

PROSPECTUS

Coronado Global
Resources Inc.



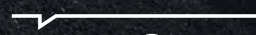
Sole Global Coordinator
and Joint Lead Manager

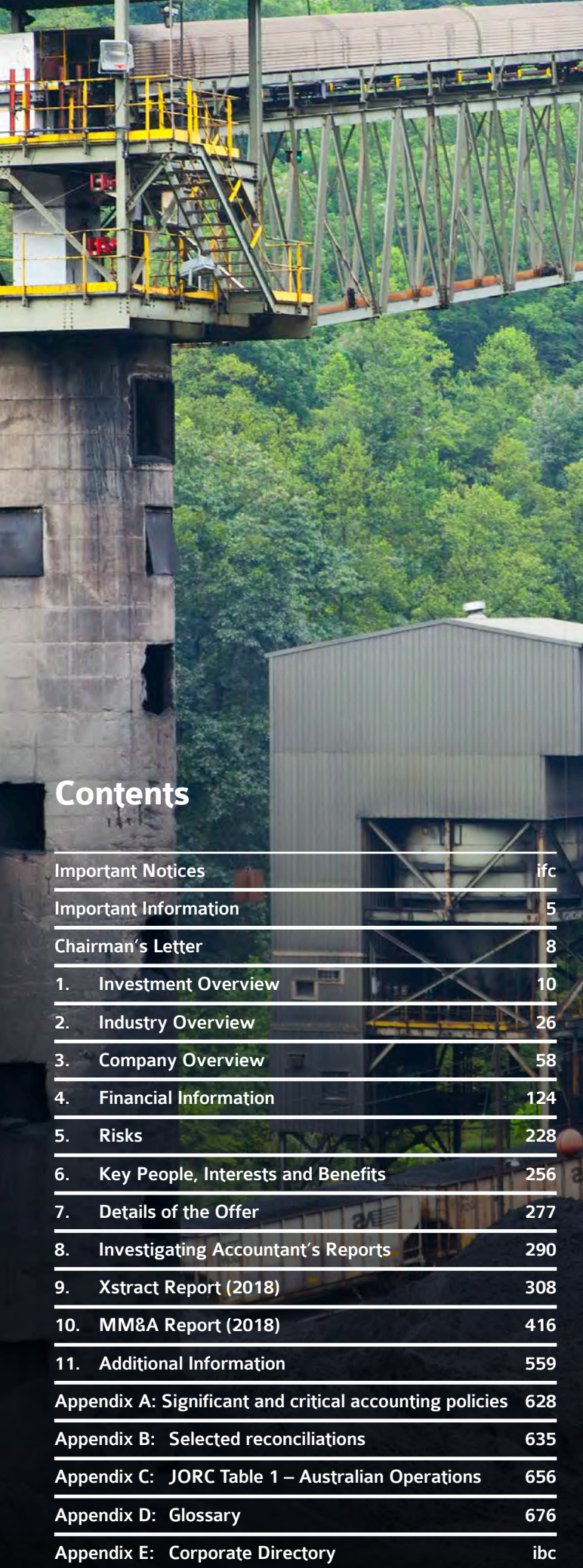
Joint Lead Managers

**Goldman
Sachs**

 **UBS**

 **CREDIT SUISSE**

 **BELL POTTER**



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Important Notices

PROSPECTUS

This Prospectus is issued by Coronado Global Resources Inc. (ARBN 628 199 468), a Delaware Corporation (**Company** or **Coronado**) and Coronado Group LLC (**Seller**) for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The offer contained in this Prospectus is an invitation to acquire CHESSE Depositary Interests (**CDIs**) over shares of common stock in the Company (**Shares**) that will in part be issued by the Company and in part sold by the Seller (**Offer**).

This Prospectus is dated 24 September 2018 (**Prospectus Date**) and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Coronado will apply to the Australian Securities Exchange (**ASX**) within seven days after the Prospectus Date, for admission of the Company to the Official List and quotation of the CDIs on ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

As set out in Section 7.8.3, it is expected that the CDIs will be quoted on ASX, initially on a conditional and deferred settlement basis. The Company, the Seller, Computershare Investor Services Pty Limited (**Share Registry**) and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade CDIs before receiving their holding statement.

