reasonable control if Stanwell has followed proper maintenance procedures and has in place proper "breakdown" procedures which anticipate normally foreseeable breakdowns and minimize the consequences.

(ii) Interruptions due to failure of supply of goods and services, including shipping and other transportation (and in the case of Stanwell, Stanwell's Carrier), electric power and water, will only be considered to be beyond Stanwell's reasonable control if Stanwell has exercised due prudence in the choice of the supplier and has entered proper contractual arrangements.

(iii) Interruptions due to increases in costs, environmental restrictions, or any reduction in demand for electricity, however unexpected, will not be considered to be beyond Stanwell's reasonable control.

(iv) Interruptions due to embargoes, orders or acts of a Government Body of the State of Queensland, however unexpected, will not be considered to be beyond Stanwell's reasonable control where those embargoes, orders or acts:

(A) are intended to apply, or have the effect of applying, only to Stanwell and/or the Stanwell Power Station; or

(B) are intended to have a greater proportional application to the Stanwell Power Station than other coal fired power stations in the State of Queensland;

provided that this Clause 14.11(b)(iv) shall not apply:

(C) to Stanwell if the shares in Stanwell cease to be owned by a Government Body, unless the commission of the relevant embargo, order or act is a condition, express or implied, of the transaction by which the new owner became owner of those shares; or

(D) if there is a Curragh North Termination, at all, from and including the date of the Curragh North Termination.

(c) Where Stanwell is entitled to recover damages from a third party supplier of goods or services, it shall use its best endeavours to do so (to the extent that a prudent power station operator would do so) and the cause concerned (to the extent it otherwise qualifies under this Clause 14.11) will only be considered to be a Cause Outside Control of Stanwell to the extent such damages recovered by Stanwell are insufficient to pay to Wesfarmers the amounts payable under Clause 14.14.

(d) Without limitation, the following are examples of events that could lead to interruption beyond Stanwell's control if the requirements of Clauses 14.11(a) and 14.11(b) are met:

(i) natural calamities, acts of public enemies, acts of terrorists, insurrections, fires, wars, explosions, floods;

(ii) serious breakdowns of railroad or port facilities;

(iii) breakdowns of the boilers and other machinery;

(iv) embargoes, orders or acts of a competent court or governmental or other statutory authority;

(v) strike, lockout, illegal stoppages, or labour or union organised reduction of production; and

(vi) failure of supply of goods and services including Stanwell's Carrier failing to make sufficient rollingstock available at the train loading facilities at the Mine to allow Stanwell to carry out its obligations hereunder.

Consequences of Interruption

14.12 Both Wesfarmers and Stanwell shall endeavour to mitigate costs and damages flowing from any interruption to the taking of deliveries of Coal.

14.13 If the cause of the interruption to the taking of deliveries of Coal is a Cause Outside the Control of Stanwell, then Stanwell shall be relieved of its obligation to take such deliveries at such time (and to make payments in consequence of not taking the same) to the extent the taking is prevented by such cause, without derogating from Stanwell's other obligations hereunder.

14.14 Subject to Clause 24.6, if the cause of the interruption to the taking of deliveries is not a Cause Outside the Control of Stanwell and Stanwell has not made an Advance Payment with respect to such deliveries as provided in Clause 17, then in addition to such other rights as Wesfarmers may have under this Agreement, Wesfarmers shall be entitled to recover from Stanwell:

(a) indemnification for all of Wesfarmers' costs and damages resulting from the interruption, including costs in stockpiling of coal and any reduced price it may receive from selling coal to other customers. Wesfarmers will use reasonable endeavours to mitigate all such costs and damages; and in addition

(b) liquidated damages equal to [***]% of the amount determined under Clause 14.14(a).

15. Sales by Wesfarmers to other Purchasers

15.1 Subject only to complying with its obligations to Stanwell under this Agreement, Wesfarmers may, at its sole discretion, sell coal produced from the Tenements to any other purchaser of that coal.

16. Marketable Reserves

Definitions for Clause 16

16.1 (a) In this Clause 16:

(i) "**Committed Substitute Coal**" means coal that at the time of making the calculation, Wesfarmers has the right under a legally enforceable contract to receive in the Reserves Year in question, notwithstanding that, if that contract is a long term contract with regular price reviews, the price for the Reserves Year in question has not yet been finalised. A "contract" may include a legally enforceable option, exercisable by Wesfarmers to purchase coal, but for the avoidance of any doubt reference to "contract" in this definition excludes any non-binding document such as a letter of intent;

(ii) "**Future Marketable Reserves**" means, in any Reserves Year, the total of:

(A) the Marketable Reserves; and

(B) the Committed Substitute Coal;

(iii) "**Marketable Reserves**" means Marketable Reserves of coal within the Tenements;

(iv) "**Plan"** means the plan referred to in Clause 16.2;

(v) "**Remaining Year**" means each Reserves Year remaining during the projected term of this Agreement at the time the calculation is made;

(vi) "**Reserve Floor**" means [***]% of the Total Contract Tonnage remaining to be delivered at the time the calculation is made or applies;

(vii) "**Reserve Minimum**" means in any Reserves Year, the value of "X" (as shown in the table below for the Reserves Year commencing on 1 July of the Year specified) times the Total Contract Tonnage remaining to be delivered to Stanwell at the commencement of that Reserves Year;

(viii) until the Curragh North Commencement Date (if it occurs):

A.

Remaining Year	X
2000-2005	[***]
2006	[***]
2007	[***]
2008	[***]
2009	[***]
2010	[***]
2011	[***]
2012	[***]
2013	[***]
2014	[***]
2015	[***]
2016-end Term	[***]

thereafter

B.

Remaining Year	X
2002-2016	[***]
2017	[***]
2018	[***]
2019	[***]
2020	[***]
2021	[***]
2022	[***]
2023	[***]
2024	[***]
2025-Final Delivery Date	[***]

(ix) “**Reserves Year**” means a period of 12 months commencing on 1 July and ending on the next following 30 June.

Annual Plan on Future Marketable Reserves

16.2 Wesfarmers shall prepare and provide to Stanwell by 30 September of each Year, a plan which shows for each Remaining Year (including the current Reserves Year) the volume of:

(a) the Marketable Reserves at the commencement of each such Remaining Year;

(b) the Committed Substitute Coal Wesfarmers is entitled to take delivery of during each such Remaining Year;

(c) Wesfarmers’ planned deliveries of Coal during each such Remaining Year; and

(d) Wesfarmers’ planned deliveries of other coal during each such Remaining Year.

Reserve Minimum Deficiency

16.3 (a) In this Clause 16.3, “**Reserve Minimum Deficiency**” means that volume of coal that equates to a deficiency of Future Marketable Reserves below the Reserve Minimum.

(b) If, in any Reserves Year (“**Previous Year**”), it becomes apparent from the latest Plan, that there is a Reserve Minimum Deficiency for the immediately following Reserves Year (“**Deficiency Year**”), then Wesfarmers shall no later than June 30 in the Previous Year take such steps as may be necessary to eliminate the Reserve Minimum Deficiency in the Deficiency Year (which steps may include the securing of Committed Substitute Coal) and report such steps to Stanwell.

(c) If by June 30 in the Previous Year the Reserve Minimum Deficiency for the Deficiency Year has not been cured by Wesfarmers, then Stanwell may have recourse to any equitable remedy available to it to ensure it is cured.

(d) For so long as the Reserve Minimum Deficiency continues, Wesfarmers may, but without prejudice to Stanwell’s rights under Clause 16.3(c):

(i) at any time cure the Reserve Minimum Deficiency; and

(ii) request Stanwell to introduce a willing supplier of coal to Wesfarmers such that Wesfarmers could on-sell the coal to Stanwell as Substitute Coal, and Stanwell shall seek in good faith so to introduce such a supplier, without however having a contractual obligation to do so; and Wesfarmers has no claim against Stanwell for any failure by Stanwell to do so.

(e) For the avoidance of any doubt, if, in any Reserves Year (other than the Previous Year), it becomes apparent from any Plan, that there is a Reserve Minimum Deficiency for any Remaining Year (other than the Deficiency Year) Stanwell has no rights or remedies against Wesfarmers by reason only of that situation.

Reserve Floor Deficiency

16.4 (a) In this Clause 16.4 "**Reserve Floor Deficiency**" means the volume of coal that equates to a deficiency of Marketable Reserves below the Reserve Floor.

(b) If at any time there is or there will in any Remaining Year be a Reserve Floor Deficiency, Wesfarmers shall within 6 Months of being requested by Stanwell, devise a plan that will at least include the details set out in Clause 16.2, and when implemented will lead to the elimination of the Reserve Floor Deficiency in the Reserves Year concerned ("**Year Concerned**"). Wesfarmers may at any time make amendments to that plan, and "**Remedial Plan**" means that plan as may be amended from time to time.

(c) Wesfarmers shall furnish Stanwell with a copy of the Remedial Plan within that 6 Month period, and with any amendments as they are made; and with such evidence as Stanwell may reasonably request to the effect that the Remedial Plan is in fact in place and being implemented.

(d) If Stanwell has reasonable grounds to believe that:

(i) Wesfarmers is not adhering substantially to the Remedial Plan; or

(ii) the Reserve Floor Deficiency shall not be cured in the Year Concerned,

then, subject to Clause 16.7, Stanwell may have recourse to any equitable remedy available to it to ensure the Reserve Floor Deficiency is cured.

(e) Once there are reasonable grounds to believe that the Reserve Floor Deficiency has been cured for the Year Concerned then Wesfarmers no longer has an obligation to have a Remedial Plan for that Reserves Year.

Disputes

16.5 If Stanwell disputes Wesfarmers' calculation of Future Marketable Reserves Stanwell shall be entitled to require:

(a) Wesfarmers to provide, at its cost, a certificate from a firm of chartered accountants (that have a substantial presence in at least Brisbane, Sydney and Melbourne) that confirms the firm has reviewed contracts that support Wesfarmers' calculation of Committed Substitute Coal. Stanwell shall not be entitled to any details of the contracts. The certificate shall be final and binding on both Parties.

(b) No more than once in every two Reserves Years, the calculation of Marketable Reserves set out in the latest Plan to be referred to an Expert under Clause 18.8. The Expert shall be bound by the definition of Marketable Reserves in Clause 16.1 in making his/her determination. If the Parties cannot agree on an Expert, then the President of the Australasian Institute of Mining and Metallurgy shall be requested to appoint an Expert. If the Expert determines the Marketable Reserves are at least 95% of the Marketable Reserves notified by Wesfarmers, then Stanwell shall bear 100% of the costs; and if the Expert determines the Marketable Reserves are less than 95% of the Marketable Reserves notified by Wesfarmers, then Wesfarmers shall bear 100% of the costs.

Remedies

16.6 The sole consequences, including any remedies available to Stanwell, of Wesfarmers' failure to meet its obligations under this Clause 16 are those set out in this Clause 16. Except as set out in Clause 16.5(b), Clause 18 shall not apply and such failure shall not constitute an Event of Default under Clause 27.

16.7 The Parties acknowledge that damages or other monetary compensation, whether awarded at law or in equity, would not be an appropriate remedy for any failure by Wesfarmers to meet its obligations under this Clause 16. Accordingly, Stanwell shall only be entitled to seek such equitable remedies as may be available to it, being remedies other than damages and other monetary compensation.

Confidentiality

16.8 Notwithstanding any other provision of this Clause 16, Wesfarmers shall keep separate any information relating to Committed Substitute Coal and details relating to any plans to purchase Substitute Coal and provide that information to personnel strictly on a need to know basis for the proper administration of this Clause 16. Stanwell shall ensure that any such personnel provide an undertaking to Stanwell that any such information shall be used solely for purposes of this Clause 16, and only be disclosed on a strictly need to know basis. Wesfarmers may require that any information in the Remedial Plan relating to the purchase of Substitute Coal not be disclosed to any personnel directly involved in the purchase of coal for Stanwell.

Miscellaneous

16.9 The provisions of this Clause 16 shall be without prejudice to:

(a) Stanwell's rights under Clause 13; and

(b) Clause 3.8.

17. Request by Stanwell for Postponement of Deliveries

17.1 Stanwell may request Wesfarmers that it does not take deliveries of Coal that it would otherwise be required to take by electing to make an Advance Payment to Wesfarmers equal to 100% of the Contract Price of the affected delivery, provided that:

(a) Stanwell gives reasonable prior notice to Wesfarmers of its intent to make this election;

(b) Wesfarmers at its sole discretion and without legal obligation, decides to accommodate the election with or without conditions and gives Stanwell notice to that effect, including setting out any conditions and costs Stanwell will be required to bear;

(c) Stanwell first agrees to comply with any conditions and be liable for any costs as outlined in Wesfarmers' notice, and if the Coal is stockpiled it is done so at Stanwell's risk; and

(d) in the event Stanwell does so elect, Stanwell shall be entitled to request make up deliveries of the affected deliveries in any subsequent Year (provided that unless Wesfarmers agrees such make up deliveries shall not exceed 10% of the Annual Contract Tonnage for any Year).

18. Dispute Resolution

18.1 Except for any question, dispute or difference under Clause 16 (excluding Clause 16.5(b)), if at any time any question, dispute or difference shall arise between Stanwell and Wesfarmers in relation to, or arising out of, this Agreement, then the Production Manager (or person of equivalent rank) of Stanwell shall meet with the Marketing Manager (or person of equivalent rank) of Wesfarmers with the view to resolving the dispute.

18.2 If the dispute is not resolved within fourteen (14) days of the meeting referred to in Clause 18.1, then the Chief Executive Officer (or person of equivalent rank) of Stanwell shall meet with the Chief Executive Officer (or person of equivalent rank) of Wesfarmers with a view to resolving the dispute.

18.3 If the dispute is not resolved within fourteen (14) days of the meeting referred to in Clause 18.2 then the dispute shall be referred to mediation, to be conducted in accordance with Clause 18.7.

18.4 If the dispute is not resolved within thirty (30) days of the commencement of the mediation referred to in Clause 18.3 then either Party may commence proceedings in a court of competent jurisdiction in Queensland.

18.5 Notwithstanding the existence of a dispute the Parties shall continue to perform the Agreement.

18.6 Nothing herein shall prejudice the right of a Party to seek urgent injunctive or declaratory relief in respect of the dispute or any other matter arising under this Agreement.

18.7 The following paragraphs apply to any mediation between the Parties pursuant to Clause 18.3:

(a) If the Parties do not agree, within seven (7) days from the date upon which Clause 18.3 applies, as to the identity of the mediator, or the mediator agreed by the Parties signifies that he or she is unable or unwilling to act, a mediator shall be appointed at the request of either Party by the Chairman for the time being of the Institute of Arbitrators and Mediators Australia who shall nominate a person having qualifications and experience relevant (in the opinion of the Chairman) to the nature of the dispute. Within seven (7) days of such agreement or nomination the Parties shall jointly appoint the agreed or nominated mediator and if either refuses to join in the appointment the other is hereby irrevocably authorized to appoint the mediator on behalf of both Parties.

(b) Within seven (7) days after his or her appointment the mediator shall meet with the Parties to agree upon the procedure to be adopted in resolving the dispute or difference and failing agreement between them within ten (10) days from such appointment the procedure shall be as determined by the mediator having regard to the other provisions hereof.

(c) The mediator:

(i) may inform himself or herself in relation to any matter in dispute in such manner as he or she thinks fit;

(ii) shall be entitled to engage or consult with any adviser, legal or technical, as he or she may see fit; and

(iii) shall otherwise have the power to facilitate the resolution of the dispute in such a manner and subject to such rules as the mediator in his or her absolute discretion determines as suitable for the nature of the dispute.

(d) The mediator shall seek to resolve the dispute by acting as a mediator or conciliator between the Parties and for that purpose may require the Parties to confer with him or her at any time in relation to the whole or any part of or in respect of any aspect of the dispute.

(e) Unless agreed by the Parties neither Party shall be represented by a legal practitioner.

(f) The Parties shall pay the costs of the mediator and any consultants engaged by the mediator equally.

(g) Neither anything said orally or in writing, nor any documents or information provided by either Party to the other or to the mediator and produced for the purposes of the mediation in the course of or in connection with the mediation shall be admissible in any legal proceedings between the Parties; and shall be regarded as privileged, provided that this shall not apply to documents already in existence and otherwise admissible; and unless agreed by the Parties the person acting as mediator may not be called as a witness by either Party in any proceedings.

18.8 Notwithstanding the foregoing provisions of this Clause, in the event that the question, dispute or difference relates to Clauses 1.1 (Consumer Price Index and As Converted Into $A), 7, 8 (except for the umpire analysis provided therein), 10, 11, 12.5(a) (Pit U East Area ROM Tonnage), 12.5(j), 12.6, 12.11, and 16.5(b) ("**Reference Clause(s)**"), then:

(a) Either Party may give notice to the other requesting a meeting to resolve the same and if the matter is not resolved within 14 days of such notice either Party may give notice specifying the nature of the question dispute or difference and calling for the point at issue to be referred to an "Expert".

(b) In such event the Parties shall seek to agree upon an Expert to determine the matter.

(c) Failing such agreement within one Month of the notice referred to in paragraph (a), and unless the Reference Clause states to the contrary, the President for the time being of the Institute of Chartered Accountants shall be requested to nominate the Expert.

(d) The Parties must give the Expert all of the information and assistance which the Expert may reasonably require.

(e) The Expert must:

(i) promptly fix a reasonable time and place for receiving submissions or information from the Parties or from any persons as he may think fit;

(ii) accept oral or written submissions from the Parties in relation to the dispute;

(iii) not be bound by the rules of evidence;

(iv) prior to making a binding decision, publish a draft decision giving reasons within 28 days of his appointment and thereafter the Parties may within 35 days of his appointment make written submissions to the Expert and the Expert may amend his draft decision prior to making his final decision; and

(v) state his final decision giving reasons in writing within 40 days of his appointment.

(f) The Expert will be required to undertake to keep confidential all matters coming to his knowledge by reason of his appointment and performance of his duties.

(g) The Expert will have the following powers:

(i) to inform himself independently as to all matters relevant to the dispute;

(ii) to receive oral or written submissions from the Parties; and

(iii) to consult with any other professionally qualified persons as he in his absolute discretion thinks fit in relation to resolving the dispute.

(h) The Expert shall not be deemed to be an arbitrator but an expert and the law relating to arbitration, including the *Commercial Arbitration Act 1990*, shall not apply to the Expert or the determination or the procedures by which the Expert may reach a determination.

(i) The determination of the Expert shall be final and binding on each Party.

(j) Except as otherwise provided in the Reference Clause, the costs of the Expert and any consultants or advisors engaged by the Expert shall be borne equally by the Parties. The Parties shall each bear their own legal and other costs.

(k) All proceedings and submissions and responses shall be kept confidential between the Parties, their respective legal and other advisors who are under a duty of confidentiality, and the Expert. Such information may only be divulged to any other third party with the prior consent of the Parties or as may be required by law, in order to enforce the determination of the Expert or as may be required in connection with any litigation.

18.9 A Party shall consider in good faith any request by the other Party to have any question, dispute or difference referred to an Expert under Clause 18.8, but without any obligation to do so.

19. Assignment/Change of Ownership

19.1 Wesfarmers may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Stanwell has given its prior consent; and

(b) its rights, in the same percentage, to the Tenements and to each Project Document are assigned to the same assignee at the same time, except in relation to a deemed assignment under Clause 19.5.

19.2 Wesfarmers may not assign its rights to the Tenements, except together with an assignment, in the same percentage, of its rights and obligations under this Agreement.

19.3 Notwithstanding Clause 19.2, Wesfarmers may encumber its rights to the Tenements so long as the Encumbrancee undertakes in a form reasonably satisfactory to Stanwell only to dispose of such rights together with an assignment of rights and obligations under this Agreement in accordance with Clause 19.1.

19.4 Stanwell may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Wesfarmers has given its prior consent; and

(b) each Project Document is assigned to the same assignee at the same time.

19.5 (a) Transfers of shares in Wesfarmers and/or issues of Shares in Wesfarmers to a person that result in that person, and/or its Related Bodies Corporate, acquiring more than 50% of the shares in Wesfarmers shall each be deemed to be an assignment of this Agreement for the purpose of this Clause 19, except that the person to whom the shares are being transferred is the “proposed assignee”.

(b) If there is a Curragh North Termination, then from and including the date of the Curragh North Termination Clause 19.5(a) will be replaced with:

“Wesfarmers shall use its best endeavours to ensure any transfer of more than 50% of the shares in Wesfarmers shall not take place without the prior consent of Stanwell.”

19.6 (a) The Party requesting any consent under this Clause 19 (“**Party Concerned**”) may request consent for a proposed assignee as soon as it believes a person is likely to be an assignee (“**Request**”).

(b) The Party whose consent is required under this Clause 19 (“**Consenting Party**”) shall, within 30 days (or 45 days if Clause 19.6(d) applies) of receiving a Request, by notice to the Party Concerned, either:

(i) subject only to Clause 19.7(b), (d) and (e), give unqualified consent; or

(ii) refuse consent, in which case it shall set out the reasons for such refusal.

(c) If the Consenting Party fails for any reason to give the notice within such period, unqualified consent shall be deemed to have been given.