EXPIRY DATE

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**) and no CDIs will be issued or sold on the basis of this Prospectus after the Expiry Date.

PROSPECTUS DOES NOT PROVIDE INVESTMENT ADVICE

The information provided in this Prospectus is not investment or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including with respect to financial and taxation issues). It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company and consider the risks that could affect the performance of the Company.

In particular, you should consider the assumptions underlying the Pro Forma Historical Financial Information and Forecast Financial Information (see Section 4) and the risk factors (see Section 5) that could affect the business, financial condition and financial performance of the Company. You should carefully consider these risks in light of your personal circumstances (including your investment objectives, financial circumstances and tax position) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in CDIs. Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risks in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment in CDIs made pursuant to this Prospectus.

No person is authorised to provide any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company, the Seller, the Directors, the Seller Directors, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information contained in this Prospectus when deciding whether to invest in CDIs.

IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

A copy of this Prospectus, other documents relating to the Offer and a copy of the Certificate of Incorporation and Bylaws have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR12484). While the Offer is being extended to New Zealand investors under the New Zealand Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

The Offer to investors in New Zealand will only comprise an offer of CDIs by the Company. No CDIs will be offered by the Seller to New Zealand investors under the Offer.

FINANCIAL INFORMATION PRESENTATION

Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information is set out in Section 4.2.

The Financial Information included in Section 4 has been prepared in accordance with US Generally Accepted Accounting Principles (**US GAAP**).

Investors should also note that the Pro Forma Historical Financial Information included in this Prospectus does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission (**SEC**).

Investors should note that certain financial data included in the Prospectus is classified as non-US GAAP financial measures under Regulation G of the United States Securities Exchange Act of 1934, as amended (**US Exchange Act**). The disclosure of such non-US GAAP financial measures in the manner included in this Prospectus may not be permissible in filings made with the SEC. The Company believes that use of non-US GAAP financial measures provides useful information to users in measuring the financial performance and conditions of Coronado. The non-US GAAP financial measures do not have standardised meanings prescribed by US GAAP, Australian Accounting Standards (**AAS**) and other authoritative pronouncements issued by the Australian Accounting Standards Board (**AASB**) or International Financial Reporting Standards (**IFRS**), and therefore may not be comparable with other similarly titled measures presented by other entities, nor should these be interpreted as an alternative to other financial measures determined in accordance with US GAAP, AAS or IFRS. Investors are cautioned not to place undue reliance on any non-US GAAP financial information, ratios or metrics included in this Prospectus. For a description of non-US GAAP financial information included in this Prospectus, see Section 4.3.

Unless otherwise specified, any 2017 and 2018 historical Coronado financial or production information is presented pro forma for the acquisition of Curragh. See Section 3.1.4 for more details regarding the Coronado Curragh acquisition.

All financial amounts contained in this Prospectus are expressed in United States dollars (**US\$** or **USD**) and are rounded to the nearest \$100,000, except where otherwise stated. All production, resources and reserves amounts contained in this Prospectus are expressed in metric tonnes, except where otherwise stated. Any discrepancies between totals and sums of components in tables and figures contained in this Prospectus are due to rounding. Tables and figures contained in this Prospectus have not been amended by the Company to correct immaterial summation differences that may arise from this rounding convention.

An exchange rate of A\$1 = US\$0.7254, which represents the exchange rate reported by Bloomberg at 1 September 2018, has been applied to forecast periods 2H2018 and FY2019 throughout this Prospectus, except where otherwise stated. Refer to Section 4.2.3 for exchange rates applied to other periods.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5.

PAST PERFORMANCE INFORMATION

This Prospectus includes information regarding past performance of the Company. Past performance and trends should not be relied upon as being indicative of future performance and trends.

FORWARD-LOOKING STATEMENTS AND FORECAST FINANCIAL INFORMATION

This Prospectus contains forward-looking statements concerning Coronado's business, operations, financial performance and condition, the coal, steel and other industries as well as Coronado's plans, objectives and expectations for its 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 that involve risks and uncertainties. The Forecast Financial Information included in Section 4 is an example of forward-looking statements.