(d) If neither the proposed assignee nor any of its Holding Companies:

(i) has a substantial investment in Australia, or

(ii) is listed on a stock exchange either in Australia or overseas,

then the 30 day period referred to in Clause 19.6(b) shall be extended to 45 days.

(e) To maximise the time the Consenting Party has to consider the suitability of a proposed assignee, the Party Concerned may notify the Consenting Party of a shortlist of proposed assignees as soon as the Party Concerned is satisfied that a list, acceptable to it, is available. However, a notice requesting a consent for the purpose of this Clause 19.6 for a particular assignee shall not be deemed to have been given until the Party Concerned by notice informs the Consenting Party that in its opinion a person named in the shortlist is likely to be an assignee.

19.7 (a) In this Clause 19.7 “**Financial Ability**” means:

(i) in relation to a Party its financial ability to perform its obligations as a Party to this Agreement, and

(ii) where Clause 19.5 applies, a Party’s financial ability to perform its obligations as a Party to this Agreement taking into account its Financial Ability and whether that is materially adversely affected by a change of ownership to the proposed assignee.

(b) Where a Party’s consent is required under this Clause 19, such consent shall be given unless:

(i) the Consenting Party, acting reasonably, determines that the proposed assignee does not have the Financial Ability; or

(ii) where Clause 19.5 applies, Stanwell, acting reasonably, determines that the Party would not continue to have the Financial Ability.

(c) (i) If, acting reasonably, the Consenting Party determines that the proposed assignee does not have the Financial Ability, and so informs, with reasons, the Party Concerned as contemplated in Clause 19.6(b)(ii), the Party Concerned may then request the Consenting Party to consider whether by taking into account the ownership of the proposed assignee and the financial substance of its Holding Company (“**Matters**”) the proposed assignee thereby has the Financial Ability.

(ii) The Consenting Party shall consider the request made under Clause 19.7(c) within 5 days of receiving it. If, acting reasonably it determines that by taking into account either or both Matters, the proposed assignee thereby has the Financial Ability, the Consenting Party shall inform the Party Concerned to that effect and give its consent to the proposed assignment. In doing so, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

(d) (i) When making a Request under Clause 19.6 in respect of a particular proposed assignee, the Party Concerned may request that if the Consenting Party, acting reasonably, should determine that the proposed assignee does not have the Financial Ability, then the Consenting Party also have regard to the Matters for that proposed assignee.

(ii) In that event the Consenting Party, acting reasonably, may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee. Any such consent is to be given within the 30 or 45 day period as contemplated under Clause 19.6. In doing so the Consenting Party shall also give reasons for initially determining that the proposed assignee does not have the Financial Ability.

(e) Notwithstanding any other provision of this Clause 19, a consent for a particular potential assignee shall be deemed to include a consent for any Related Body Corporate of it that becomes the actual assignee so long as the Related Body Corporate is determined by the Consenting Party in accordance with Clause 19.7 to:

(i) meet the criteria set out in that Clause; or if not

(ii) meet the criteria set out in that Clause by the Consenting Party, acting reasonably, taking into account the Matters, if the Party Concerned has requested that the Matters be considered;

and if (ii) applies, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

19.8 The Parties agree that any notice referred to in this Clause 19 shall be deemed to have been given and received if:

(a) a similar notice has been given pursuant to each Project Document in accordance with the equivalent to Clause 23; and

(b) that notice refers to this and each such deed and agreement.

20. Representations, Warranties and Undertakings

By Wesfarmers

20.1 Wesfarmers represents, warrants and undertakes to Stanwell that as at the date of this Agreement:

(a) Wesfarmers is the sole legal and beneficial owner of, and is entitled to all coal produced from, Mining Leases 1878, 1990, 80010, 80011, 80012, 80112 and 80086; and

(b) Wesfarmers has corporate power, has obtained all necessary approvals, licenses and authorities, and has taken all necessary steps to enable it to enter this Agreement and perform its obligations hereunder.

20.2 Unless otherwise expressly stated to the contrary in a notice given to Stanwell by Wesfarmers (and not by the Sales Representative), Wesfarmers represents, warrants and undertakes to Stanwell that the Sales Representative is duly authorised to give and receive all notices, offers, requests, consents, demands, advices and other documents under this Agreement.

By Stanwell

20.3 Stanwell represents, warrants and undertakes to Wesfarmers that as at the date of this Agreement it has the corporate power, has obtained all necessary approvals, licenses and authorities and has taken all necessary steps to enable it to enter this Agreement and perform its obligations hereunder.

21. [This Clause is not being used intentionally]

22. Confidentiality

22.1 (a) Subject to Clause 22.1(b), the provisions of this Agreement and all information acquired by a Party from the other Party in respect of the operation of this Agreement and each Project Document shall be confidential and shall not unless otherwise agreed by all the Parties be disclosed to any third party except to:

(i) a Related Body Corporate;

(ii) the State, as required by any relevant laws or regulations and the Shareholding Ministers in the case of Stanwell;

(iii) a contractor employed by a Party where disclosure of such data or information is necessary to such contractor's work **PROVIDED THAT** such contractor executes an agreement of confidential treatment thereof for the benefit of the other Party;

(iv) a bona fide prospective purchaser of part or all of a Party's interest in this Agreement or any of the Tenements or of the Curragh Mine or Curragh North Mine or the Power Stations (including a person with whom a Party is conducting bona fide negotiations directed towards a merger, public listing or consolidation) **PROVIDED THAT** it first executes an agreement of confidential treatment thereof for the benefit of the other Party;

(v) a bank or other lending agency to the extent necessary for a Party arranging for funding of its obligations hereunder; or

(vi) its professional advisers.

(b) Clause 22.1 shall not apply to information that:

(i) becomes generally available to the public other than as a result of a disclosure by the Party seeking to rely on this Clause 22.1(b) ("**Relevant Party**") in violation of this Agreement,

(ii) was available to the Relevant Party on a non-confidential basis prior to its disclosure to that Party by the other Party or its representatives, or

(iii) becomes available to the Relevant Party on a non-confidential basis from a source other than the other Party or its representatives when such source is entitled, to the best of the Relevant Party's knowledge, to make such disclosure.

(c) In this Clause 21 information required by Clause 22.1(a) and (b) to be confidential shall be referred to as "**Confidential Information**".

22.2 Nothing herein contained shall be construed to preclude a Party from making any public announcement or other disclosure reasonably necessary to comply with any statutory or regulatory obligation including, but without limiting the generality of the foregoing, any disclosure obligation applicable under the *Corporations Act 2001 (Cth)* or the requirements of any stock exchange on which the shares of such Party or a Related Body Corporate are or are proposed to be listed.

22.3 A Party requiring or wishing to make public any material referred to in Clause 22.2 that includes Confidential Information shall notify the other Party of the proposed announcement as far in advance as is reasonably possible.

22.4 The obligations under this Clause shall continue to bind a Party for a period of 3 Years after the termination of the last of this Agreement and each Project Document.

23. Notices and Communications

23.1 Any notices, offers, requests, agreements, appointments, statements, consents, demands, advices, information, reports and other documents ("**Notice**") given pursuant to this Agreement shall be in writing and signed in the case of Stanwell by any one of its Production Manager, a director and the secretary and signed in the case of Wesfarmers, or its Sales Representative, by any one of the General Manager, Sales and Marketing (or person having an equivalent title), a director and the secretary of either Wesfarmers or its Sales Representative, on behalf of Wesfarmers and shall be delivered to the following addresses:

To Stanwell:

Stanwell Corporation Limited
Level 12 Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

Attention: Company Secretary

Facsimile: (07) 3335 7411

To Wesfarmers:

Wesfarmers Curragh Pty Ltd
Level 31, Central Plaza 1
345 Queen Street (Cnr Creek and Queen Sts)
BRISBANE QLD 4000

Attention: General Manager, Sales and Marketing

Facsimile: 07 3211 7908

To the Sales Representative:

Wesfarmers Curragh Pty Ltd
Level 31, Central Plaza 1
345 Queen Street (Cnr Creek and Queen Sts)
BRISBANE QLD 4000

Attention: General Manager, Sales and Marketing

Facsimile: 07 3211 7908

or to such other addresses or facsimile numbers as the Parties subsequently designate by Notice in the manner provided in this Clause 23.1.

23.2 Without prejudice to any other mode of service, communications shall be deemed to be properly made if posted pre-paid or faxed.

23.3 Notices given:

(a) by hand shall be deemed to be delivered at the time they are actually delivered to the appropriate address;

(b) by post, five (5) days after posting; and

(c) by facsimile, at the time of transmission, provided that the activity record printout of the sender’s machine shows a successful transmission to the recipient’s machine at that time.

23.4 The Parties agree, pursuant to Order 10 Sub-Rule 9(b) of the Rules of the Supreme Court of Queensland any Writ of Summons or other process issued by any Party may be served on any other Party by sending a photocopy of the signed and sealed copy of the Writ by certified or registered mail, with postage prepaid, to such other Party at that Party’s address set forth in Clause 23.1.

24. Miscellaneous

Waivers and Remedies

24.1 (a) Except where inconsistent with the context hereof the failure of any Party to insist in any instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

(b) All remedies afforded under this Agreement shall unless otherwise herein provided be taken and construed as cumulative and in addition to every other remedy provided herein or by law or at equity.

(c) In particular and without limiting the generality of the foregoing, the acceptance by Stanwell of Coal which does not comply with the Standard Coal Quality or the Limiting Specifications in Clause 7.4 shall not be deemed to be a waiver by Stanwell of any of its rights under this Agreement in relation to such Coal or of its right to refuse to accept future deliveries which do not meet such requirements.

(d) Stanwell shall have two (2) Months after delivery of Coal in any Month to notify Wesfarmers if Stanwell intends making any claim in respect thereof not withstanding any other provision of this Clause. If Stanwell does not so make a claim, acceptance of such Coal shall constitute a waiver of Stanwell s rights in respect of that Coal.

Entire Agreement

24.2 This Agreement shall constitute the entire agreement between the Parties in relation to its subject matter; and no other representations, warranties, covenants, terms or conditions, whether express or implied and whether oral or in writing, in relation to the subject matter of this Agreement shall be of any force or effect unless contained in this Agreement. This Agreement supersedes all prior negotiations, contracts, arrangements, understandings and agreements with respect to that subject matter, including any discussions between Wesfarmers and Stanwell and any Related Body Corporate or representative of any of them with respect to amending the CSA by way of this document, as a restatement of the CSA except for any agreement or deed that may be or may have been entered in express reference to this Agreement.

Interpretation and Governing Law

24.3 The law of the State of Queensland, Australia, shall apply to and be the proper law of this Agreement. Any action or proceedings taken or which may be taken under or in connection with this Agreement shall be taken, instituted or determined, as the case requires, in the Courts of Queensland.

Amendment

24.4 Any amendment to this Agreement shall be in writing and signed under Seal.

Mutual Collaboration

24.5 Stanwell and Wesfarmers recognize that circumstances may arise which could not have been reasonably foreseen at the time this Agreement is entered into. The Parties agree that they will use their best endeavours to resolve any problems due to any such unforeseeable circumstances including continuation of any interruption to supply and to taking of deliveries in the spirit of mutual understanding and collaboration. Failure to resolve any problems as contemplated in this Clause 24.5 will not be a matter to which Clause 18 applies.

Limitations to Losses and Damages

24.6 (a) If any act or omission of Wesfarmers or Stanwell, under the provisions of this Agreement:

(i) gives rise to any liability on the part of that Party for damages the amount of which is not liquidated by any provision of this Agreement (including damages for negligence, where that negligence constitutes, or contributes to, a breach of contract by it); or

(ii) gives rise to any liability on the part of that Party under any indemnity given by it under this Agreement;

then such liability shall be limited to the direct, proximate and foreseeable loss attributable to such act or omission, after taking into account any obligation of the Party claiming in respect of the liability to mitigate its loss and any contributory conduct, and neither the Party claiming in respect of the liability nor any other person claiming through or under that Party shall be entitled to damages or indemnification for any Excluded Loss attributable to such act or omission.

For the avoidance of doubt, the damages referred to in Clauses 13.15(b) and 14.14(b) are, once determined by reference to Clauses 13.15(a) and 14.14(a), respectively, "liquidated" for purposes of this Clause 24.6(a)(i).

(b) In Clause 24.6 "**Excluded Loss**" means:

(i) in the case of loss or damage or liability to a non-Party resulting from a breach of contract - indirect, remote or unforeseeable loss, including economic loss, loss of use, loss of contracts, loss of revenue, loss of profit, loss or denial of opportunity, loss of access to markets, loss of goodwill, loss of business reputation, loss of production, increased overhead costs, or wasted overheads or any other similar loss occasioned by that breach, whether or not in the reasonable contemplation of the Parties at the time of execution of this Agreement as being a probable result of the relevant breach;

(ii) in the case of loss or damage arising from any tort (including negligence) - indirect, remote or unforeseeable loss and, in the case of pure economic loss, loss not flowing directly from the commission of the tort; and

(iii) in the case of loss or damage arising from any breach of statutory duty, regulation or by-law - indirect, remote or unforeseeable loss and, in the case of pure economic loss, loss not flowing directly from the breach of the of statutory duty, regulation or by-law, save where such loss or damage cannot be excluded or limited by operation of mandatory provisions of law.

Further Assurances

24.7 Each Party shall execute and deliver all further documents and instruments, and provide such further assistance that may be necessary or desirable to carry out the provisions of this Agreement or to effectuate the purposes or intent of this Agreement.

Haul Road

24.8 In acknowledgment of Stanwell's desire to minimise any sterilisation of coal in the area described in Part F of Schedule 1, if the Haul Road is constructed over that area and, if requested by Stanwell, acting reasonably, Wesfarmers shall move any portion of the Haul Road in that area.

25. Costs

25.1 Except as provided in Clause 25.2, whether or not any of the transactions contemplated by this Agreement are consummated, each Party shall pay its own fees and expenses of and incidental to the negotiation, preparation and execution of this Agreement, and to the transactions contemplated by this Agreement, including the fees and disbursements of its lawyers and accountants.

25.2 Stanwell shall:

(a) bear and pay for all stamp duty on, or incidental to the execution of, this Agreement and on or incidental to all transactions contemplated by this Agreement excluding stamp duty on transactions or agreements between Wesfarmers and third parties;

(b) lodge this Agreement for stamping as required by the relevant statute; and

(c) indemnify Wesfarmers against its liability for all such stamp duty and against any liability resulting from the failure of Stanwell to lodge any document for stamping as required under any applicable legislation.

26. Counterparts

26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

27. Triggering Events/Termination

27.1 In this Clause 27:

(a) "**Event of Default**" means a Financial Default or a Non-Financial Default, as the context requires.

(b) "**Financial Default**" means any of the following:

(i) any failure by a Party to pay any sum due and payable to the other Party under this Agreement or under a Project Document by the earlier of the following days:

(A) the 15th day after the unpaid sum becomes due and payable; and

(B) the 5th day after the Party receives notice from the other Party that the sum has not been paid by the date it became due and payable (for the avoidance of doubt the other Party is not obliged to give such notice).

(ii) a Party takes or has taken against it any action or proceeding whether voluntary or compulsory which has the object or effect of:

(A) winding up that Party, which action or proceeding has not been dismissed or withdrawn within 14 days, or

(B) a Party's liquidation or provisional liquidation, or

(iii) a Party enters a compromise or other arrangement with its creditors or a receiver or receiver and manager is appointed over any of its assets;

except that Paragraph (iii) shall not apply to a reconstruction or amalgamation of a Party while that Party is solvent.

(c) "**Non-Financial Default**" means a default, other than a Financial Default, by a Party in performing this Agreement, but excludes an Excluded Event.

(d) "**Excluded Event**" means:

(i) where there is an interruption or threatened interruption of supply of Coal by Wesfarmers to Stanwell and Clause 13.3 applies; or

(ii) where there is an interruption or threatened interruption to the taking of Coal by Stanwell from Wesfarmers and Clause 14.3 applies.

Default Notice

27.2 If an Event of Default occurs, the non-defaulting Party may give the defaulting Party a notice ("**Default Notice**") describing in reasonable detail the Event of Default that has occurred and the following:

(a) a statement that the notice is a Default Notice issued under this Clause;

(b) a statement that there has been an event of a Financial Default, Non-Financial Default or Cross Breach (as the case may be);

(c) a statement of the relevant matters of fact in sufficient detail so as to permit the clear identification of the matters constituting the default and the non-defaulting Party's requirement for rectification; and

(d) signatures in accordance with Clause 23.

Cure period

27.3 Upon receipt of a Default Notice, the defaulting Party will have:

(a) in the case of a Financial Default, 10 days to cure that default; and

(b) in the case of a Non-Financial Default, 60 days to cure that default, unless the Parties have agreed in good faith on a longer period (not to exceed 180 days), in which case the period to cure that default shall be such longer period, provided that the cure period will end immediately if the defaulting Party ceases to be diligently pursuing a cure of the default.

Non-curable default

27.4 If under Clause 27.3(b), the defaulting Party's default is not reasonably capable of remedy, the defaulting Party must immediately notify the other Party and take all reasonable steps satisfactory to the other Party to mitigate the consequences of the default, but without prejudice to the non-defaulting Party's rights under Clause 27.5.

Remedies

27.5 If a default is not cured within the applicable cure period described in Clause 27.3, the non-defaulting Party may, subject to:

(a) giving 30 days' notice to the defaulting Party stating its intention to do so if the default is not cured (and the default is not cured within that notice period) provided that only 15 days' notice shall be required for a Financial Default under Clause 27.1(b)(i) (and provided that any notice given pursuant to this clause shall state the effective date of such termination); and

(b) if the Event of Default is a Non-Financial Default, that default having a material adverse effect on the rights of the non-defaulting Party under this Agreement, terminate this Agreement, but without prejudice to:

(i) any of its other rights in this Agreement;

(ii) any right to sue the defaulting Party for damages for that default; and

(iii) the exercise of all other available legal and equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.

Termination—General

27.6 The expiration or termination of this Agreement shall:

(a) not affect the provisions expressed or implied to operate or have effect on or after such expiration or termination; and

(b) be without prejudice to any right of action already accrued to a Party in respect of any breach of this Agreement by the other Party.

Schedule (1)

Part A: Curragh North Area

[***]

Part B: Reserved Area

[***]

Part C: Additional Areas

[***]

Part D: Diagram of MDL 162, Curragh North Area And Reserved Area

[***]

Part E: Water Reserve Mining Lease Area

[***]

PART F: HAUL ROAD RESTRICTION AREA (CLAUSE 24.8)

[***]

PART G: DESCRIPTION OF PIT U EAST AREA

[***]

PART H: PIT U EAST AREA — RUN OF MINE COAL

[***]

Part I: HAUL ROAD MINING LEASE

[***]

Schedule (2): Quality Assurance

[***]

Schedule (3): Rail Performance Levels

[***]

Schedule (4): Marketable Reserves - Australasian Code for Reporting of Mineral Resources and Ore Reserves ('JORC Code')

[***]

Schedule (5): Pro-forma Stanwell Export Coal Confirmation

[***]

Schedule (6): Clause 1.1—"Final Delivery Date"

[***]

Schedule (7): Clause 5A.1—"Stanwell Actual Export Tonnage Proceeds"

[***]

Schedule (8): process for invoicing under Clause 12.7 when Expansion Commitment Date occurs (provided that it occurs on or before the Expansion Commitment Deadline Date)

[***]

EXECUTED in Queensland

Signed by Stanwell Corporation Limited ABN 37 078 848 674 in accordance with section 127 of the Corporation Act (Cwlth)

/s/ Denis Mark Byrne	/s/ Michael Thomas O'Rourke
Denis Mark Byrne	Michael Thomas O'Rourke

Signed by Wesfarmers Curragh Pty Ltd ABN 90 009 362 565 in accordance with section 127 of the Corporation Act (Cwlth)

/s/ Stewart Butel	/s/ Michael Ball
Director Signature	Director/Secretary Signature
Stewart Butel	Michael Ball
Print Name	Print Name

Exhibit 10.21

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [***].

ACSA Deed of Amendment

Stanwell Corporation Limited ACN 078 848 674
(**Stanwell**)

Wesfarmers Curragh Pty Ltd ACN 009 326 565
(**Wesfarmers**)

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ME_134483436_1

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Details

Date	21 November 2016

Parties

Name	**Stanwell Corporation Limited**
ABN	37 078 848 674
Short form name	**Stanwell**
Notice details	Level 13 AM60 42 Albert Street GPO Box 800 Brisbane QLD 4001

Name	**Wesfarmers Curragh Pty Ltd**
ABN	90 009 362 565
Short form name	**Wesfarmers**
Notice details	Level 11, Wesfarmers House 40 The Esplanade, Perth Western Australia 6000

Background

A Stanwell and Wesfarmers are party to the Amended Coal Supply Agreement dated 6 November 2009 (**ACSA**).

B The parties have agreed to amend the ACSA on the terms and conditions set out in this deed to clarify the parties' intentions as to the operation of certain of its provisions.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

Capitalised terms used but not defined in this deed have the meaning specified in clause 1.1 of the ACSA.

1.2 Interpretation

This deed is to be interpreted in accordance with the rules of interpretation set out in clause 1.2 of the ACSA as though that clause were set out in full in this deed, except that all references to ‘this Agreement’ in that clause are to be read as references to ‘this deed’.

2. Effective date

2.1 Effective date of amendments

With effect on and from 1 January 2017, the ACSA is amended as set out in clause 3 of this deed.

2.2 Application of the definition of Reference Coal

To calculate the ‘Reference Coal Contract Price’ for any payment under clause 12.1 or clause 12.5 of the ACSA after 31 December 2016:

(a) Wesfarmers must calculate the Reference Coal Contract Price for:

(i) January 2017; and

(ii) each subsequent Month that involves a calculation based on contract prices for coal sold and delivered prior to the date of this deed,

on the basis of those contracts that would have been relevant to the calculation had the definition of Reference Coal in clause 3.1 of this deed applied at the relevant time prior to the date of this deed; and

(b) the annual Rebate Coal reconciliation under Schedule (8) of the ACSA for 2017 and each later Year will be calculated on the basis of the definition of Reference Coal in clause 3.1.

3. Amendments

3.1 Definition of Reference Coal

The definition of ‘Reference Coal’ in clause 12.5(a) of the ACSA is deleted in its entirety and replaced with the following definition:

“***Reference Coal***” *means, subject to Clause 12.5(i), all coking coal from the Tenements that is contracted for sale, where the contract*:

(a) specifies that the coal to be supplied under the contract is to have an ash content of between [***]% and [***]% inclusive, and where the contract provides for an ash tolerance or range, this requirement will be satisfied where either the ash content specification itself, or the ash content specification together with all or any part of that tolerance or

range, is between [***]% and [***]% inclusive (such that, for example, contracts with an ash content specification of [***]% + [***]% or of [***]% + [***]% will both be considered to have an ash content specification of between [***]% and [***]%), provided that any coal that is contracted for sale under a contract that provides for an ash tolerance or range that when added to the ash content specification exceeds [***]%, is to be excluded (such that, for example, a coal supplied under a contract with an ash content specification of [***]% + [***]% would not be included, but coal to be supplied under a contract with an ash content specification of [***]% + [***]% would be included); and

(b) does not specify a crucible swell number (CSN) or free swelling index (FSI) of the coal to be supplied under the contract of [***] or higher (such that, for example, coal to be supplied under a contract with a CSN or FSI specification of [***] to [***] is not to be excluded, but coal to be supplied under a contract with a CSN or FSI specification of [***] to [***] is to be excluded).

3.2 Clause 18.8 Reference Clauses

A reference to '12.5(h),' is inserted as a Reference Clause immediately before the reference to '12.5(j)' in the first sentence of clause 18.8 of the ACSA.

4. Miscellaneous

4.1 Entire Agreement

This deed shall constitute the entire agreement between the parties in relation to its subject matter; and no other representations, warranties, covenants, terms or conditions, whether express or implied and whether oral or in writing, in relation to the subject matter of this deed shall be of any force or effect unless contained in this deed. This deed supersedes all prior negotiations, contracts, arrangements, understandings and agreements with respect to that subject matter, including any discussions between Wesfarmers and Stanwell and any Related Body Corporate or representative of either of them with respect to amending the ACSA.

4.2 Governing Law

The law of the State of Queensland, Australia, shall apply to and be the proper law of this deed. Any action or proceedings taken or which may be taken under or in connection with this deed shall be taken, instituted or determined, as the case requires, in the Courts of Queensland.

4.3 Counterparts

This deed may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Signing Page

EXECUTED as a deed.

Signed for **Stanwell Corporation Limited** ABN 37 078 848 674 by an authorised officer in the presence of

	/s/ Michael Thomas O’Rourke
	Signature of officer
/s/ Philip Ware	Michael Thomas O’Rourke
Signature of witness	Name of officer (print)
Philip Ware, General Counsel	Chief Financial Officer
Name of witness (print)	Office held

Signed for **Wesfarmers Curragh Pty Ltd** ABN 90 009 362 565 by an authorised officer in the presence of

	/s/ Craig Patrick McCabe
	Signature of officer
/s/ Michael William Dixon	Craig Patrick McCabe
Signature of witness	Name of officer (print)
Michael William Dixon, Director	Director
Name of witness (print)	Office held

Exhibit 10.22

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [***].

Curragh Mine - New
Coal Supply Deed

Stanwell Corporation Limited

Coronado Curragh Pty Ltd

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Details

Date

Parties

Name	**Stanwell Corporation Limited**
ABN	37 078 848 674
Short form name	**Stanwell**
Notice details	Level 2, 180 Ann Street, Brisbane QLD 4000 Attention: Company Secretary Email: karen.buckley@stanwell.com Copy to: General Counsel Email: philip.ware@stanwell.com

Name	**Coronado Curragh Pty Ltd**
ABN	90 009 362 565
Short form name	**Coronado**
Notice details	Level 31, 345 Queen Street, Brisbane QLD 4000 Attention: Garold Spindler, Chief Executive Officer Email: gspindler@coronadocoal.com

Background

A. Coronado currently delivers and Stanwell purchases coal under the Amended Coal Supply Agreement dated 6 November 2009 between Stanwell and Coronado, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016 (**ACSA**).

B. Under the terms of the ACSA and the Reserved Area Deed of Consent, the Reserved Area is reserved for Stanwell and Coronado may not mine the Reserved Area.

C. Under the Reversion Deed, Stanwell is entitled to acquire the Curragh North Mining Lease and certain related assets from Coronado, and Coronado must transfer the Curragh North Mining Lease and certain related assets to Stanwell, for nominal consideration, and Stanwell also has the right to access or acquire certain other coal production related assets and infrastructure.

D. The parties have agreed:

(i) that Stanwell will permit Coronado to mine the Reserved Area;

(ii) that Stanwell will not exercise any of its rights, or assert any interests, in or in relation to the Curragh North Mining Lease;

(iii) to terminate the Reversion Deed and the Reserved Area Deed of Consent;

(iv) that Coronado will pay the Shortfall Rebate to Stanwell; and

(v) that Coronado will supply coal to Stanwell from the expiry of the ACSA.

E. The terms of the parties' agreement are set out in this deed.

Agreed terms

1. Definitions and Interpretations

1.1 Defined terms

In this deed:

Acceptable Security means:

(a) the security for the performance of Coronado's obligations under this deed, the Binding Terms Sheet and the New CSA; and

(b) the Wilmington Amendment of Undertaking,

that is to be granted to, procured for or provided to Stanwell in accordance with clause 4.1(a).

Accepted Accounting Principles means, in respect of:

(a) each Coronado Group member incorporated in Australia, generally accepted accounting principles in Australia; or

(b) in respect each Coronado Group member incorporated in a jurisdiction other than Australia, generally accepted accounting principles in that jurisdiction.

ACSA has the meaning given in the Background to this deed.

Affiliate means, in relation to any person, any entity Controlled, directly or indirectly, by the person, any entity that Controls, directly or indirectly, the person or any entity directly or indirectly under common Control with the person.

Auditor has the meaning given in clause 5.2(b).

Authorised Representative means, with respect to either party to this deed, the Chief Executive Officer, President, Chief Financial Officer, Treasurer, or Assistant Treasurer or a director or company secretary of that party, or a person it Notifies to the other party as being authorised to act as its authorised representative for the purposes of this deed.

Binding Terms Sheet means the binding terms sheet set out in Schedule 1 which is given force and effect as an agreement between the parties by clause 3.1.

Business Day means a day other than Saturday, Sunday or public holidays in Brisbane, Queensland.

Change of Control means, in relation to Coronado, a change in the persons (including a fund, a trust or a corporation as defined in the Corporations Act) who are individually or together able to Control Coronado.

Control has the meaning given in section 50AA of the Corporations Act, and in addition:

(a) in the case of a corporation, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the composition of the board of directors of that corporation, the voting rights of the majority of the voting shares of the corporation or the management of the affairs of the corporation; and

(b) in the case of a trust, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the appointment or removal of the trustee of the trust, the composition of the board of directors of the trustee, the voting rights of the majority of the securities of the trust or the management of the affairs of the trust or the business operated by the trust,

and **Controlled** has a corresponding meaning, where a reference to the Corporations Act in this definition is to that Act as in force at the date of this deed.

Coronado Australia Amendment of Guarantee means a 'Deed of amendment — guarantee and indemnity' in the form set out in Schedule 4 that has been duly authorised and executed by Coronado Australia Holdings Pty Ltd and delivered by Coronado Australia Holdings Pty Ltd to Stanwell.

Coronado Australia Amendment of Undertaking means a 'Deed — amendment of undertaking' in the form set out in Schedule 6 that has been duly authorised and executed by Coronado Australia Holdings Pty Ltd and delivered by Coronado Australia Holdings Pty Ltd to Stanwell.

Coronado Group has the meaning given in clause 4.1(a)(ii), and includes any Related Body Corporate or Affiliate of Coronado that becomes a member of the Coronado Group under clause 4.3(b).

Coronado Group Amendment of Guarantee means a 'Deed of amendment — guarantee and indemnity' in the form set out in Schedule 3 that has been duly authorised and executed by Coronado Group LLC and delivered by Coronado Group LLC to Stanwell.

Coronado Group Amendment of Undertaking means a 'Deed — amendment of undertaking' in the form set out in Schedule 5 that has been duly authorised and executed by Coronado Group LLC and delivered by Coronado Group LLC to Stanwell.

Coronado Holdings means:

(a) until the Permitted Reorganisation, Coronado Group LLC; and

(b) on and from the Permitted Reorganisation, Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC).

Coronado Global Guarantee means a deed of guarantee and indemnity that has been duly authorised and executed by Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) in the same form as the Guarantee and indemnity dated 13 March 2018 between Coronado Group LLC and Stanwell as though it were amended by the Coronado Group Amendment of Guarantee.

Corporations Act means the *Corporations Act 2001* (Cth).

CSA Dispute has the meaning given in clause 3.2(b)(i).

Curragh Mine means Coronado's coal mine and coal mining facilities located within the Tenements and Coronado's processing facilities located within or in the vicinity of those Tenements.

Determination Date has the meaning given in clause 5.6(e) in Schedule 2.

EBITDA means the operating profit (or loss) of the Coronado Group from ordinary operations for any period after adjustment to exclude (to the extent not already excluded and without double counting):

(a) any deduction or contribution in respect of corporate tax or other Taxes on income or gains;

(b) any deduction for finance costs and interest expense;

(c) any contribution or deduction in respect of individually significant, non-recurring, non-operating or extraordinary items;

(d) any amortisation or impairment of any goodwill, any intangible assets and any acquisition costs (and taking no account of a reversal made during that period of any previous impairment charge);

(e) any depreciation or amortisation of tangible and intangible fixed assets (including any leasehold property and reclamation assets); and

(f) any deduction or contribution in respect of any loss or gain against book value arising on a disposal of any asset (other than disposals in the ordinary course of ordinary business) and any loss or gain on any revaluation of any asset, for the period and as determined under Accepted Accounting Principles.

Final Delivery Date has the meaning given in the ACSA.

Negotiation Deadline means the date specified in clause 3.2(a).

New CSA means the coal supply agreement in a form to be agreed between Stanwell and Coronado, or to be determined in accordance with clause 3.2, that will supersede and replace the Binding Terms Sheet.

Notice has the meaning given in clause 9.1.

Permitted Joint Venture means:

(a) the JEP Mining LLC joint venture; and

(b) any other joint venture entity or structure (including a company, unincorporated firm, undertaking, association, joint venture or partnership):

   (i) entered into with third parties on an arm's length basis and not for the purpose of raising, creating or incurring (directly or indirectly) any financial indebtedness;

   (ii) where, on the date of the contribution to, or the granting of a security interest for the obligations of the Coronado Group member in respect of, the joint venture, no enforcement event (however described) under any Acceptable Security is continuing;

   (iii) the business of which is substantially the same as that carried on by the Coronado Group; and

   (iv) the assets of which are located in Australia or the United States of America.

Permitted Reorganisation means the transfer by Coronado Group LLC of all of its assets (other than its interests in Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC)) to Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC).

Permitted Security means:

(a) any security interest arising by operation of law in the ordinary course of trading so long as the debt it secures is paid when due or contested in good faith and appropriately provisioned;

(b) any netting or set-off arrangement entered into by any member of the Coronado Group in the ordinary course of its banking arrangements for the purpose of netting debt and credit balances of members of the Coronado Group;

(c) any payment or close out netting or set-off arrangement pursuant to any transactional banking facilities or any derivative transaction or foreign exchange transaction entered into by a member of the Coronado Group, excluding any security interest granted under a credit support arrangement;

(d) any security interest over or affecting any asset of any company which becomes a member of the Coronado Group after the date of this deed, where the security interest is created prior to the date on which that company becomes a member of the Coronado Group if:

   (i) the security interest was not created in contemplation of the acquisition of that company;

   (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

   (iii) the security interest is removed or discharged within 3 months of that company becoming a member of the Coronado Group;

(e) any security interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Coronado Group in the ordinary course of trading and on the supplier's standard or usual terms (or on terms more favourable to the members of the Coronado Group) so long as the debt it secures is paid when due or contested in good faith and sufficient reserves of liquid assets have been set aside to pay the debt if the contest is unsuccessful;

(f) any cross security interest between members of a Permitted Joint Venture over joint venture assets securing obligations to contribute to that Permitted Joint Venture or to repay other joint venturers who contribute to the Permitted Joint Venture in default of the chargor doing so;

(g) any security interest arising as a consequence of any finance or capital lease (excluding any lease of assets that have first been sold, transferred or otherwise disposed of by a member of the Coronado Group);

(h) any security interest in respect of which Stanwell has provided its prior written consent; and

(i) any security interest of a kind described in Schedule 9 over any asset of a member of the Coronado Group which is incorporated or domiciled in the United States of America.

Pre-stripping Activities means all activities permitted under mining lease 80110 and relevant approvals, carried out principally for, or in connection with, winning or extracting coal, including but not limited to establishment and maintenance of infrastructure, exploration drilling, scrub clearing and topsoil stripping, drilling and blasting, waste stripping as well as pit dewatering but not including any extraction of coal for the purposes of sale.

Project Documents means this deed, the ACSA, the Binding Terms Sheet and the New CSA.

Related Body Corporate has the meaning given in the Corporations Act.

Remaining Period has the meaning given in clause 5.1(a).

Remaining Period Rebate means the amount to be calculated in accordance with clause 5.4.

ROM Annual Rebate Coal Statement has the meaning given in clause 5.2(a)(ii).

ROM Coal means, for any period, the amount, in Tonnes, of raw coal produced as a result of mining activities undertaken on the Curragh North Mining Lease during that period, which must, while such returns are required, not be less than the quantity of 'Gross raw output' reported to the Queensland Department of Natural Resources, Mines and Energy in respect of that period under Form S3.0 (Production Return) under s404C of the *Mineral Resources Act 1989* (Qld).

Security Term means the term of the New CSA as set out in item 2 of the Binding Terms Sheet. **Shortfall Rebate** means, in respect of Year, the amount calculated in accordance with clause 5.3. **Senior Debt** has the meaning given in clause 4.1(e)(i)(A).

Senior Lenders has the meaning given in clause 4.1(e)(i). **Senior Security** has the meaning given in clause 4.1(g). **Subsidiary** has the meaning given to it in the Corporations Act.

Tax means any tax, levy, duty, rate, impost, charge, deduction or withholding imposed, levied or assessed by a government agency and any related penalty, fine, fee or interest.

Tenements means Mining Lease Numbers 1878, 1990, 80010, 80011, 80012, 80086, 80110, 80112, 80123, 80171, 700006, 700007, 700008 and 700009 and Mineral Development Licence Numbers 162, 328 and 329 and any renewals, extensions and amendments thereof and any tenements issued to Coronado in place thereof or over any part of the area covered by the foregoing tenements.

Total Assets means the aggregate value of all assets of the Coronado Group.

Wilmington Amendment of Undertaking means a 'Deed — amendment of undertaking' in the form set out in Schedule 7 that has been duly authorised and executed by Wilmington Trust, National Association and delivered by Wilmington Trust, National Association to Stanwell.

1.2 Defined terms from the ACSA

Capitalised terms used but not defined in this deed have the meaning given in the ACSA.

1.3 Interpretation

In this deed:

(a) the singular includes the plural and vice versa;

(b) another grammatical form of a defined word or expression has a corresponding meaning;

(c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;

(d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

(e) a reference to **A$**, **$A**, **dollar** or **$** is to Australian currency;

(f) a reference to time is to Brisbane, Australia time;

(g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

(i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(j) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;

(k) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it; and

(l) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.4 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Documents to be provided, amended or terminated

2.1 Coronado Guarantees and Coronado Undertaking

Coronado must procure for, and provide to, Stanwell on the date of this deed:

(a) a Coronado Australia Amendment of Guarantee;

(b) a Coronado Australia Amendment of Undertaking;

(c) a Coronado Group Amendment of Undertaking;

(d) a Coronado Group Amendment of Guarantee;

(e) a Coronado Global Guarantee;

(f) an opinion addressed to Stanwell, in a form and from a law firm in the United States of America qualified to opine on the laws of Delaware and New York that is reasonably acceptable to Stanwell, confirming that:

(i) Coronado Group LLC is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to execute and deliver the Coronado Group Amendment of Undertaking and the Coronado Group Amendment of Guarantee deed and to consummate the transactions contemplated in them;

(ii) Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to execute and deliver the Coronado Global Guarantee and to consummate the transactions contemplated in it;

(iii) Coronado Group LLC has duly authorised the execution and delivery of the Coronado Group Amendment of Undertaking and the Coronado Group Amendment of Guarantee deed and the performance of its obligations under them;

(iv) Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) has duly authorised the execution and delivery of the Coronado Global Guarantee and the performance of its obligations under it;

(v) no consent, approval, authorisation or other action by or filing with any governmental agency or instrumentality of the State of New York, the State of Delaware or the United States of America is required on the part of:

(A) Coronado Group LLC for the execution and delivery of the Coronado Group Amendment of Undertaking and the Coronado Group Amendment of Guarantee deed; or

(B) Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) for the execution and delivery of the Coronado Global Guarantee;

(vi) the execution and delivery of the Coronado Group Amendment of Undertaking and the Coronado Group Amendment of Guarantee deed by Coronado Group LLC and the consummation by Coronado Group LLC of the transactions contemplated in the Coronado Group Amendment of Undertaking and the Coronado Group Amendment of Guarantee deed in accordance with their terms does not:

(A) violate the Delaware General Corporation Law or any New York or Federal statute, law, rule or regulation known to that law firm to which Coronado Group LLC is subject; or

(B) breach the provisions of Coronado Group LLC's certificate of incorporation or bylaws; and

(vii) the execution and delivery of the Coronado Global Guarantee deed by Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) and the consummation by Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC) of the transactions contemplated in the Coronado Global Guarantee deed in accordance with its terms does not:

(A) violate the Delaware General Corporation Law or any New York or Federal statute, law, rule or regulation known to that law firm to which Coronado Holdings is subject; or

(B) breach the provisions of the certificate of incorporation or bylaws of Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC);

(g) an undertaking from each other member of the Coronado Group or other person that, as at the date of this deed, has been granted or has entered into an agreement entitling it to the grant, of a security interest of any kind over the Tenements, in a form that is:

(i) substantially similar to the deed poll given by Coronado Group LLC in favour of Stanwell on 28 March 2018 as though it were amended by the Coronado Group Amendment of Undertaking; and

(ii) otherwise reasonably acceptable to Stanwell; and

(h) if any undertaking is required to be provided in accordance with clause 2.1(g) from a person or other entity that is incorporated or otherwise formed outside of Australia, and opinion from legal counsel reasonably acceptable to Stanwell confirming the matters set out in clause 2.1(f) (or if the entity is not a corporation, such other matters as would reasonably be expected of a legal opinion in respect of such an entity to confirm its existence and good standing, its authority to give the undertaking, its due execution and delivery of the undertaking and its ability to perform its obligations in accordance with the undertaking).

2.2 Acknowledgment of expiry of certain documents

The parties acknowledge that the Coal Supply Option Deed, the Amended Coal Supply Agreement Option Deed, the Mining Lease Procedures Deed, the Option Deed for Curragh North Project Assets and the Reserved Area Consent Option Deed have expired and are of no further force or effect.

2.3 Termination of Reversion Deed

The Reversion Deed and the Reserved Area Deed of Consent are terminated with effect on and from the date of this deed and Stanwell and Coronado release and discharge each other from any and all duties, obligations and liabilities that the other party has or may have under and in respect of those documents (except for confidentiality obligations, which will expire in accordance with the terms of each of those documents).

2.4 Amendment of the ACSA

(a) With effect from the date of this deed, the ACSA is amended as set out in Schedule 8.

(b) Except as amended as set out in Schedule 8, the ACSA continues in full force and effect.

3. Binding Terms Sheet for New CSA

3.1 Agreement of Binding Terms Sheet

On and from the date of this deed:

(a) the Binding Terms Sheet is legally binding and has full force and effect as an agreement between Stanwell and Coronado that is separate and distinct from this deed; and

(b) this deed continues to have full force and effect between the parties in accordance with its terms.

3.2 New CSA negotiation

(a) The parties must use their best endeavours to negotiate a full form New CSA with a view to the parties executing and delivering the full form New CSA that supersedes and replaces the Binding Terms Sheet by 30 June 2019 (**Negotiation Deadline**).

(b) If the parties have not executed and delivered a full form New CSA by the Negotiation Deadline:

(i) the parties will be deemed to be in dispute about the terms of the New CSA (**CSA Dispute**);

(ii) subject to clause 3.2(c), the CSA Dispute and the terms of the New CSA must be determined in the manner set out in Schedule 2; and

(iii) unless the Binding Terms Sheet has been terminated by Stanwell prior to the Determination Date:

(A) the parties are each required to execute the New CSA in the form determined in accordance with Schedule 2 within 10 Business Days after the Determination Date; and

(B) irrespective of clause 3.2(b)(iii)(A), the terms of the New CSA determined in accordance with Schedule 2 will be binding on the parties on and from the Determination Date until the date of execution of the New CSA.

(c) Unless the Binding Terms Sheet has been terminated by Stanwell:

(i) the Binding Terms Sheet will continue to apply until such time as the New CSA is executed by the parties or determined in accordance with Schedule 2; and

(ii) despite any reference of a CSA Dispute to the procedure set out in Schedule 2, until the Determination Date the parties must continue to perform and comply with their respective obligations under the Binding Terms Sheet.

4. Acceptable Security

4.1 Security requirements

(a) As security for the performance of Coronado's obligations under this deed, the Binding Terms Sheet and the New CSA, Coronado must (at its cost):

(i) as soon as practicable after the date of this Deed, procure for, and provide to, Stanwell a Wilmington Amendment of Undertaking; and

(ii) grant or procure the grant of, and maintain at all times during the Security Term, perfected and (to the extent necessary or desirable to achieve the best possible ranking under the laws of the relevant jurisdiction (subject only to Permitted Security and the rights of any Senior Lender or holder of any Senior Security)) registered, recorded, continuing and enforceable security interests and liens in favour of Stanwell over all of the assets of Coronado Holdings and (subject to clause 4.1(b)) each of its Subsidiaries including Coronado (collectively, **Coronado Group**) (and any and all right, title and interest of each member of the Coronado Group in and to its assets), whether such assets are now owned or hereafter existing from time to time, both in Australia and in the United States, in a form and substance satisfactory to Stanwell, acting reasonably, including over:

(A) the Tenements and the other real and personal property assets comprising the Curragh Mine; and

(B) the shares in Coronado.

(b) Coronado must ensure that, for the duration of the Security Term, Coronado Group members who provide Acceptable Security to Stanwell account for, as of the full calendar year ended most recently prior to the date of calculation, at least:

(i) 90% of the EBITDA of the Coronado Group; and

(ii) 90% of the Total Assets of the Coronado Group,

and in each case the figures for each member of the Coronado Group will exclude all intra- group items and investments in subsidiaries.

(c) For the purpose of testing compliance with the undertaking in clause 4.1(b), on and from the date that Coronado provides to Stanwell the Acceptable Security, Coronado will provide to Stanwell:

(i) audited consolidated financial statements for the Coronado Group for the relevant financial year as soon as they become available, but in any event within 120 days after the end of its financial year (or, if earlier, on the date it delivers the same to the Senior Lenders);

(ii) consolidated financial statements for the Coronado Group for each financial half year as soon as they become available, but in any event within 90 days after the end of each half of each of its financial years (or, if earlier, on the date it delivers the same to the Senior Lenders, as defined below); and

(iii) with each set of financial statements referred to in clauses 4.1(c)(i) and 4.1(c)(ii), a compliance certificate signed by two directors of Coronado confirming Coronado's compliance with clause 4.1(b).

(d) Subject to clause 4.1(b), if after receiving further information in relation to the assets and the business of a member of the Coronado Group, Stanwell determines that a security document is required, necessary or desirable to be entered into by a member of the Coronado Group to constitute a full and complete security package in the relevant jurisdiction, Coronado must promptly procure that the relevant member of the Coronado Group enter into such security document (in a form and substance satisfactory to Stanwell, acting reasonably) on request by Stanwell and provide Stanwell with all such assistance, including by executing such documents as may reasonably be necessary or desirable, to perfect, record and register the security interests granted under that security document so as to create an enforceable security interest and lien in favour of Stanwell. Such security will form part of the Acceptable Security referred to in clause 4.1(a).

(e) Subject to and without limiting clause 4.2(a), except for a Permitted Security, no member of the Coronado Group may grant any other security interest over any of its assets, other than:

(i) to secure indebtedness owing at any time to any bank, financial institution, institutional lender, lender syndicate or to any holder of any notes or bonds (however described) issued by a Coronado Group member, or to any trustee, fund or any other entity which is regularly engaged in providing financial accommodation (including the provision of any agency or security trustee services) (collectively, the **Senior Lenders**), provided that:

(A) such indebtedness is incurred on an arm's length basis and the proceeds of which are used for development, acquisitions, working capital or general corporate purposes of the Coronado Group, including to refinance or reduce existing indebtedness (**Senior Debt**); and

(B) until such time that the Acceptable Security is granted, the requirement in clause 4.1(f) is complied with; or

(ii) to secure indebtedness existing as of the date of this deed and which security interests are fully subordinated (**Subordinated Security**) to the Acceptable Security on terms acceptable to Stanwell (acting reasonably).

(f) Coronado must ensure that at all times until the Acceptable Security is granted the ratio of A:B (expressed as a percentage) does not increase from the date of this deed, where:

(i) A is aggregate amount of the Senior Debt; and

(ii) B is the value of the assets of the Coronado Group.

(g) Where any security granted to or for the benefit of the Senior Lenders (**Senior Security**) secures the same property as that secured under any Acceptable Security, Stanwell agrees that it will enter into an intercreditor deed or deeds (in a form and substance satisfactory to Stanwell, acting reasonably), under which Stanwell will agree to subordinate the security interest granted to it under the Acceptable Security to the Senior Security, to the extent and for so long as the Senior Security secures Senior Debt.

(h) Where the Acceptable Security and any security interests granted to any holder of any Subordinated Security secure the same property, Stanwell agrees that it will enter into an intercreditor deed or deeds (in a form and substance satisfactory to Stanwell, acting reasonably), under which such holder of any Subordinated Security will agree to subordinate the Subordinated Security to the Acceptable Security on terms acceptable to Stanwell (acting reasonably).

(i) Where the Acceptable Security and any security interests granted to any member of the Coronado Group which is a holder of any Subordinated Security secure the same property, such member of the Coronado Group agrees that it will enter into an intercreditor deed or deeds (in a form and substance satisfactory to Stanwell, acting reasonably), under which such member of the Coronado Group will agree to subordinate the Subordinated Security to the Acceptable Security on terms acceptable to Stanwell (acting reasonably).

4.2 Restriction on security over the Curragh Mine and access to the Reserved Area

(a) Unless and until Coronado has provided the Acceptable Security in accordance with clause 4.1, Coronado must not:

(i) grant any new security over the Tenements and the other real and personal property assets comprising the Curragh Mine; or

(ii) mine in the Reserved Area, provided that Coronado may conduct Pre-stripping Activities within the Reserved Area with Stanwell's consent, not to be unreasonably withheld or delayed.

(b) If despite clause 4.2(a) Coronado mines in the Reserved Area prior to providing Acceptable Security, Coronado must hold any coal that it mines from the Reserved Area (at its own risk and cost) for the benefit of Stanwell and must stockpile, transfer, deliver and dispose of that coal (at its own cost and risk) only at the direction of Stanwell.

4.3 Restructure of Coronado Group

If prior to the date that Coronado has provided the Acceptable Security in accordance with clause 4.1 there is a disposal or other transfer of any asset or assets by a member of the Coronado Group to a Related Body Corporate or Affiliate (who is not a member of the Coronado Group):

(a) Coronado must:

(i) promptly advise Stanwell of the disposal or transfer and provide Stanwell with a structure diagram showing the relationship between each member of the Coronado Group and the transferee; and

(ii) procure that the transferee provides security over such assets in favour of Stanwell in accordance with clause 4.1, as if the transferee were a member of the Coronado Group; and

(b) the transferee will thereafter be included in the Coronado Group for the purposes of this deed.

4.4 Acknowledgement of rights to terminate

Coronado acknowledges the termination right of Stanwell under the Binding Terms Sheet and the New CSA if Coronado has not complied with the requirements of this clause 4 by the date specified in the Binding Terms Sheet.

5. Minimum Curragh North Area mining

5.1 Minimum production from the Curragh North Mining Lease

(a) From 1 July 2018 until the Final Delivery Date (**Remaining Period**), Coronado must:

(i) maintain the ability (including by maintaining such equipment and infrastructure as is necessary) to mine the Curragh North Mining Lease and meet its obligations under clause 5.1(a)(ii); and

(ii) mine from the Curragh North Mining Lease:

(A) no less than [***] Tonnes of ROM Coal each Year provided that:

(I) in the period from (and including) 1 July 2018 until 31 December 2018 Coronado must mine at least [***] Tonnes of ROM Coal from the Curragh North Mining Lease; and

(II) if the Final Delivery Date occurs on any date other than 31 December in a Year, the obligation to mine [***] Tonnes of ROM Coal from the Curragh North Mining Lease in that Year will be reduced on a pro-rata basis based on the number of days in the Year from (and including) 1 January to (and including) the Final Delivery Date; and

(B) [***] Tonnes of ROM Coal in aggregate.

(b) If the ACSA is terminated in accordance with its terms prior to the Final Delivery Date then the obligation under clause 5.1(a) will be reduced on a pro-rata basis based on the number of days or Years from (and including) the date of termination of the ACSA to the Final Delivery Date.

(c) Until Coronado has mined [***] Tonnes of ROM Coal in aggregate from the Curragh North Mining Lease, if for any Year of the remaining term of the ACSA, Coronado fails to mine at least [***] Tonnes of ROM Coal from the Curragh North Mining Lease (or such lesser quantity as would, when aggregated with the quantity that Coronado has mined from the Curragh North Mining Lease, equal [***] Tonnes) then Coronado will be liable for the Shortfall Rebate for that Year.

(d) Coronado must:

(i) deliver to Stanwell the relevant ROM Annual Rebate Coal Statement in accordance with clause 5.2(a)(ii) by no later than 31 January of the following Year; and

(ii) pay to Stanwell any applicable Shortfall Rebate by no later than 15 February of the following Year.

(e) If Coronado fails to mine [***] Tonnes of ROM Coal from the Curragh North Mining Lease by the end of the remaining term of the ACSA (or a pro-rata quantity if clause 5.1(b) applies), Coronado must pay to Stanwell the Remaining Period Rebate by no later than the date 45 days after the Final Delivery Date.

(f) Payment of either or both of the Shortfall Rebate and the Remaining Period Rebate is not an exclusive remedy for Coronado's failure to comply with clause 5.1(a). The parties agree that the calculation of Stanwell's loss caused by any such failure will include (without double counting in respect of the Shortfall Rebate and the Remaining

Period Rebate) any diminution in the amount that would have been paid by Coronado under clause 12.5 of the ACSA had Coronado complied with clause 5.1(a).

(g) Coronado acknowledges that a failure to comply with clause 5.1(a) or any provision of clause 5.1 will cause material damage to Stanwell, that damages may be an inadequate remedy and that Stanwell has the right to seek injunctive relief against Coronado in respect of any breach, including any deemed or threatened breach of clause 5.1(a). If injunctive relief is sought by Stanwell, Coronado will not raise any equitable defence (including laches, acquiescence, waiver or unclean hands) in response to such application.

5.2 ROM Annual Rebate Coal Statement

(a) By not later than 31 January of each Year during the Remaining Period, Coronado must:

(i) advise Stanwell of:

(A) the quantities of Tier 1 Rebate Coal and Tier 2 Rebate Coal for the preceding Year; and

(B) if, for the relevant Year, the quantity of Tier 1 Rebate Coal is less than [***] Tonnes, the quantity of the difference between [***] Tonnes and the quantity of Tier 1 Rebate Coal for that Year (**T1 Shortfall**), provided that if the Tier 1 Rebate Coal is greater than or equal to [***] Tonnes, then T1 Shortfall will be zero; and

(ii) prepare and have certified as correct by a senior executive of Coronado authorised to bind Coronado, a statement (**ROM Annual Rebate Coal Statement**) setting out for the preceding Year:

(A) the Tonnes of ROM Coal mined by Coronado from the Curragh North Mining Lease and the Reference Coal Contract Price; and

(B) its calculation of the Shortfall Rebate in accordance with clause 5.3.

(b) No more than once each Year, Stanwell may, at its cost, appoint a firm of accountants (that have a substantial presence in at least Brisbane, Sydney and Melbourne) (**Auditor**) with instructions to determine the accuracy of the ROM Annual Rebate Coal Statement. Coronado must give the Auditor, on a confidential basis (including the Auditor not disclosing the information to Stanwell), all information and assistance the Auditor reasonably requires to make that determination.

(c) By no later than the 30th day following the Final Delivery Date, Coronado must:

(i) advise Stanwell of:

(A) the quantities of Tier 1 Rebate Coal and Tier 2 Rebate Coal for the Remaining Period (including the part of the Year from 1 July 2018 to 31 December 2018); and

(B) if for the Remaining Period, the total quantity of Tier 1 Rebate Coal is less than [***] Tonnes multiplied by the number of relevant Years (including part Years) in the Remaining Period, the quantity of the difference between [***] Tonnes multiplied by the number of relevant Years (including part Years) in the Remaining Period and the total quantity of Tier 1 Rebate Coal for the Remaining Period (**RPT1 Shortfall**); and

(ii) prepare and have certified as correct by a senior executive of Coronado authorised to bind Coronado, a statement setting out its calculation of the Remaining Period Rebate in accordance with clause 5.4.

5.3 Shortfall Rebate calculation

(a) The Shortfall Rebate for each Year will be calculated by determining:

ST = the **Shortfall Tonnes** or **ST** as the greater of zero and the amount determined as follows:

ST = [[***] - (ROM Tonnes + Tonnes excused under clause 5.5)] x Yield

where:

> **ROM Tonnes** means the Tonnes of ROM Coal mined by Coronado from the Curragh North Mining Lease in that Year.
>
> **Yield** means [***].

(b) the **Tier 1 Shortfall Tonnes** or **T1ST** as follows (unless ST = 0, in which case T1ST = 0):

T1ST = T1 Shortfall, unless T1 Shortfall >: ST, then T1ST = ST.

where:

> **T1 Shortfall** has the meaning given in clause 5.2(a)(i).

(c) the **Tier 2 Shortfall Tonnes** or **T2ST** as the greater of zero and the amount determined as follows:

T2ST = ST - T1ST

(d) the **Tier 1 Shortfall Rebate** or **T1SR** as follows:

T1SR = [T1ST x AvT1TF] + the greater of zero and [T1ST x 25% x (RCCP - AvT1FP)]

where:

> **AvT1TF** means the average of the T1 Tonnage Factors calculated for each Quarter of the relevant Year.
>
> **AvT1FP** means the average of the Tier 1 Rebate Coal Floor Prices calculated for each Quarter of the relevant Year.
>
> **RCCP** means the average Reference Coal Contract Price for the relevant Year.
>
> **T1 Tonnage Factor** means A$0.70 escalated at 1% per annum from 1 July 2002, and calculated Quarterly using the applicable Quarterly compounding factor.

(e) the **Tier 2 Shortfall Rebate or T2SR** as follows:

T2SR = [T2ST x AvT2TF] + the greater of zero and [T2ST x 10% x (RCCP - AvT2FP)]

where:

> **AvT2TF** means the average of the T2 Tonnage Factors calculated for each Quarter of the relevant Year.
>
> **AvT2FP** means the average of the Tier 2 Rebate Coal Floor Prices calculated for each Quarter of the relevant Year.
>
> **RCCP** means the average Reference Coal Contract Price for the relevant Year.

T2 Tonnage Factor means A$0.70 escalated at the Consumer Price Index from 1 July 2008, and calculated Quarterly using the applicable Quarterly compounding factor.

(f) the **Shortfall Rebate** or **SR** payable to Stanwell as follows:

SR= T1SR + T2SR

(g) If no Rebate Coal is mined in the Tenements (as defined in the ACSA) in a Year, the RCCP under this clause 5.3 in respect of that Year will be equal to the average of the Reference Coal Contract Price over the two most recent Years for which Rebate Coal was mined in the Tenements (as defined in the ACSA).

5.4 Remaining Period Rebate calculation

The Remaining Period Rebate will be calculated by determining:

(a) the **Remaining Period Shortfall Tonnes** or **RPST** as the greater of zero and the amount determined as follows:

RPST = [[***] - (ROM Tonnes + AST + Tonnes excused under clause 5.5)] x Yield

where:

ROM Tonnes means the Tonnes of ROM Coal mined by Coronado from the Curragh North Mining Lease during the Remaining Period.

AST is determined as the sum of the Shortfall Tonnes for each Year during the Remaining Period, calculated without reference to Tonnes excused under clause 5.5 and on a ROM Coal basis, being the sum of the following calculation for each Year during the Remaining Period:

= ([***] - ROM Tonnes)

Yield means [***].

(b) the **Tier 1 Remaining Period Shortfall Tonnes** or **T1 RPST** as follows (unless RPST = 0, in which case T1 RPST = 0):

T1 RPST = RPT1 Shortfall, unless RPT1 Shortfall ≥ RPST, then T1 RPST = RPST,

where:

RPT1 Shortfall has the meaning given in clause 5.2(c)(i).

(c) the **Tier 2 Remaining Period Shortfall Tonnes** or **T2 RPST** as the greater of zero and the amount determined as follows:

T2 RPST = RPST - T1 RPST

(d) the **Tier 1 Remaining Period Rebate** or **T1 RPR** as follows:

T1 RPR = [T1 RPST x AvT1 RPTF] + the greater of zero and [T1 RPST x 25% x (RCCP - AvT1 RPFP)]

where:

AvT1 RPFP means the average of the Tier 1 Rebate Coal Floor Prices calculated for each Quarter of the Remaining Period.

AvT1 RPTF means the average of the Tier 1 Tonnage Factors calculated for each Quarter of the Remaining Period.

RCCP means the average Reference Coal Contract Price for Rebate Coal for each Year of the Remaining Period.

T1 Tonnage Factor means A$0.70 escalated at 1% per annum from 1 July 2002, and calculated Quarterly using the applicable Quarterly compounding factor.

(e) the **Tier 2 Remaining Period Rebate** or **T2 RPR** as follows:

T2 RPR = [T2 RPST x AvT2 RPTF] + the greater of zero and [T2 RPST x 10% x (RCCP - AvT2 RPFP)]

where:

AvT2 RPFP means the average of the Tier 2 Rebate Coal Floor Prices calculated for each Quarter of the Remaining Period.

AvT2 RPTF means the average of the Tier 2 Tonnage Factors calculated for each Quarter of the Remaining Period.

RCCP means the average Reference Coal Contract Price for Rebate Coal for each Year of the Remaining Period.

T2 Tonnage Factor means A$0.70 escalated at the Consumer Price Index from 1 July 2008, and calculated Quarterly using the applicable Quarterly compounding factor.

(f) the **Remaining Period Rebate** or **RPR** payable to Stanwell as follows:

RPR = T1 RPR + T2 RPR

(g) If no Rebate Coal is mined in the Tenements (as defined in the ACSA) in the Remaining Period, the RCCP under this clause 5.4 in respect of the Remaining Period will be equal to the average of the Reference Coal Contract Price over the two most recent Years for which Rebate Coal was mined in the Tenements (as defined in the ACSA)

5.5 Interruptions to mining

(a) If there is an event that interrupts the mining of coal by Coronado in the Curragh North Mining Area that would be a ‘Cause Outside the Control of Wesfarmers’ according to clause 13.11 of the ACSA as if clause 13.11 applied to an interruption to the mining of coal (as opposed to the supply of coal), and Coronado follows the procedure set out in clause 13 of the ACSA, then Coronado will be relieved of its obligation under clause 5.1(a)(ii)(A) to mine ROM Coal to the extent the mining is prevented by such cause.

(b) Clause 5.5(a) does not in any way limit Coronado’s obligations under clause 5.1(a)(ii)(B).

5.6 ACSA

This clause 5 does not limit or cap the obligation to pay the Tonnage Rebate or Price Rebate under the ACSA and does not in any way limit clause 12.5 of the ACSA.

6. GST

6.1 Interpretation

In this clause 6:

(a) unless the context otherwise requires, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act;

(b) a reference to a GST liability or input tax credit entitlement of a party includes a GST liability or input tax credit entitlement of the representative member of any GST group of which that party is a member;

(c) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply; and

(d) any reference to GST payable by, input tax credits entitlements of, or adjustments for, an entity includes any notional GST, input tax credits or adjustments arising in accordance with Division 177 of the GST Act or any relevant State or Territory legislation confirming the imposition of GST on State or Territory entities.

6.2 Consideration is GST exclusive

Any consideration to be paid or provided for a supply made under or in connection with this deed unless specifically described in this deed as 'GST inclusive', does not include an amount on account of GST.

6.3 GST gross up

If any party (**Supplier**) makes a supply under or in connection with this deed on which GST is imposed (not being a supply which is described as 'GST inclusive'):

(a) the consideration payable or to be provided for that supply but for the application of this clause (**GST exclusive consideration**) is increased by, and the party providing the GST exclusive consideration for that supply (**Recipient**) must also pay to the Supplier, an additional amount equal to the GST payable on the supply (**GST Amount**); and

(b) the GST Amount must be paid to the Supplier by the Recipient at the same time as the first payment of the GST exclusive consideration for the supply, provided that the Supplier has first issued a tax invoice to the Recipient for that supply.

6.4 Reimbursements

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense.

6.5 Exclusion of GST from calculations

If a payment is calculated by reference to or as a specified percentage of, or by application of a formula or formulas to, another amount or revenue stream, that payment will be calculated by reference to or as a specified percentage of, or by application of a formula or formulas to, the amount or revenue stream exclusive of GST.

6.6 Adjustments

If the GST payable by a Supplier on any supply made under or in connection with this deed varies from the GST Amount paid by the Recipient under clause 6.3, then the Supplier will provide a corresponding refund or credit to or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this clause is deemed to be a payment, credit or refund of the GST Amount payable under clause 6.3. If an adjustment event occurs in relation to a supply, the Supplier must issue an adjustment note to the Recipient in relation to that supply within 14 days after becoming aware of the adjustment.

6.7 Non-monetary consideration

To the extent that consideration for any supply by, under or in connection with this deed includes non- monetary consideration:

(a) the parties agree to act in good faith in determining the GST-inclusive market value of the non- monetary consideration provided for the supply;

(b) the tax invoice for the supply must state the GST-inclusive market value of the non-monetary consideration provided for the supply;

(c) subject to the parties exchanging tax invoices, the parties will allow for the parties' respective payments of GST under clause 6.3 to be offset; and

(d) to the extent the respective payments of GST under clause 6.7(c) are not equal, the difference must be paid as a monetary payment, in addition to and at the same time that the GST- exclusive consideration for the supply is payable or to be provided under this deed.

7. Representations, warranties and undertaking

(a) Coronado represents and warrants to Stanwell that as at the date of this deed:

(i) there has been no material adverse change to the financial position of the Coronado Group since the date that Coronado Australia Holdings Pty Ltd acquired the shares in Coronado; and

(ii) the structure diagram at Schedule 10 (or any later group structure diagram provided under clause 4.3) sets out the legal and beneficial ownership of each member of the Coronado Group and shows all of their related bodies.

(iii) Coronado is the sole legal and beneficial owner of, and is entitled to all coal produced from the Tenements; and

(iv) Coronado has the corporate power, has obtained all necessary approvals, licenses and authorities, and has taken all necessary steps to enable it to enter this deed and perform its obligations hereunder.

(b) Stanwell represents and warrants to Coronado that as at the date of this deed it has the corporate power, has obtained all necessary approvals, licenses and authorities and has taken all necessary steps to enable it to enter this deed and perform its obligations hereunder.

8. Confidentiality

Clause 22 of the ACSA applies to this deed as if set out in full in this deed, with references to 'this Agreement' being read as references to 'this deed'.

9. Notices

9.1 Defined term

In this clause 9, **Notice** means a notice, demand, consent, approval or communication given by a party pursuant to or in connection with this deed.

9.2 Service

A Notice must be:

(a) in writing, in English and signed by a person duly authorised by the sender; and (b) either:

(i) hand delivered or sent by prepaid post; or

(ii) sent by email,

in each case, to the recipient's address for notices specified in the details at the start of this deed, as varied by any Notice given by the recipient to the sender.

9.3 Notice by email

A Notice by email is taken to be in writing and signed by the named sender.

9.4 Effective on receipt

A Notice given in accordance with clause 9.2 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

(a) if hand delivered, on delivery;

(b) if sent by prepaid post within Australia, on the fifth Business Day after the date of posting; and

(c) if sent by email, on dispatch of the email unless the sender's server indicates a malfunction or error in transmission or the recipient immediately Notifies the sender of an incomplete transmission,

but if the delivery or receipt is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

10. Assignment and Change of Control

10.1 Assignment by Coronado

Coronado may not assign all or any part of its rights or obligations under this deed unless:

(a) Stanwell has given its prior consent; and

(b) its rights, in the same percentage, to the Tenements and to each Project Document are assigned to the same assignee at the same time, except in relation to a deemed assignment under clause 10.4.

10.2 Assignment of rights to the Tenements

(a) Coronado may not assign its rights to the Tenements, except together with an assignment, in the same percentage, of its rights and obligations under this deed.

(b) Notwithstanding clause 10.2(a), and except as set out in clause 4.2(a), Coronado may encumber its rights to the Tenements so long as the encumbrancee undertakes in a form reasonably satisfactory to Stanwell only to dispose of such rights together with an assignment of rights and obligations under this deed in accordance with clause 10.1.

10.3 Assignment by Stanwell

Stanwell may not assign all or any part of its rights or obligations under this deed unless:

(a) Coronado has given its prior consent; and

(b) each Project Document is assigned to the same assignee at the same time.

10.4 Change of Control

A Change of Control of Coronado will be deemed to be an assignment of this deed for the purpose of this clause 10 and the person that acquires Control will be deemed to be the "proposed assignee", provided that this clause 10.4 will not apply if the Change of Control of Coronado occurs as a result of the purchase and sale of shares or other securities in Coronado Holdings on the Australian Stock Exchange.

10.5 Requests for consent

(a) The party requesting any consent under this clause 10 (**Party Concerned**) may request consent for a proposed assignee as soon as it believes a person is likely to be an assignee (**Request**).

(b) The party whose consent is required under this clause 10 (**Consenting Party**) must, within 30 days (or 45 days if clause 10.5(d) applies) of receiving a Request, by notice to the Party Concerned, either:

(i) subject only to clause 10.6(b), 10.6(e) and 10.6(f), give unqualified consent; or

(ii) refuse consent, in which case it must set out the reasons for such refusal.

(c) If the Consenting Party fails for any reason to give the notice within such period, unqualified consent will be deemed to have been given.

(d) If neither the proposed assignee nor any of its Holding Companies:

(i) has a substantial investment in Australia; or

(ii) is listed on a stock exchange either in Australia or overseas,

then the 30 day period referred to in clause 10.5(b) will be extended to 45 days.

(e) To maximise the time the Consenting Party has to consider the suitability of a proposed assignee, the Party Concerned may notify the Consenting Party of a shortlist of proposed assignees as soon as the Party Concerned is satisfied that a list, acceptable to it, is available. However, a notice requesting a consent for the purpose of this clause 10.5 for a particular assignee will not be deemed to have been given until the Party Concerned by notice informs the Consenting Party that in its opinion a person named in the shortlist is likely to be an assignee.

10.6 Financial Ability

(a) In this clause 10.6 '**Financial Ability**' means:

(i) in relation to a party its financial ability to perform its obligations as a party to this deed; and

(ii) where clause 10.4 applies, a party's financial ability to perform its obligations as a party to this deed taking into account its Financial Ability and whether that is materially adversely affected by a change of ownership to the proposed assignee.

(b) Where a party's consent is required under this clause 10, such consent must be given unless:

(i) the Consenting Party, acting reasonably, determines that the proposed assignee does not have the Financial Ability; or

(ii) where clause 10.4 applies, Stanwell, acting reasonably, determines that the party would not continue to have the Financial Ability.

(c) If, acting reasonably, the Consenting Party determines that the proposed assignee does not have the Financial Ability, and so informs, with reasons, the Party Concerned as contemplated in clause 10.5(b)(ii), the Party Concerned may then request the Consenting Party to consider whether by taking into account the ownership of the proposed assignee and the financial substance of its Holding Company (**Matters**) the proposed assignee thereby has the Financial Ability.

(d) The Consenting Party must consider the request made under clause 10.6(c) within 5 days of receiving it. If, acting reasonably it determines that by taking into account either or both Matters, the proposed assignee thereby has the Financial Ability, the Consenting Party must inform the Party Concerned to that effect and give its consent to the proposed assignment. In doing so, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

(e) When making a Request under clause 10.5 in respect of a particular proposed assignee, the Party Concerned may request that if the Consenting Party, acting reasonably, should determine that the proposed assignee does not have the Financial Ability, then the Consenting Party also have regard to the Matters for that proposed assignee. In that event the Consenting Party, acting reasonably, may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee. Any such consent is to be given within the 30 or 45 day period as contemplated under clause 10.5. In doing so the Consenting Party must also give reasons for initially determining that the proposed assignee does not have the Financial Ability.

(f) Notwithstanding any other provision of clause 10 a consent for a particular potential assignee will be deemed to include a consent for any Related Body Corporate of it that becomes the actual assignee so long as the Related Body Corporate is determined by the Consenting Party in accordance with this clause 10.6 to:

(i) meet the criteria set out in this clause; or if not

(ii) meet the criteria set out in this clause by the Consenting Party, acting reasonably, taking into account the Matters, if the Party Concerned has requested that the Matters be considered,

and if clause 10.6(f)(ii) applies, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

10.7 Deemed notice

The Parties agree that any notice referred to in this clause 10 will be deemed to have been given and received if:

(a) a similar notice has been given pursuant to the equivalent provision to this clause 10 in another Project Document; and

(b) that notice refers to this deed.

11. General

11.1 Attorney

If applicable each attorney executing this deed states that the attorney has no notice of the revocation of the relevant power of attorney.

11.2 Alterations

Any amendment to this deed must be in writing and executed by the parties.

11.3 Approvals and consents

Except where this deed expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this deed.

11.4 Costs

Each party must pay its own costs of negotiating, preparing and executing this deed.

11.5 Stamp duty

Coronado must:

(a) bear and pay for all stamp duty on, or incidental to the execution of, this deed and on or incidental to all transactions contemplated by this deed excluding stamp duty on transactions or agreements between Stanwell and third parties or between Stanwell and its Related Bodies Corporate;

(b) lodge this deed for stamping as required by the relevant statute; and

(c) indemnify Stanwell against its liability for all such stamp duty and against any liability resulting from the failure of Coronado to lodge any document for stamping as required under any applicable legislation.

11.6 Survival

Any indemnity or any obligation of confidence under this deed is independent and survives termination of this deed. Any other term by its nature intended to survive termination of this deed survives termination of this deed.

11.7 Counterparts

This deed may be executed in counterparts but will not be binding until executed counterparts are exchanged. All executed counterparts together constitute one instrument. An exchange of executed counterparts of this deed, or of executed copies of this deed by facsimile or email, constitutes an exchange of executed counterparts for the purposes of this clause and will create a valid and binding deed between the parties. Despite this, the parties agree that within a reasonable time following formation of this deed by exchange of facsimiles or emails, the parties must exchange executed counterparts of this deed.

11.8 No merger

The rights and obligations of the parties under this deed do not merge on completion of any transaction contemplated by this deed.

11.9 Entire agreement

This deed constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

11.10 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this deed and any transaction contemplated by it.

11.11 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

11.12 Relationship

Except where this deed expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

11.13 Governing Law

This deed is governed by and is to be construed in accordance with the laws of the State of Queensland and the parties submit to the jurisdiction of the courts of that State. Any action or proceedings taken or which may be taken under or in connection with this deed must be taken, instituted or determined, as the case requires, in the Courts of Queensland.

EXECUTED as a deed

Signed by **Richard Van Breda** for **Stanwell Corporation Limited** CAN 078 848 674 under Power of attorney in the presence of

/s/ Michael O'Rourke	/s/ Richard Van Breda
Signature of witness	Richard Van Breda
Michael O'Rourke	
Name of witness (print)	

Executed by **Coronado Curragh Pty Ltd**

ABN 90 009 362 565 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Garold R. Spindler	/s/ John Balassis
Signature of director	Signature of director/~~company secretary~~ (Please delete as applicable)
Garold R. Spindler	John Balassis
Name of director (print)	Name of director/~~company secretary (print)~~

Schedule 1 — Binding Terms Sheet

See Binding Terms Sheet attached.

Schedule 1 to Curragh Mine - New Coal Supply Deed

Binding Terms Sheet

This terms sheet sets out the terms and conditions of a coal supply agreement (**New CSA**) between Stanwell Corporation Limited ABN 37 078 848 674 (**Stanwell**) and Coronado Curragh Pty Ltd ABN 90 009 362 565 (**Coronado**).

This terms sheet is to apply as a binding agreement between Stanwell and Coronado in accordance with the Curragh Mine — New Coal Supply Deed to which this terms sheet is attached (**Deed**) with effect from the date of the Deed until a full form New CSA reflecting this terms sheet has been agreed between the Parties or a CSA Dispute has been determined in accordance with clause 3.2 of the Deed.

When a full form New CSA has been agreed (or determined in accordance with clause 3.2 of the Deed), the full form New CSA will supersede and replace this terms sheet.

This terms sheet and the New CSA apply on the basis that:

(a) the Parties' agreement consists of the New CSA Clauses identified in the table below;

(b) each New CSA Clause will, unless otherwise indicated, be the provision or provisions of the Amended Coal Supply Agreement dated 6 November 2009 between Stanwell and Coronado, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016 and by the Deed (**ACSA**) identified in this terms sheet with such amendments as are described below; and

(c) if a Clause of the ACSA is not referred to below as a Clause that is deleted or amended, that Clause is to be incorporated into the New CSA and:

(i) any reference in that Clause to 'Wesfarmers' is a reference to 'Coronado'; and

(ii) any cross-reference in that Clause is changed to reflect the applicable Clause of the New CSA according to this terms sheet.

Capitalised terms that are not defined in this terms sheet have the meaning given in the ACSA.

The ACSA is unamended by this terms sheet. The references to the ACSA in this terms sheet are only references to the ACSA as the precedent for the New CSA.

The Clause numbering and clause references from the ACSA will be changed as required to give effect to the New CSA (including the addition and deletion of Clauses) as set out below. An appropriate cover page, table of contents, reference to the Parties and recitals will be inserted in the New CSA.

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
1.	**Definitions and interpretation**	Clause 1 of the New CSA consists of Clauses 1.1 and 1.2 of the ACSA, except that: (a) the words before the colon in the first paragraph of Clause 1.1 and 1.2 are deleted and replaced as follows: *In this Agreement:* (b) the following additional definitions are inserted in Clause 1.1: ***"ACSA"*** *means the Amended Coal Supply Agreement dated 6 November 2009 between Stanwell and Coronado, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016 and by the Deed.* ***"ACSA Final Delivery Date" means*** *the date that is the "Final Delivery Date" under the ACSA.* ***"Authorised Representative" means****, in respect of each Party, the authorised representative notified by that Party to the other Party from time to time.*

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA

"Business Day" *means a day other than Saturday, Sunday or public holiday in Brisbane, Queensland.*

"Deed" *means the Curragh Mine — New Coal Supply Deed between Coronado and Stanwell dated on or about 14 August 2018.*

"JORC Code" *means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves from time to time.*

"Netback Amount" *for each Month during the Supply Term, has the meaning given in Clause 10.2.*

"SRA Value Schedule" *means the model calculations schedule at Schedule 1 to this Agreement which sets out the information and formulae required to determine:*

(a) certain amounts to be paid under this Agreement; and

(b) the Final Delivery Date.

"Supply Commencement Date" *means the earlier of;*

(a) the day after the ACSA Final Delivery Date;

(b) if the ACSA is terminated prior to the ACSA Final Delivery Date, the day after the date that the ACSA is terminated; and

(c) 1 January 2029.

"Supply Term" *means the period from the Supply Commencement Date until the Final Delivery Date.*

"Tonnes Delivered" *for each Month during the Supply Term, has the meaning given in Clause 10.2.*

(c) the following defined terms and definitions in Clause 1.1 of the ACSA are deleted:

Additional Areas
Amended Coal Supply Agreement Option Deed
Annual Base Tonnage
Annual Option Tonnage
As Converted into A$
Base Contract Tonnage
Base Price
Base Tonnage
Coal Supply Option Deed
Consumer Price Index
Contract Price
Contract Term
Curragh Coal
Curragh North Approvals Date
Curragh North Area
Curragh North Coal
Curragh North Commencement Date
Curragh North Mine
Curragh North Project
Curragh North Termination eligible employee
Haul Road
Haul Road Mining Lease
LSL
LSL Levy Act
Marketable Reserves
MDL
Mining Lease Procedures Deed
Nominal Base Annual Tonnage
Option Deed for Curragh North Project Assets
Option Tonnage
RCSA
Reserved Area

Reserved Area Deed of Consent
Reserved Area Consent Option Deed
Reversion Deed
Sales Representative
Total Contract Tonnage
Water Reserve Mining Lease

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA

Water Reserve Mining Lease Application
Water Reserve Mining Lease Area

(d) the definition of Annual Contract Tonnage in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Annual Contract Tonnage" *means for each Year during the Supply Term the amount nominated in accordance with Clause 4(a)(i).*

(e) the definition of Commencement Date in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Commencement Date" *means the date of the Deed.*

(f) the definition of Curragh Mine in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Curragh Mine" *means Coronado's coal mine and coal mining facilities located within the Tenements and Coronado's processing facilities located within or in the vicinity of those Tenements.*

(g) the definition of Final Delivery Date in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Final Delivery Date" *means the earlier of.*

(a) the last day of the Month for which the Outstanding Value of the SRA is first determined as equalling zero; and

(b) 31 December 2038.

(h) the definition of Marketable Reserves in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Marketable Reserves Statement" *means:*

(a) unless paragraph (b) applies, a statement given in accordance with the JORC Code showing, amongst other things, the Mineral Resources and Ore Reserves (as those terms are defined in the JORC Code) of coal within the Tenements; and

(b) if a holding company (as defined in the Corporations Act) of Coronado is not listed on a recognised stock exchange, an annual reserves statement for the Tenements prepared by suitably qualified experts equivalent to a JORC reserves statement.

(i) the definition of Power Station in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Power Station" *means:*

(a) the Stanwell Power Station; or

(b) any other power station:

(i) owned by Stanwell which Stanwell may nominate to receive and use Coal; and

(ii) where the Coal has been test burned by Stanwell and determined by Stanwell to be suitable for use,

depending in each case upon where the Coal is intended to be used.

(j) the definition of Project Documents in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Project Documents" *means this Agreement, the Deed and the ACSA.*

(k) the definition of Stanwell's Carrier in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Stanwell's Carrier" *means such person who from time to time contracts with Stanwell for the transport of Coal.*

(l) the definition of Tenements in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Tenements" *means Mining Lease Numbers 1878, 1990, 80010 80011, 80012, 80086, 80110, 80112, 80123, 80171, 700006, 700007, 700008 and 700009 and Mineral Development Licence Numbers 162, 328 and 329 and any renewals, extensions and amendments thereof and any* *tenements issued to Coronado in place thereof or over any part of the area covered by the foregoing tenements.*

(m) the definition of Trade Certified in Clause 1.1 of the ACSA is deleted and replaced as follows:

"Trade Certified" *means that the Weighbridge is licensed under the National Measurement Act 1960 (Cth).*

(n) terms defined in the SRA Value Schedule have the meaning given to those terms under the SRA Value Schedule when used in the New CSA.

2. **Agreement**

Clause 2 of the New CSA consists of Clause 2 of the ACSA except that:

(a) Clause 2.2 of the ACSA is deleted and replaced as follows:

Term

(a) This Agreement will have effect from the Commencement Date, and unless this Agreement is terminated earlier in accordance with its terms this Agreement ends on the date occurring after the Final Delivery Date when each Party has complied with its obligations and satisfied all of its liabilities under this Agreement.

(b) From four Years prior to the expected Final Delivery Date, either Party may request the other Party to discuss the possibility of extending this Agreement to cover additional tonnages of Coal. In such case the Parties will discuss such possibility but, subject to Clause 2.2(c)(ii) neither Party shall be obliged to agree to any such extension.

(c) If as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, then:

(i) Coronado shall pay to Stanwell the Cash Value of the SRA as at 31 December 2038 by no later than 31 January 2039; and

(ii) if requested by Stanwell, Coronado will use its best endeavours to supply Coal at a price to be agreed between Coronado and Stanwell.

(b) Clauses 2.3 through 2.7 of the ACSA are deleted.

(c) Clause 2.10 of the ACSA is deleted and Clause 2.8 is to be renumbered as Clause 2.3.

3.	**Source of Coal and Substitute Coal**	Clause 3 of the New CSA consists of Clause 3 of the ACSA except that:

(a) Clause 3.1(b) of the ACSA, which allows Coronado to deliver Substitute Coal for use in the Power Station only, is to apply as though and be amended to account for Stanwell's right to otherwise use or sell Coal under the New CSA such that Coronado is permitted to make any deliveries as Substitute Coal, whether for use in the Power Station or otherwise.

(b) If the Substitute Coal is not to be used in the Power Station:

(i) the test burn/suitability requirements in Clause 3.2 will not apply to that Coal; and

(ii) the coal quality terms, including the limiting specifications, will apply to that Coal.

(c) Clauses 3.4 through 3.8 are to apply as though and be adjusted to reflect that Stanwell must use best endeavours to obtain rail arrangements for the transport of the Substitute Coal from the relevant mine to its destination and that the adjustment on rail freight will be compared on the same basis as in Clause 3.6 (i.e. regardless of its destination, the parties will compare and pay the difference for the cost of transport from the Curragh Mine to the Stanwell Power Station as against the cost of transport from the relevant mine to the Stanwell Power Station).

(d) A consequential change applies in Clause 6 regarding the delivery point of Substitute Coal where freight is arranged by Coronado.

(e) Clause 3.4(a) is amended by deleting the words 'or *the Curragh North Mine*'.

(f) Clause 3.5(a) is amended by deleting the words '*, the Curragh North Mine*'.

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
N/A	N/A	Clause 4 of the ACSA is deleted.

4. **Annual Base Tonnage, Rates of Delivery and Notification of Requirement**

Clause 4 of the New CSA consists of Clause 5 of the ACSA except that:

(a) Clauses 5.1 and 5.2 of the ACSA are deleted and replaced with new Clauses 4.1 and 4.2 as follows:

Annual nominations

4.1 Not later than the 30 June occurring prior to the commencement of each Year during the Supply Term, Stanwell shall, by notice to Coronado:

(a) nominate:

(i) the Annual Contract Tonnage for that Year which must be between [***] Tonnes Equivalent and [***] Tonnes Equivalent (and pro rata for a part Year), and if no such nomination is made for any Year, Stanwell shall be deemed to have nominated 2 million Tonnes Equivalent;

(ii) in respect of any Month during that Year, a quantity of the Annual Contract Tonnage in Tonnes Equivalent of up to one twelfth of the Annual Contract Tonnage for any Month for which Stanwell elects to receive Cash in Lieu; and

(iii) the Nominated Contract Price per GJ for each Month in that Year, which must be within the range of [***]% to [***]% of the Contract Price per GJ for that Month in that Year as set out in the SRA Value Schedule, and if no such nomination is made for any Year, Stanwell shall be deemed to have nominated the Contract Price per GJ for each Month in that Year as set out in the SRA Value Schedule,

provided that the nomination must not cause the Outstanding Value of the SRA to be less than zero;

(b) confirm any additional Tonnes that have been postponed in accordance with Clause 11.4(c), Clause 12.4(c) or Clause 15 and that Coronado is obliged to deliver in that Year pursuant to this Agreement;

(c) propose the Quarterly Tonnage for each Quarter of that Year; and

(d) indicate, on a non-binding basis, the nominations of the Annual Contract Tonnage and Nominated Contract Price per GJ for each Year of the Supply Term after the Year for which the nominations in Clause 4.1(a)(i) and 4.1(a)(iii) are made, in accordance with the SRA Value Schedule.

If Stanwell fails to give a notice under Clause 4.1(c), or if Coronado disagrees with the Quarterly Tonnages as proposed by Stanwell, then the Quarterly Tonnages for each Quarter of the Year shall be one quarter of the Annual Contract Tonnage.

If:

(i) Stanwell does not make a nomination by the 30 June that occurs immediately prior to the commencement of the first Year of the Supply Term; and

(ii) either:

(A) the Supply Term commences; or

(B) in the reasonable opinion of Stanwell, the Supply Term is likely to commence before Stanwell will be able to make a nomination, Stanwell shall promptly make a nomination in accordance with Clause 4.1(a) for the period in respect of the first (and if applicable, the second) Year in the Supply Term.

If there is an interruption to the supply of Coal in the period between the date of Stanwell's nomination and 31

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA

December of that Year, Stanwell may prior to 31 December revise its nomination, by an amount equal to the missed deliveries, provided that the revised nomination does not exceed a total maximum of [***] million Tonnes Equivalent. That revised nomination will be Stanwell's nomination for the purposes of Clause 4.1(a).

For the purposes of calculating the Cash Value of the SRA, where the Agreement will terminate due to Coronado's default, Stanwell may (but is not obliged to) give a revised nomination under this Clause 4.1, including the non-binding nominations for each Year of the Supply Term.

If the Supply Commencement Date occurs before the ACSA Final Delivery Date, in respect of each Month from the Supply Commencement Date until the Month in which the ACSA Final Delivery Date occurs, Stanwell must nominate one twelfth of the Annual Contract Tonnage (pro rata for any part Month) as Cash in Lieu.

4.2 Notwithstanding Clause 4.1, either Coronado or Stanwell may at any time propose any Annual Contract Tonnage and Quarterly Tonnage for the next Year. The other Party shall consider any such proposal but shall be under no obligation to accept the same. If the Parties agree upon a different Annual Contract Tonnage and Quarterly Tonnage that shall become the Annual Contract Tonnage and Quarterly Tonnage for the periods concerned.

(b) Clause 5.8 of the ACSA is deleted and replaced as Clause 4.8 as follows:

Obligation to deliver and accept deliveries

4.8 Coronado shall deliver, and Stanwell shall take delivery of, Coal at rates which meet the requirements of Clauses 4.1 to 4.7, inclusive. Coronado is not obliged to deliver any Coal in respect of which Stanwell has elected to take Cash in Lieu.

(c) Clause 5.10 of the ACSA is deleted.

(d) A new Clause 4.10 is inserted as follows:

Export election

4.10 Stanwell may elect not more than once in respect of any Quarter, by giving notice to Coronado prior to the commencement of the Quarter, to receive any quantity of Coal that Stanwell does not require at the Stanwell Power Station and deal with it as it sees fit, including to export the Coal or otherwise deal with the Coal (and if it does so, Stanwell may request Coronado, to act as its agent to deal with the Coal at Stanwell's cost, and Coronado may accept or reject that request in its absolute discretion). Coronado must deliver and Stanwell must take such Coal in accordance with the terms of this Agreement.

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
N/A	N/A	Clause 5A of the ACSA is deleted.

5.	**Delivery facilities, title and risk**	Clause 5 of the New CSA consists of Clause 6 of the ACSA except that: (a) Clause 6.2 of the ACSA is deleted and replaced as follows: *Subject to reasonable maintenance requirements that have, where possible, been previously notified by Coronado to Stanwell, Coronado shall deliver Coal at the Curragh Mine Loading Plant at a rate of at least [***] Tonnes per hour and have the Loading Plant available twenty-four (24) hours per day, seven (7) days a week.* (b) Clause 6.7 of the ACSA is deleted and replaced as follows: *Coronado will use its best endeavours to comply with Schedules 2 and 3.* (c) Clause 6.8 is deleted and replaced as follows: *From time to time, either Party may request renegotiation of the provisions of Schedule 3 of this Agreement to reflect the provisions of its then contract*

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		for rail haulage which includes the loading of Coal at the Curragh Mine Loading Plant. In such event the Parties will meet in good faith to endeavour to agree upon revised terms which meet their respective needs. If no agreement is reached by the Parties to amend this Agreement, this Agreement shall continue unchanged.
6.	**Quality of Coal**	Clause 6 of the New CSA consists of Clause 7 of the ACSA, except that: (a) Clause 7.4(a) of the ACSA is amended by: (i) deleting the words '*Subject to Clause 7.4(b)*' at the start of the first sentence; and (ii) deleting the last paragraph of the Clause and replacing it with the following: *then Stanwell may by notice suspend delivery of Coal hereunder from the time of giving such notice until Coronado can demonstrate that the Coal ready for delivery is likely to meet all of the Limiting Specifications (provided that for Coal used or intended to be used in the Power Station, Stanwell may only give such notice if in Stanwell's reasonable opinion the failure of such Coal to meet these Limiting Specifications materially affects, or is likely to materially affect, the normal operation of the Power Station).* (b) Clause 7.4(b) is deleted.
7.	**Quantity and quality determination**	Clause 7 of the New CSA consists of Clause 8 of the ACSA.
8.	**Price of Coal**	Clause 8 of the New CSA is to replace Clause 9 of the ACSA as follows: *8.1 The Contract Price per Tonne for each Month is to be determined in accordance with the SRA Value Schedule.* *8.2 The **Invoice Price** for Coal delivered in any Month is the Contract Price per Tonne for the Month adjusted to reflect the quality of the Coal delivered in that Month in accordance with Clause 9.* *8.3 The Contract Price per Tonne for each Month will only vary in accordance with the SRA Value Schedule and is inclusive of all costs. The Contract Price per Tonne so determined shall apply throughout the Supply Term irrespective of any change in Coronado's actual costs, the mine's viability or market prices.* *8.4 Stanwell will pay a royalty amount for each Month determined in accordance with Clause 10.4.*
N/A	N/A	Clause 10 of the ACSA is deleted.
9.	**Variations for quality**	Clause 9 of the New CSA is to consist of Clause 11 of the ACSA except that Clause 11.1 and 11.2 are amended by: (a) replacing '*each of the Base Tonnage and Option Tonnage*' with '*the Annual Contract Tonnage*'; and (b) replacing '*Contract Price*' with '*Contract Price per Tonne*', wherever they occur.

10. **Payment**

Clause 10 of the New CSA consists of Clause 12 of the ACSA except that:

(a) Clause 12.1 of the ACSA is deleted and replaced as follows:

Monthly payment

10.1 Stanwell must pay to Coronado each Month, or Coronado must pay to Stanwell each Month, as the case may be:

(a) the amount payable for the Coal delivered in the previous Month as determined in accordance with Clause 10.2;

(b) the amount payable for the Derived Amount for the previous Month as determined in accordance with Clause 10.3;

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA

(c) if Stanwell has made an election for the payment of Cash in Lieu in respect of the Month, the amount of the Cash in Lieu for the Month in accordance with Clause 10.3;

(d) the royalty amount payable in respect the Coal delivered in the previous Month as determined in accordance with Clause 10.4;

(e) any Rail Energy Payment pursuant to Clause 10.5;

(f) any amount payable in respect of GST pursuant to Clause 10.6;

(g) any Transport Cost payable pursuant to Clause [Drafting instruction for full form New CSA: insert cross-reference to clause containing the obligation to pay the Transport Cost]; and

(h) any amount payable in respect of any interruptions to supply that are not Causes Outside the Control of Coronado pursuant to Clause 11.

Payment for the amounts payable under Clause 10.1(a) and (b) will be satisfied in each Month by Stanwell paying the Netback Amount less the Derived Amount to Coronado, which is an amount equal to the Invoice Price x Tonnes Delivered.

(b) Clauses 12.2 and 12.3 of the ACSA are deleted and replaced as follows:

Payments for Coal

*10.2 In each Month during the Supply Term, Stanwell shall pay to Coronado the Netback Amount for the aggregate quantities of Coal delivered in that Month. The **Netback Amount** for the Month is to be determined as:*

Netback Amount = [Netback Price x Monthly Tonnage] + [(Invoice Price x Tonnes Delivered) – (Contract Price per Tonne x Monthly Tonnage)]

*where **Tonnes Delivered** is the sum of the quantities delivered in that Month as ascertained in accordance with* Clause 7.

Derived Amount and Cash in Lieu

10.3 In each Month during the Supply Term, Coronado shall pay to Stanwell:

(a) the Derived Amount for the Month; and

(b) the Cash in Lieu for the Month.

The Derived Amount and the Cash in Lieu are to be determined for each Month in accordance with the SRA Value Schedule.

(c) Clause 10.4 of the New CSA is as follows:

Royalty amount

10.4 In each Month during the Supply Term, Stanwell shall pay a royalty amount calculated in accordance with the following expression:

Royalty Payable = [(Invoice Price x (7/93 +1) x 0.07) x Tonnes Delivered]

(d) Clause 12.5 of the ACSA is deleted.

(e) Clause 12.4 of the ACSA is renumbered as Clause 10.5.

(f) Clause 12.6 of the ACSA is deleted and replaced as follows:

GST

10.6 For the purposes of this Agreement,

(a) It is agreed:

(i) all amounts expressed or determined to be payable by any

Party to another under this Agreement are calculated and will be determined exclusive of GST; and

(ii) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA

tax periods) will be treated as a separate supply for the purposes of this Clause 10.6.

(b) If any payment required to be made by one Party to another under this Agreement is a payment for a taxable supply for the purposes of the GST Act, the amount payable is the amount derived by multiplying the original amount payable by the formula [1 + (the decimal expression of the GST rate imposed under the GST Act)].

(c) If any Party is required to reimburse another for an amount paid or payable for a taxable supply by a third party for which that Party is entitled to claim an input tax credit, the amount required to be reimbursed will be reduced by the amount of the credit.

(d) The obligation to pay any additional amount under this Clause 10.6 is subject to the Party receiving the payment, providing to the other Party in accordance with the requirements of the GST Act a tax invoice for each payment.

(e) Payment of the GST shall be made at the same time as the first payment for the relevant taxable supply is required to be made provided the Party receiving the payment has issued a tax invoice or adjustment note (as required) to the other Party.

(f) If a payment is calculated by reference to or as a specified percentage of another amount or revenue stream, that payment will be calculated by reference to or as a specified percentage of the amount or revenue stream exclusive of GST.

(g) If the amount of GST paid or payable by any Party in respect of a taxable supply made under this Agreement differs from the amount of GST paid by that Party by reason of the Australian Commissioner of Taxation lawfully adjusting the amount of GST payable, then the amount of GST paid shall be adjusted accordingly, by a further payment by one Party to the other as the case requires.

(h) To the extent that consideration for any supply by, under or in connection with this Agreement includes non-monetary consideration:

(i) the Parties agree to act in good faith in determining the GST-inclusive market value of the non-monetary consideration provided for the supply;

(ii) the tax invoice for the supply must state the GST- inclusive market value of the non-monetary consideration provided for the supply;

(iii) subject to the Parties exchanging tax invoices, the parties will allow for the parties' respective payments of GST under this Agreement to be offset; and

(iv) to the extent the respective payments of GST under Clause 10.6(h)(iii) are not equal, the difference must be paid as a monetary payment, in addition to and at the same time that the GST-exclusive consideration for the supply is payable or to be provided under this Agreement.

(g) Clause 12.7 of the ACSA is deleted and replaced as follows:

Invoicing

10.7 Coronado shall submit to Stanwell as soon as practicable after the end of each Month an invoice for all amounts payable by the Parties pursuant to this Clause 10 in that Month, except for the supply referred to in Clause 10.7(b) below. Each invoice shall be accompanied by a statement showing in detail the calculations used to determine all amounts payable. For this purpose the Parties *acknowledge that, subject to any subsequent agreement to issue recipient created tax invoices, in accordance with Clause 10.6(d) of this Agreement:*

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		(a) Coronado will issue tax invoices to Stanwell for its taxable supplies under and in connection with this Agreement (including for the taxable supply of Coal); and *(b) Stanwell will issue tax invoices to Coronado for the taxable supply for which the Derived Amount is consideration.* (h) Clause 12.8 of the ACSA is deleted. (i) Clause 12.9 of the ACSA is deleted and replaced as follows: ***Set-off*** *10.8 Except in respect of the netting of the Netback Amount and Derived Amount in accordance with Clause 10.1 and any set-off permitted in accordance with Clause 24.10(b), neither Party shall be entitled to set-off against any amounts payable by it to the other Party pursuant to this Agreement, any amounts payable by the other Party to it pursuant to this Agreement or otherwise.* (j) Clause 12.11 of the ACSA is deleted and replaced as follows: *10.10 Where appropriate, an adjustment will be made between the Parties for any charge which has been levied on an interim basis within 14 days of the final amount being determined.*

11. **Interruption to supply** Clause 11 of the New CSA consists of Clause 13 of the ACSA except that:

(a) Clause 13.1(c) of the ACSA is deleted and replaced as follows:

Coronado will not enter into a contract that contains a Clause under which Coronado is obliged to supply Coal to a customer in priority to supplying Coal to Stanwell.

(b) Clause 13.3(a)(i) of the ACSA is amended by deleting the words *'Contract Term'* and replacing them with *'Supply Term'*.

(c) Clause 13.7 of the ACSA is deleted and replaced as follows:

If Stanwell elects to cancel deliveries in accordance with Clause 11.3 the cancelled deliveries of Coal will not be treated as delivered for the purposes of the SRA Value Schedule and any cancellation will not prejudice Stanwell's entitlement to achieve the Value of the SRA under this Agreement.

(d) Clause 13.8 of the ACSA is amended by deleting the last sentence of Clause 13.8.

(e) Clause 13.15 of the ACSA is deleted and replaced with the following:

(a) Subject to Clause 21.6, if the cause of the interruption to supply is not a Cause Outside the Control of Coronado, then in addition to such other rights as Stanwell may have under this Agreement, Stanwell shall be entitled to indemnification from Coronado for all of Stanwell' s costs and damages resulting from the interruption, including additional costs in obtaining make up coal and the Derived Amount that would have been attributable to such coal had it been delivered by Coronado. Stanwell will use reasonable endeavours to mitigate all such costs and damages.

(b) If Clause 11.15(a) applies, and Stanwell obtains make up coal and Coronado indemnifies Stanwell in accordance with Clause 11.15(a) for all of Stanwell's costs and damages resulting from the interruption, the Tonnes Equivalent of such make up coal will be treated as having been delivered for the purposes of the definition of Monthly Tonnage in the SRA Value Schedule.

12. **Interruption to taking of deliveries** Clause 12 of the New CSA consists of Clause 14 of the ACSA except that:

(a) Clause 14.1(a) is deleted and replaced as follows:

Stanwell expressly acknowledges that, without derogating from the provisions of this Agreement providing for termination and suspension, it is a fundamental expectation of Coronado that this Agreement will provide Coronado with a stable demand for Annual Contract Tonnage and that it was on the basis of Stanwell' s representations of its ability to provide such

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		stable demand as specified herein that Coronado agreed to enter this Agreement with Stanwell. (b) Clause 14.1(c) is deleted and replaced as follows: *Clauses 12.2 to 12.14 inclusive, shall apply in the event Stanwell does not take delivery in full of any Coal for which Stanwell has validly nominated in accordance with this Agreement hereunder on the due date, or such non-taking of delivery is threatened as provided hereunder, irrespective of the cause, except where the cause is the breach by Coronado of its obligations under this Agreement.* (c) Clause 14.3(a)(i) is amended by deleting the words *'Contract Term'* and replacing them with *'Supply Term'*. (d) Clause 14.7 is deleted and replaced as follows: *If Coronado elects to cancel deliveries in accordance with Clause 12.3 the cancelled deliveries of Coal will not be treated as delivered for the purposes of the SRA Value Schedule and any cancellation will not prejudice Stanwell's entitlement to achieve the Value of the SRA under this Agreement.* (e) Clause 14.8 of the ACSA is amended by deleting the last sentence of Clause 14.8. (f) Clause 14.11(b)(iv) is deleted and replaced as follows: *(iv) Interruptions due to embargoes, orders or acts of a Government Body of the State of Queensland, however unexpected, will not be considered to be beyond Stanwell's reasonable control where those embargoes, orders or acts:* *(A) are intended to apply, or have the effect of applying, only to Stanwell and/or the Stanwell Power Station; or* *(B) are intended to have a greater proportional application to the Stanwell Power Station than other coal fired power stations in the State of Queensland;* *provided that this Clause 12.11(b)(iv) shall not apply to Stanwell if the shares in Stanwell cease to be owned by a Government Body, unless the commission of the relevant embargo, order or act is a condition, express or implied, of the transaction by which the new owner became owner of those shares.* (g) Clause 14.14 is deleted and replaced as follows: *Subject to Clause 21.6, if the cause of the interruption to the taking of deliveries is not a Cause Outside the Control of Stanwell and Stanwell has not made an Advance Payment with respect to such deliveries as provided in Clause 15, then in addition to such other rights as Coronado may have under this Agreement, Coronado shall be entitled to recover from Stanwell indemnification for all of Coronado' costs and damages resulting from the interruption, including costs in stockpiling of coal and any reduced price (in comparison to the Netback Price) it may receive from selling coal to other customers. Coronado will use reasonable endeavours to mitigate all such costs and damages.*
13.	**Sales by Coronado to other purchasers**	Clause 13 of the New CSA consists of Clause 15 of the ACSA.

14.	**Reserves**	Clause 14 of the New CSA is to replace Clause 16 of the ACSA as follows: ***Annual Report on Marketable Reserves*** *Coronado shall prepare and provide to Stanwell by 30 September of each Year during the Supply Term (or if earlier, within 10 Business Days of it being filed with a recognised stock exchange), the most current Marketable Reserves Statement.*
15.	**Request for postponement of deliveries**	Clause 15 of the New CSA consists of Clause 17 of the ACSA except that: (a) Clause 17.1 is amended by deleting the words '*Contract Price*' and replacing them with '*Contract Price per Tonne*'. (b) The following paragraph is added at the end of the Clause 17.1:

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		*An "**Advance Payment**" is a payment described in this Clause 15. For the purposes only of the SRA Value Schedule and without limiting Coronado's delivery obligations, if Stanwell makes an Advance Payment in respect of any Coal, that Coal will be deemed to have been delivered at the time of payment by Stanwell.*
16.	**Disputes**	Clause 16 of the New CSA consists of Clause 18 of the ACSA except that: (a) Clause 18.1 is deleted and replaced as follows: *If at any time any question, dispute or difference arises between Stanwell and Coronado in relation to, or arising out of, this Agreement, then the Authorised Representative from each of Stanwell and Coronado shall meet with the view to resolving that question, dispute or difference.* (b) Clause 18.7(a) is deleted and replaced as follows: *If the Parties do not agree within seven (7) days from the date upon which Clause 16.3 applies as to the identity of the mediator, or the mediator agreed by the Parties determines that he or she is unable or unwilling to act, a mediator shall be appointed by the Resolution Institute in accordance with its mediation rules. Within seven (7) days of such agreement or nomination the Parties must jointly appoint the agreed or nominated mediator and if either refuses to make the appointment the other is hereby irrevocably authorized to appoint the mediator on behalf of both Parties.* (c) The opening paragraph of Clause 18.8 is deleted and replaced as follows: *Notwithstanding the foregoing provisions of this Clause 16, in the event that the question, dispute or difference relates to Clauses 6, 7 (except for the umpire analysis provided therein), 10.6 and 10.10 ("**Reference Clause(s)**"), then:* (d) Clause 18.8(c) is amended by deleting the words *'the President for the time being of the Institute of Chartered Accountants'* and replacing them with *'the Chair of the Resolution Institute'*.
17.	**Assignment and Change of Control**	Clause 17 of the New CSA consists of Clause 19 of the ACSA.
18.	**Representations, Warranties and Undertakings**	Clause 18 of the New CSA consists of Clause 20 of the ACSA except that: (a) Clause 20.1(a) is deleted and replaced as follows: *Coronado is the sole legal and beneficial owner of, and is entitled to all coal produced from, the Tenements; and* (b) Clause 20.2 is deleted.
N/A	N/A	Clause 21 of the ACSA is deleted.
19.	**Confidentiality**	Clause 19 of the New CSA consists of Clause 22 of the ACSA except that Clause 22.1(a)(iv) is amended by deleting the words *'or Curragh North Mine*'.

20. **Notices and Communications**

Clause 20 of the New CSA is to replace Clause 23 of the ACSA as follows:

Notice

*20.1 In this Clause 20, "**Notice**" means a notice, demand, consent, approval or communication given by a party pursuant to or in connection with this Agreement.*

Service

20.2 A Notice must be:

(a) in writing, in English;

(b) signed:

(i) in the case of Stanwell, by its Authorised Representative, a director or a company secretary; and

(ii) in the case of Coronado, by its Authorised Representative, a director or a company secretary; and

(b) either:

(i) hand delivered or sent by prepaid post; or

(ii) sent by email,

in each case, to the recipient's address for notices specified in the details at the start of this Agreement, as varied by any Notice given by the recipient to the sender.

Notice by email

20.3 A Notice by email is taken to be in writing and signed by the named sender.

Effective on receipt

20.4 A Notice given in accordance with Clause 20.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

(a) if hand delivered, on delivery;

(b) if sent by prepaid post within Australia, on the fifth Business Day after the date of posting; and

(c) if sent by email, on dispatch of the email unless the sender's server indicates a malfunction or error in transmission or the recipient immediately notifies the sender of an incomplete transmission,

but if the delivery or receipt is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

Service of process

20.5 The Parties agree any process in any proceedings in Australia issued by any Party, including any originating process, may be served on any other Party by sending a photocopy of the signed and sealed copy of the initiating process document by certified or registered mail, with postage prepaid, to such other Party at that Party's address pursuant to this Clause 20.

21. **Miscellaneous**

Clause 21 of the New CSA consists of Clause 24 of the ACSA except that:

(a) Clause 24.2 of the ACSA is to deleted and replaced as follows:

Entire Agreement

21.2 This Agreement shall constitute the entire agreement between the Parties in relation to its subject matter and no other representations, warranties, covenants, terms or conditions, whether express or implied and whether oral or in writing, in relation to the subject matter of this Agreement shall be of any force or effect unless contained in this Agreement.

(b) Clause 24.4 of the ACSA is deleted and replaced as follows:

Amendment

21.2 Any amendment to this Agreement shall be in writing and signed by the Parties.

(c) Clause 24.8 of the ACSA is deleted.

22. **Costs**

Clause 22 of the New CSA will consist of Clause 25 of the ACSA except that:

(a) Clause 25.2 of the ACSA is to deleted and replaced as follows:

Coronado shall:

(a) bear and pay for all stamp duty on, or incidental to the execution of, this Agreement and on or incidental to all transactions contemplated by this Agreement excluding stamp duty on transactions or agreements between Stanwell and third parties or between Stanwell and its Related Bodies Corporate;

(b) lodge this Agreement for stamping as required by the relevant statute; and

(c) indemnify Stanwell against its liability for all such stamp duty and against any liability resulting from the failure of Coronado to lodge

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		any document for stamping as required under any applicable legislation.
23.	**Counterparts**	Clause 23 of the New CSA will consist of Clause 26 of the ACSA.

24. **Default and termination** Clause 24 of the New CSA will consist of Clause 27 of the ACSA, except that:

(a) Clause 27.1(b) of the ACSA is amended to include a new event constituting a 'Financial Default' as Clause 24.1(b)(iv) as follows:

at any time after the date that Stanwell has been provided with Acceptable Security in accordance with clause 4.1 of the Deed, Coronado fails to comply with any subsequent or continuing obligation to Stanwell under that clause.

(b) Clause 27.1(b) of the ACSA is amended to include a new event constituting a 'Financial Default' as Clause 24.1(b)(v) as follows:

at any time before the date that Stanwell has been provided with Acceptable Security in accordance with clause 4.1 of the Deed, Coronado is in breach of clause 4.2 of the Deed.

(c) a new Clause 24.7 of the New CSA is inserted as follows:

Requirement to provide Acceptable Security

24.7 Stanwell may terminate this Agreement with immediate effect if:

(a) by 30 June 2019 Coronado has not granted, procured for or provided Stanwell with all Acceptable Security as defined in and required by clause 4.1 of the Deed and Coronado has not demonstrated to the reasonable satisfaction of Stanwell that:

(i) Coronado is using its best endeavours to grant, procure for and provide Stanwell with all such Acceptable Security within a reasonable period after 30 June 2019; and

(ii) there are reasonable grounds for Stanwell to believe that there are reasonable prospects of the Acceptable Security being provided within that reasonable period;

(b) in any case, all Acceptable Security required by clause 4.1 of the Deed has not been granted, procured for or provided to Stanwell by 30 September 2019; or

(c) at the time all Acceptable Security required by clause 4.1 of the Deed is granted to, procured for or provided to Stanwell, Coronado is not able to demonstrate to Stanwell's satisfaction that the requirement in clause 4.1(f) of the Deed is satisfied.

(d) a new Clause 24.8 of the New CSA is inserted as follows:

24.8 Stanwell's termination of this Agreement under Clause 24.7 is a termination for Coronado's default for the purposes of determining the Termination Payment calculated in accordance with the SRA Value Schedule to be paid by Coronado to Stanwell under Clause 24.10 and is without prejudice to:

(a) any of its other rights in this Agreement;

(b) any right to sue Coronado for damages; or

(a) the exercise of all other available legal and equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.

(e) a new Clause 24.9 of the New CSA is inserted as follows:

Termination by Stanwell

24.9 If the ACSA is terminated by Stanwell following an 'Event of Default' (as defined in the ACSA) arising in respect of Coronado, Stanwell may immediately terminate this Agreement without prejudice to:

(a) any of its other rights in this Agreement;

(b) any right to sue Coronado for damages; or

New CSA Clause	New CSA Clause title	ACSA amendments to form New CSA
		(c) the exercise of all other available legal and equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate. (f) a new Clause 24.10 of the New CSA is inserted as follows: ***Termination payment*** *24.10 (a) If this Agreement is terminated for any reason (including under this Clause 24), Coronado must pay to Stanwell the Termination Payment calculated in accordance with the SRA Value Schedule within 10 Business Days of the date of termination.* *(b) If this Agreement is terminated otherwise than due to Coronado's default, Coronado may set-off against the Termination Payment any net amount payable by Stanwell to Coronado under Clause 10 of this Agreement (having deducted any amounts payable by Coronado to Stanwell under this Agreement).*
	Schedules	Schedule 1 of the New CSA will consist of Annexure A of this terms sheet. Schedules 2 and 3 of the New CSA will consist of Schedules 2 and 3 of the ACSA.

Annexure A — SRA Value Schedule

1. Introduction

1.1 This Agreement includes a number of items which change from time to time in accordance with the Model Calculations contained in this Annexure A. The purpose of these Model Calculations is to accommodate the flexibility in this Agreement (including as to the Supply Commencement Date, Contract Price per GJ, Monthly Tonnage and Cash in Lieu) while ensuring that in all circumstances Stanwell receives the Value of the SRA. The Value of the SRA is escalated at the Discount Rate from the Valuation Date, and is acquitted by the payment by Coronado of Monthly Cash Flows as determined by the Model Calculations, and if the Outstanding Value of the SRA is greater than zero as at the 31 December 2038, by payment by Coronado of the Termination Payment.

1.2 From time to time as required for the purposes of this Agreement prior to the Supply Commencement Date, and then at the end of each Month during the Supply Term, the Model Calculations will be made in accordance with their terms. The Model Calculations use Fixed Inputs, Variable Elements and the output of other Model Calculations.

1.3 The Model Calculations determine (amongst other things) certain payments to be made under this Agreement, including that, in relation to each Month during the Supply Term:

(a) Stanwell shall pay to Coronado the Netback Amount for the aggregate quantities of Coal delivered in that Month. The Netback Amount for the Month is to be determined as:

Netback Amount = [Netback Price x Monthly Tonnage] + [(Invoice Price x Tonnes Delivered as described in Clause 10.2) - (Contract Price per Tonne x Monthly Tonnage)]

(b) Coronado shall pay to Stanwell the Derived Amount and the Cash in Lieu for the Month.

1.4 The Parties have agreed the form of an Excel spreadsheet which contains the Model Calculations as attached to the email sent from Tim Peirce, Coronado to Natalie Gordon, Stanwell on 14 August 2018 at approximately 11.15 am, and which is attached to this Annexure A. The Excel spreadsheet also includes rows which are to be used for the administration of the this Agreement by the Parties, but which are not, and do not affect, Fixed Inputs, Variable Elements or Model Calculations for the purposes of this Annexure A.

1.5 To the extent of any inconsistency, the documents will be interpreted in the following order of precedence:

(a) this Agreement, including this Annexure A; and

(b) the Excel spreadsheet.

1.6 In preparing the full form of this Agreement in accordance with clause 3.2 of the Deed, the Parties will use their best endeavours to prepare and agree the form of worked examples of the Excel spreadsheet containing the Model Calculations, provided that the worked examples will be provided for illustrative purposes only and to the extent of any inconsistency between the worked examples and this Agreement (including this Annexure A) or the Excel spreadsheet, this Agreement (including this Annexure A) and the Excel spreadsheet will prevail (subject to item 1.5 above).

1.7 Each Party acknowledges that the Model Calculations do not and will not take account of either Party's tax position.

1.8 In this Annexure A, a reference to a Clause is a reference to a Clause in the main body of this Agreement.

2. Fixed Inputs

The following items are the **Fixed Inputs** (which remain unchanged throughout the term of this Agreement):

Fixed Input	Value of Fixed Input
Discount Rate	13% per annum.
Valuation Date	13 August 2018.
Netback Price	in respect of each Month on and from the Valuation Date, the price in A$set out for that Month for the Netback Price in Attachment 1 to this Annexure A.
Contract Energy	means 25.6 GJ/Tonne (as received).
New CSA Days	means, for a Month, the number of days from (and excluding) the Valuation Date until (and including) the last day of the relevant Month.
Escalation Factor	means, for a Month: (1 + 0.02) ^ (New CSA Days / 365)
Discount Factor	in respect of each Month from the Valuation Date, is to be determined as: =1/[((1+ Discount Rate)^(1/365))^(New CSA Days)]
Value of the SRA	A$210,000,000.

3. Variable Elements

The following items are the **Variable Elements**:

Variable Element	Determination of Variable Element
Supply Commencement Date	has the meaning given in Clause 1.1. For the purposes only of the Model Calculations, unless and until the Supply Commencement Date occurs, a nominal Supply Commencement Date of 1 March 2027 will be used for the Model Calculations (except if this Agreement is terminated prior to the Supply Commencement Date occurring and Stanwell has given a nomination in accordance with Clause 4.1(a), in which case the Supply Commencement Date indicated in that nomination will be used).
Base Contract Price per GJ	means, for the Month in which the Supply Commencement Date occurs: • if the Supply Commencement Date is prior to 1 January 2026, A$[***] per GJ; • otherwise, the price per GJ set out in the table headed ‘Base Contract Price per GJ’ in Attachment 1 to this Annexure A, provided that unless and until the Supply Commencement Date occurs, A$[***] will be used for Base Contract Price per GJ under this Annexure A. The Base Contract Price per GJ is fixed on the Supply Commencement Date.
Contract Price per GJ	means, for each Month during the Supply Term, the Base Contract Price per GJ multiplied by the Escalation Factor for that Month.
Nominated Contract Price per GJ	means, for each Month during the Supply Term, the amount nominated as the Nominated Contract Price per GJ by Stanwell in accordance with Clause 4.1(a)(iii).

Variable Element	Determination of Variable Element
Cash in Lieu Tonnage	means, for each Month during the Supply Term, the quantity of the Annual Contract Tonnage (in Tonnes Equivalent) for which Stanwell elects to receive Cash in Lieu in accordance with Clause 4.1(a)(ii).
Monthly Tonnage	means: • for a Month prior to the effective date of the relevant Model Calculation, the actual quantity of Coal in Tonnes Equivalent delivered by Coronado to Stanwell; • for any other Month in respect of which Stanwell has given a nomination in accordance with Clause 4, the Annual Contract Tonnage nominated by Stanwell for that Year, divided by 12; and • for any other Month during the Supply Term, 2,000,000 divided by 12, in Tonnes Equivalent.

4. Model Calculations

The following **Model Calculations** will be calculated for each Month during the Supply Term using the Fixed Inputs, Variable Elements and other Model Calculations (as is relevant). The Discounted Monthly Cash Flows and the Outstanding Value of the SRA will also be calculated for each Month on and from the Valuation Date.

Model Calculation	Formula
Contract Price per Tonne	means, for each Month during the Supply Term, the Nominated Contract Price per GJ for that Month multiplied by the Contract Energy.
Derived Amount per Tonne	means, for each Month during the Supply Term, the Netback Price less the Contract Price per Tonne for that Month.
Derived Amount	means, for each Month during the Supply Term, the Derived Amount per Tonne multiplied by the Monthly Tonnage for that Month.
Cash in Lieu	means, for each Month during the Supply Term, the Derived Amount per Tonne multiplied by the Cash in Lieu Tonnage for that Month.
Monthly Cash Flows	means, for each Month during the Supply Term, the Derived Amount plus the Cash in Lieu for that Month.
Discounted Monthly Cash Flows	means, for each Month during the Supply Term the amount determined as: = Monthly Cash Flows x Discount Factor
Cumulative Discounted Cash Flows	means, for each Month on and from the Valuation Date, the sum of each of the Discounted Monthly Cash Flows for every Month occurring during the Supply Term up to and including that Month (and being, prior to the Supply Commencement Date, zero).
Outstanding Value of the SRA	means, for each Month on and from the Valuation Date, the amount determined as: =Value of the SRA - Cumulative Discounted Cash Flows

5. Termination Payments

If this Agreement is terminated or if as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, Coronado must pay to Stanwell a termination payment (**Termination Payment**) calculated in accordance with this Annexure A and:

- if the termination is due to Coronado's default, the Termination Payment will be:
  - the Cash Value of the SRA; plus
  - the Top-Up Amount; and
- if the termination is for any other reason or if as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, the Termination Payment will be the Cash Value of the SRA.

Calculation of the Cash Value of the SRA

The **Cash Value of the SRA** is calculated as:

= Outstanding Value of the SRA $_m$ / Discount Factor $_m$

with each such value being calculated as at the end of the Month in which the date of termination occurs.

Calculation of Top-Up Amount

The **Top-Up Amount** is determined by:

- taking the remaining Supply Term as at the date of termination based on the last nomination (including the non-binding nomination for each Year in the Supply Term after the Year for which the nomination is made) under Clause 4.1;
- calculating a revised Netback Price (the **Revised Netback Price**) for each Month of the remaining Supply Term in accordance with the table set out below and determining any Top-Up Amount payable by Coronado;

Input	Value of Fixed Input
Forecast Price	means, for each Month of the remaining Supply Term from and including the date of termination, the price for [***] kcal/kg NAR thermal coal on a Free on Board basis at Newcastle Port in nominal US$per tonne that is included for that Month in the Wood MacKenzie Long Term Thermal Market Outlook last published prior to the date of termination.
FX Rate	means, for each Month of the remaining Supply Term from and including the date of termination, the rate for converting US dollars into one Australian dollar that is included for that Month in the long term exchange rate forecast published by Wood MacKenzie last published prior to the date of termination.
A$ Forecast Price	means, for a Month, the Forecast Price divided by the FX Rate.
Reference Energy	means the energy applicable to the Forecast Price, as measured in GJ per Tonne (as received), being for the Forecast Price described above, [***] GJ per Tonne (as received)
Port Costs	in respect of each Month of the remaining Supply Term from and including the date of termination, the price in A$set out for that Month for Port Costs in Attachment 1 to this Annexure A.
Rail Costs	in respect of each Month of the remaining Supply Term from and including the date of termination, the price in A$set out for that Month for Rail Costs in Attachment 1 to this Annexure A.

Export Royalty	means, in respect of each Month of the remaining Supply Term from and including the date of termination:
	if the A$Forecast Price less Port Costs is less than or equal to A$100/Tonne:
	
	=((A$Forecast Price less Port Costs) x 7%)
	
	if A$Forecast Price less Port Costs is greater than A$100/Tonne and less than or equal to A$150/Tonne:

Input	Value of Fixed Input
	=A$7 + ((A$Forecast Price less Port Costs less A$100) x 12.5%) if the A$Forecast Price less Port Costs is greater than A$150/Tonne: =A$13.25 + ((A$Forecast Price less Port Costs less $150) x 15%)
Revised Netback Price	is calculated for each Month of the remaining Supply Term from and including the date of termination as: =(A$Forecast Price) x (Contract Energy / Reference Energy) - Port Costs - Rail Costs - Export Royalty
Discount Factor (Termination)	in respect of each Month of the remaining Supply Term from and including the date of termination, is to be determined as: =1/[((1+ Discount Rate)^(1/365))^(Days from the date of termination to the end of the relevant Month)]
Top-Up Amount (Month)	in respect of each Month of the remaining Supply Term from and including the date of termination: • if the Revised Netback Price is less than or equal to the Netback Price for the Month, the Top-Up Amount (Month) for the Month is zero; and • if the Revised Netback Price is greater than the Netback Price for the Month, the Top-Up Amount (Month) for the Month is determined as: = [(Revised Netback Price - Netback Price) x Monthly Tonnage x Discount Factor (Termination)].
Top-Up Amount	the sum of each Top-Up Amount (Month).

The Forecast Price and the FX Rate are the **Forecast Indices**. If at any time on and from the Valuation Date, a Forecast Index is no longer published or the basis of calculation of the Forecast Index materially changes, the Forecast Index will be replaced with a replacement index that best represents the characteristics of the relevant Forecast Index as at the Valuation Date. In order to determine whether a Forecast Index is no longer published or the basis of calculation of the Forecast Index materially changes and, if so, the replacement index:

- Either Party may notify the other if it considers that a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed. If the Parties do not agree on whether a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed within 30 days of such notice, Clause 16.8 will apply.
- If the Parties agree or it is determined that a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed, the Parties will seek to agree upon a replacement Forecast Index. If the Parties have not agreed on a replacement within 30 days of the agreement or determination, Stanwell will nominate a relevant replacement Forecast Index to Coronado.
- If Coronado does not agree with the replacement Forecast Index provided by Stanwell, Clause 16.8 will apply.
- If a replacement Forecast Index is determined in circumstances where Coronado is in default or this Agreement has been terminated due to Coronado's default and the Forecast Index that is finally agreed or determined is the replacement Forecast Index nominated by Stanwell, then Coronado must bear the cost of the Expert and any consultant or advisors engaged by the Expert and Stanwell' legal and other costs related to the determination.

If a Forecast Index does not, as at the date of termination, publish any of the input for the Forecast Index beyond a date such that it does not include all remaining Months of the Supply Term as required to determine the Revised Netback Price, the Forecast Index for the Months in which no input is published will be determined as:

- in relation to the Forecast Price, the forecast published for the date which is furthest in the future from the date of termination (**Last Published Date**) multiplied by the Forecast Escalation Rate where the Forecast Escalate Rate means:

means, for a Month: (1 + 0.02) ^ (Forecast Days / 365)

where Forecast Days means, for a Month, the number of days from (and excluding) the Last Published Date until (and including) the last day of the relevant Month; and

- in relation to the FX Rate, the FX Rate published for the date which is furthest in the future from the date of termination.

6. Maintenance of agreed Value of the SRA and model

For the purposes of administration, Coronado must prepare the Model Calculations in accordance with this Annexure A each Month make it available to Stanwell in the same format as the agreed Excel spreadsheet (or as otherwise agreed).

Attachment 1 to Annexure A

[***]

Schedule 2 — CSA Dispute

[***]

Schedule 3 — Coronado Group Amendment of Guarantee

[***]

Schedule 4 — Coronado Australia Amendment of Guarantee

[***]

Schedule 5 — Coronado Group Amendment of Undertaking

[***]

Schedule 6 — Coronado Australia Amendment of Undertaking

[***]

Schedule 7 — Wilmington Trust Amendment of Undertaking

[***]

Schedule 8 — ACSA amendments

With effect from the date of this deed, the ACSA is amended as follows:

(a) clauses 2.9, 3.9 and 3.10 are deleted;

(b) the definitions of 'Coronado Holdings', 'Corporations Act' and 'Permitted Reorganisation' in this deed are added to clause 1.1 of the ACSA;

(c) the following definition of 'Change of Control' is added to Clause 1.1:

'***"Change of Control"*** *means, in relation to Coronado, a change in the persons (including a fund, a trust or a corporation as defined in the Corporations Act) who are individually or together able to Control Coronado.'*

(d) the following definition of 'Control' is added to Clause 1.1:

'***"Control"*** *has the meaning given in section 50AA of the Corporations Act, and in addition:*

(a) in the case of a corporation, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the composition of the board of directors of that corporation, the voting rights of the majority of the voting shares of the corporation or the management of the affairs of the corporation; and

(b) in the case of a trust, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the appointment or removal of the trustee of the trust, the composition of the board of directors of the trustee, the voting rights of the majority of the securities of the trust or the management of the affairs of the trust or the business operated by the trust,

and Controlled has a corresponding meaning, where a reference to the Corporations Act in this definition is to that Act as in force at 13 August 2018.'

(e) the definition of 'Project Documents' is deleted and replaced as follows:

'***"Project Documents"*** *means this Agreement, the Curragh Mine — New Coal Supply Deed dated on or about 14 August 2018 between Stanwell and Coronado Curragh Pty Ltd ACN 009 362 565, the 'Binding Terms Sheet' that applies as an agreement between Stanwell and Coronado Curragh Pty Ltd ACN 009 362 565 pursuant to that deed, any agreement that supersedes and replaces that Binding Terms Sheet, and any other agreement between Stanwell and Coronado Curragh Pty Ltd ACN 009 362 565 for the supply of Coal from the Curragh Mine.'*

(f) Clause 19 is deleted and replaced as follows:

'19. Assignment and Change of Control

Assignment by Wesfarmers

19.1 Wesfarmers may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Stanwell has given its prior consent; and

(b) its rights, in the same percentage, to the Tenements and to each Project Document are assigned to the same assignee at the same time, except in relation to a deemed assignment under Clause 19.5.

Assignment of rights to the Tenements

19.2 Wesfarmers may not assign its rights to the Tenements, except together with an assignment, in the same percentage, of its rights and obligations under this Agreement.

19.3 Notwithstanding Clause 19.2, Wesfarmers may encumber its rights to the Tenements so long as the encumbrancee undertakes in a form reasonably satisfactory to Stanwell only to dispose of such rights together with an assignment of rights and obligations under this Agreement in accordance with Clause 19.1.

Assignment by Stanwell

19.4 Stanwell may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Wesfarmers has given its prior consent; and

(b) each Project Document is assigned to the same assignee at the same time.

Change of Control

19.5 A Change of Control of Wesfarmers will be deemed to be an assignment of this Agreement for the purpose of this Clause 19 and the person that acquires Control will be deemed to be the "proposed assignee", provided that this Clause 19.5 will not apply if the Change of Control of Wesfarmers occurs as a result of the purchase and sale of shares or other securities in Coronado Holdings on the Australian Stock Exchange.

Requests for consent

19.6

*(a) The Party requesting any consent under this Clause 19 ("**Party Concerned**") may request consent for a proposed assignee as soon as it believes a person is likely to be an assignee ("**Request**").*

*(b) The Party whose consent is required under this Clause 19 ("**Consenting Party**") must, within 30 days (or 45 days if Clause 19.6(d) applies) of receiving a Request, by notice to the Party Concerned, either:*

(i) subject only to Clause 19.7(b), 19.7(d) and 19.7(e), give unqualified consent; or

(ii) refuse consent, in which case it must set out the reasons for such refusal.

(c) If the Consenting Party fails for any reason to give the notice within such period, unqualified consent will be deemed to have been given.

(d) If neither the proposed assignee nor any of its Holding Companies:

(i) has a substantial investment in Australia, or

(ii) is listed on a stock exchange either in Australia or overseas,

then the 30 day period referred to in Clause 19.6(b) will be extended to 45 days.

(e) To maximise the time the Consenting Party has to consider the suitability of a proposed assignee, the Party Concerned may notify the Consenting Party of a shortlist of proposed assignees as soon as the Party Concerned is satisfied that a list, acceptable to it, is available. However, a notice requesting a consent for the purpose of this Clause 19.6 for a particular assignee will not be deemed to have been given until the Party Concerned by notice informs the Consenting Party that in its opinion a person named in the shortlist is likely to be an assignee.

Financial Ability

*19.7 (a) In this Clause 19.7 "**Financial Ability**" means:*

(i) in relation to a party its financial ability to perform its obligations as a party to this Agreement; and

(ii) where Clause 19.5 applies, a Party's financial ability to perform its obligations as a party to this Agreement taking into account its Financial Ability and whether that is materially adversely affected by a change of ownership to the proposed assignee.

(b) Where a Party's consent is required under this Clause 19, such consent must be given unless:

(i) the Consenting Party, acting reasonably, determines that the proposed assignee does not have the Financial Ability; or

(ii) where Clause 19.5 applies, Stanwell, acting reasonably, determines that the Party would not continue to have the Financial Ability.

(c)

*(i) If, acting reasonably, the Consenting Party determines that the proposed assignee does not have the Financial Ability, and so informs, with reasons, the Party Concerned as contemplated in Clause 19.6 (b)(ii), the Party Concerned may then request the Consenting Party to consider whether by taking into account the ownership of the proposed assignee and the financial substance of its Holding Company ("**Matters**") the proposed assignee thereby has the Financial Ability.*

(ii) The Consenting Party must consider the request made under Clause 19.7(c)(i) within 5 days of receiving it. If, acting reasonably it determines that by taking into account either or both Matters, the proposed assignee thereby has the Financial Ability, the Consenting Party must inform the Party Concerned to that effect and give its consent to the proposed assignment. In doing so, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

(d)

(i) When making a Request under Clause 19.6 in respect of a particular proposed assignee, the Party Concerned may request that if the Consenting Party, acting reasonably, should determine that the proposed assignee does not have the Financial Ability, then the Consenting Party also have regard to the Matters for that proposed assignee.

(ii) In that event the Consenting Party, acting reasonably, may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee. Any such consent is to be given within the 30 or 45 day period as contemplated under Clause 19.6. In doing so the Consenting Party must also give reasons for initially determining that the proposed assignee does not have the Financial Ability.

(e) Notwithstanding any other provision of Clause 19 a consent for a particular potential assignee will be deemed to include a consent for any Related Body Corporate of it that becomes the actual assignee so

long as the Related Body Corporate is determined by the Consenting Party in accordance with this Clause 19.7 to:

(i) meet the criteria set out in this Clause; or if not

(ii) meet the criteria set out in this Clause by the Consenting Party, acting reasonably, taking into account the Matters, if the Party Concerned has requested that the Matters be considered,

and if Clause 19.7(e)(ii) applies, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

Deemed notice

19.8 The Parties agree that any notice referred to in this Clause 19 will be deemed to have been given and received if:

(a) a similar notice has been given pursuant to the equivalent provision to this Clause 19 in another Project Document; and

(b) that notice refers to this Agreement.'

(g) Clause 27.5 of the ACSA is deleted and replaced as follows:

'If a default is not cured within the applicable cure period described in Clause 27.3, the non-defaulting Party may, subject to:

(a) giving 30 days' notice to the defaulting Party stating its intention to do so if the default is not cured (and the default is not cured within that notice period) provided that only 15 days' notice shall be required for a Financial Default under Clause 27.1(b)(i) (and provided that any notice given pursuant to this Clause shall state the effective date of such termination); and

(b) if the Event of Default is a Non-Financial Default, that default having a material adverse effect on the rights of the non-defaulting Party under this Agreement,

terminate this Agreement without prejudice to any of its other rights in this Agreement, any right to sue the defaulting Party for damages for that default or the exercise of all other available legal or equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.'

Schedule 9 — Existing security

[***]

Schedule 10 — Coronado Group structure

[***]

Exhibit 10.23

20 September 2018

Richard Van Breda
Chief Executive Officer
Stanwell Corporation Limited
Level 2
180 Ann Street
BRISBANE QLD 4000

Dear Richard

Curragh Mine - New Coal Supply Deed, ACSA and Binding Terms Sheet

We refer to the Curragh Mine - New Coal Supply Deed between Coronado Curragh Pty Ltd ACN 009 362 565 **(Coronado)** and Stanwell Corporation Limited ACN 078 848 674 **(Stanwell)** dated 14 August 2018 **(New Coal Supply Deed).**

Capitalised terms that are used but not defined in this letter have the meaning specified in the New Coal Supply Deed.

It is proposed that, following the Permitted Reorganisation, Coronado Global Resources Inc. **(Coronado Global)** be listed on the Australian Securities Exchange and that CHESS Depository Interests over the shares of the common stock in Coronado Global be quoted on the Australian Securities Exchange **(Listing).**

To permit the Listing and subsequently relieve Coronado Group LLC from its obligations under the guarantee and indemnity between Stanwell and Coronado Group LLC dated 13 March 2018 as amended by the Coronado Group Amendment of Guarantee **(Group Guarantee),** Coronado and Coronado Group LLC covenant and agree, and seek Stanwell's covenant and agreement that:

1. the Group Guarantee will terminate, and Coronado Group LLC will cease to have any liability to Stanwell under the Group Guarantee, on the later of the date on which the Permitted Reorganisation has completed and the date on which the Listing has occurred, provided that on the later of those dates:

   (a) Coronado is not in breach of the New Coal Supply Deed, the Binding Terms Sheet or the ACSA as amended by the New Coal Supply Deed;

   (b) Coronado Group LLC is not in breach of the Group Guarantee; and

   (c) the Coronado Global Guarantee is in full force and effect and Coronado Global is not in breach the Coronado Global Guarantee; and

2. with effect from the date of this letter:

   (a) the New Coal Supply Deed is amended by deleting clause 10.4 and replacing it as follows:

   'A Change of Control of Coronado will be deemed to be an assignment of this deed for the purpose of this clause 10 and the person that acquires Control will be deemed to be the ''proposed assignee·: provided that this clause 10.4 will not apply if the Change of Control of Coronado occurs as a *result of the purchase of shares or other securities in Coronado Holdings which are of* a *class that are listed on the Australian Securities Exchange or another recognised stock exchange.'*

Coronado Curragh Pty Ltd **ABN 90 009 362 565**	**Level 31, Central Plaza One 345 Queen Street GPO Box 51 Brisbane QLD 4000**	**T +617 3031 7777 F +617 3229 7402**
	Private Mail Bag Blackwater QLD 4717	**T +617 4986 9211 F +617 4986 9361**

www.curragh.com.au

(b) the ACSA as amended by the New Coal Supply Deed is amended by deleting the definition of ‘Change of Control’ in clause 1.1 and replacing it as follows:

> **“‘*Change of Control*”** *means, in relation to Wesfarmers, a change in the persons (including a fund, a trust or a corporation as defined in the Corporations Act) who are individually or together able to Control Wesfarmers.’*

(c) the ACSA as amended by the New Coal Supply Deed is amended by deleting clause 19.5 and replacing it as follows:

> *‘A Change of Control of Wesfarmers will be deemed to be an assignment of this deed for the purpose of this Clause 19 and the person that acquires Control will be deemed to be the “proposed assignee”, provided that this Clause 19.5 will not apply if the Change of Control of Wesfarmers occurs as* a *result of the purchase of shares or other securities in Coronado Holdings which are of a class that are listed on the Australian Securities Exchange or another recognised stock exchange.’*

(d) the definition of the ACSA in the Binding Terms Sheet is amended by deleting paragraph (b) on the first page of the Binding Terms Sheet and replacing it as follows:

> ‘*each New CSA Clause will, unless otherwise indicated, be the provision or provisions of the Amended Coal Supply Agreement dated 6 November 2009 between Stanwell and Coronado, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016, the Deed and the letter amending the ACSA executed as* a *deed between Stanwell, Coronado and Coronado Group LLC dated 20 September 2018* ***(ACSA)*** *identified in this terms sheet with such amendments as are described below; and*

If Stanwell agrees to the termination of the Group Guarantee on the terms set out in paragraph 1 and the amendment of the New Coal Supply Deed, the ACSA as amended by the New Coal Supply Deed and the Binding Terms Sheet as set out in paragraph 2, please execute this letter as a deed in the space provided below and deliver a fully signed counterpart of this letter to the undersigned on behalf of Coronado and Coronado Group LLC.

From the date that each of Coronado, Coronado Group LLC and Stanwell have executed and delivered this letter to each of the other parties (whether by the exchange of signed originals or by the exchange of signed PDF counterparts by email), the signatories for each of the parties will be deemed to have represented and warranted to the other parties that they have all necessary power and authority to executed and deliver this letter as a deed, the provisions of this letter will have full force and effect as a deed, and the New Coal Supply Deed, the ACSA and the Binding Terms Sheet will be amended accordingly.

Yours sincerely

/s/ Garold R. Spindler

Garold R. Spindler
Chief Executive Officer

Executed as a deed

Executed by **Coronado Curragh Pty Ltd** ABN 90 009 362 565 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Garold R. Spindler	/s/ John Balassis
Signature of director	Signature of director / ~~company secretary~~ (Please delete as applicable)
Garold R. Spindler	John Balassis
Name of director (print)	Name of director / ~~company secretary~~

Signed, sealed and delivered by **Richard Van Breda** for **Stanwell Corporation Limited** ACN 078 848 674 under power of attorney in the presence of

/s/ Penny Sainsbury	/s/ Richard Van Breda
Signature of witness	Richard Van Breda
Penny Sainsbury	
Name of witness (print)	

Executed for and on behalf of, and **sealed** and **delivered** by **Coronado Group LLC** in the presence of

/s/ Benjamin J. Pentelow	/s/ Richard D. Rose
Signature of witness	Signature of authorised signatory
Benjamin J. Pentelow	Richard D. Rose
Name of witness (print)	Name of authorised signatory

Exhibit 10.24

5 March 2019

Mr Richard Van Breda
Chief Executive Officer
Stanwell Corporation Limited
Level 2
180 Ann Street
BRISBANE QLD 4000

Dear Richard

Curragh Mine — New Coal Supply Deed

We refer to the Curragh Mine — New Coal Supply Deed between Coronado Curragh Pty Ltd ACN 009 362 565 (**Coronado**) and Stanwell Corporation Limited ACN 078 848 674 (**Stanwell**) dated 14 August 2018 as amended (**New Coal Supply Deed**).

Capitalised terms that are used but not defined in this letter have the meaning specified in the New Coal Supply Deed. Clause and schedule references in this letter are to clauses and schedules in the New Coal Supply Deed.

The definition of Acceptable Security in clause 1.1 includes the Wilmington Amendment of Undertaking, in the form set out in Schedule 7. As you are aware, Coronado refinanced its external debt in October 2018. Pursuant to that refinancing, Westpac Administration Pty Ltd replaced Wilmington Trust as security trustee and encumbrancee in respect of security granted by Coronado to the refinancing banks (**Banks**). In conjunction with the refinancing, Westpac Administration Pty Ltd, Stanwell, Coronado and others entered into the Existing Arrangements Intercreditor Deed on 25 October 2018 (**Intercreditor Deed**). Under clause 20 of the Intercreditor Deed, Westpac Administration Pty Ltd in its capacity as security trustee gave undertakings to Stanwell which reflect those contemplated in the Wilmington Amendment of Undertaking. In view of Wilmington Trust's replacement by Westpac Administration Pty Ltd as encumbrancee and security trustee in respect of security granted by Coronado to the Banks, and the undertakings given by Westpac Administration Pty Ltd in the Intercreditor Deed, we consider that the reference to the Wilmington Amendment of Undertaking in the definition of Acceptable Security in clause 1.1 is now redundant, and should not be required to be provided as part of the Acceptable Security under the New Coal Supply Deed.

In addition, we understand that certain aspects of the Acceptable Security relating to Coronado's USA operations have not been completed. Despite this, Coronado wishes to commence mining on the Reserved Area, and seeks Stanwell's consent in that regard.

If Stanwell agrees that:

(a) the Wilmington Amendment of Undertaking is not required as part of the Acceptable Security provided under the New Coal Supply Deed;

(b) Coronado may commence mining the Reserved Area; and

(c) the provisions of clause 4.2(b) will not apply to such mining,

please execute this letter as a deed in the space provided below and deliver a fully signed counterpart of this letter to the undersigned on behalf of Coronado.

From the date that each of Coronado and Stanwell have executed and delivered this letter to the other (whether by the exchange of signed originals or by the exchange of signed PDF counterparts by email), the signatories for each party will be deemed to have represented and warranted to the other party that they have all necessary power and authority to execute and deliver this letter as a deed and the provisions of this letter will have full force and effect as a deed.

Yours sincerely

/s/ Garold R. Spindler

Garold R. Spindler
Chief Executive Officer

Executed as a deed

Executed by **Coronado Curragh Pty Ltd** ABN 90 009 362 565 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Garold R. Spindler	/s/ Benjamin J. Pentelow
Signature of director	Signature of director/company secretary (Please delete as applicable)
Garold R. Spindler	Benjamin J. Pentelow
Name of director (print)	Name of ~~director~~/company secretary (print)

Signed, sealed and delivered by **Richard Van Breda** for **Stanwell Corporation Limited** ACN 078 848 674 under power of attorney in the presence of

/s/ Philip Ware	/s/ Richard Van Breda
Signature of witness	Richard Van Breda
Philip Ware, Solicitor 17/5/19	
Name of witness (print)	

Exhibit 10.25

9 May 2019

Mr Richard Van Breda
Chief Executive Officer
Stanwell Corporation Limited
Level 2
180 Ann Street
BRISBANE QLD 4000

Dear Richard

Curragh Mine — New Coal Supply Deed

I refer to the Curragh Mine — New Coal Supply Deed between Coronado Curragh Pty Ltd ACN 009 362 565 (**Coronado**) and Stanwell Corporation Limited ACN 078 848 674 (**Stanwell**) dated 14 August 2018, as amended (**New Coal Supply Deed**).

Capitalised terms that are used but not defined in this letter have the meaning specified in the New Coal Supply Deed.

In accordance with the New Coal Supply Deed, various members of the Coronado Group and third parties are required to provide the Acceptable Security to Stanwell. The Acceptable Security should be released and/or returned at the expiry of the New CSA.

To facilitate this, Coronado proposes amending the New Coal Supply Deed to provide that the Acceptable Security is released and/or returned at the expiry of the New CSA. Coronado therefore seeks Stanwell's agreement that the following clause will be added as a new clause 4.5 of the New Coal Supply Deed:

"4.5 — Return of Acceptable Security

(a) On or after the expiry of the New CSA, Stanwell must, at the written request of Coronado:

(i) discharge any security interest granted under each Acceptable Security; and

(ii) transfer back to the relevant member of the Coronado Group all rights and interests in all accounts and chattel paper which were transferred to Stanwell under any Acceptable Security to which that member of the Coronado Group is a party.

(b) Stanwell's obligations under this clause 4.5 are subject to Stanwell being satisfied that the relevant member of the Coronado Group or third party does not owe further secured obligations under this deed, the Binding Terms Sheet or the New CSA, or otherwise in respect of the relevant Acceptable Security or guarantee."

If Stanwell agrees to this amendment of the New Coal Supply Deed, please execute this letter as a deed as provided below and deliver a fully signed counterpart of this letter to the undersigned on behalf of Coronado.

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From the date that each of Coronado and Stanwell have executed and delivered this letter to the other (whether by the exchange of signed originals or by the exchange of signed PDF counterparts by email), the signatories for each party will be deemed to have represented and warranted to the other party that they have all necessary power and authority to execute and deliver this letter as a deed and the provisions of this letter will have full force and effect as a deed, and the New Coal Supply Deed will be amended accordingly.

Yours sincerely

/s/ Garold R. Spindler

Garold R. Spindler
Chief Executive Officer

Executed as a deed

Executed by **Coronado Curragh Pty Ltd** ABN 90 009 362 565 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Ayten Saridas	/s/ Benjamin J. Pentelow
Signature of director	Signature of ~~director~~/company secretary (Please delete as applicable)
Ayten Saridas	Benjamin J. Pentelow
Name of director (print)	Name of director/company secretary (print)

Signed, sealed and delivered by **Richard Van Breda** for **Stanwell Corporation Limited** ACN 078 848 674 under power of attorney in the presence of

/s/ Philip Ware	/s/ Richard Van Breda
Signature of witness	Richard Van Breda
Philip Ware, Solicitor 17/5/19	
Name of witness (print)	