Important Notices

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 the control of the Company, the Seller, the Directors, the Seller Directors and Management. 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 that, at the Prospectus Date, are expected to take place. The Forecast Financial Information and the forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5, the general and specific assumptions set out in Section 4.9, the sensitivity analysis set out in Section 4.10 and other information contained in this Prospectus.

The Company, the Seller, the Directors and the Seller Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements speak only as of the Prospectus Date, and except where required by law, the Company and the Seller do not intend to update or revise any forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The Forecast Financial Information included in this Prospectus is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is, to the extent applicable, consistent with the basis of preparation of the Pro Forma Historical Financial Information. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and (for FY2018) pro forma basis and is unaudited.

MARKET AND INDUSTRY DATA

This Prospectus (and in particular Sections 2 and 3) contains statistics, data and other information (including forecasts and projections) relating to the industries, segments and end markets in which the Company operates (**Industry Data**).

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 the Company's estimated market share and its industry position. The Company has obtained significant portions of the Industry Data from databases and research prepared by third parties, including reports and information prepared by the Industry and Technical Experts and other third parties, and other sources. The Industry and Technical Experts have advised that (i) some information in their databases is derived from their estimates or subjective judgements, (ii) the information in the databases of other coal industry data collection agencies may differ from the information in their databases, (iii) while each of the Industry and Technical Experts has taken reasonable care in the compilation of the statistical and graphical information each of them has provided and believes it to be accurate and correct as at the Prospectus Date, data compilation is subject to limited audit and validation procedures and may accordingly contain errors, and (iv) the provision of such information does not obviate any need for investors to make appropriate further enquiries. Certain of the Industry Data has been derived from the reports of the Industry and Technical Experts that have been commissioned and paid for by the Company.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys, reports and surveys of any third party that are referred to in this Prospectus, including those of the Industry and Technical Experts, will be achieved.

The Industry Data has not been independently prepared or verified by the Company, the Seller or the Joint Lead Managers, and none of the Company, the Seller or the Joint Lead Managers can assure you as to its accuracy or the accuracy of the underlying assumptions used to estimate such Industry Data. The market and industry estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the risk factors set out in Section 5.

COMPETENT PERSON'S STATEMENT

The information in this Prospectus relating to the Resources at the Australian Operations (as defined in this Prospectus) is based on information compiled by Barry Saunders, who is a member of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists. Mr Saunders, who is a director of QGESS Pty Ltd, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code.

The information in this Prospectus relating to the Reserves at the Australian Operations (as defined in this Prospectus) is based on information compiled by Paul Wood, who is a member of AusIMM. At the time of publicly reporting the Reserves, Mr Wood was an employee of Wesfarmers Resources Ltd, and Mr Wood is currently an employee of Coronado Curragh Pty Ltd. Mr Wood has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code.

The information in this Prospectus relating to the Resources at the US Operations (as defined in this Prospectus) is based on information compiled by J Scott Nelson, who is a Registered Member of the Society of Mining Engineers (**SME**) and the American Institute of Professional Geologists. Mr Nelson, who is employed by Marshall Miller & Associates, Inc. (**MM&A**), has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code.

The information in this Prospectus relating to the Reserves at the US Operations (as defined in this Prospectus) is based on information compiled by Justin Douthat, who is a Registered Member of SME. Mr Douthat, who is employed by MM&A, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code.

For information relating to the presentation of Resources and Reserves information in this Prospectus and of the differences between resources and reserves reporting in Australia under the JORC Code (as defined below) and in the United States under SEC Industry Guide 7 (as defined below), see Section 11.7.

NOTE TO US RESIDENTS

This Prospectus may not be distributed to, or relied upon by, any person in the 'United States' or any 'US Person', each as defined in Regulation S under the United States Securities Act of 1933, as amended (**US Securities Act**), except to certain eligible investors and provided it is accompanied by the US Offering Memorandum. In particular, the Offer and sale of the CDIs and underlying Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the CDIs nor the underlying Shares may be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any US Persons unless they are registered under the US Securities Act and any applicable United States state securities laws, or are offered and sold pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable United States state securities laws. In addition, any hedging transactions involving the CDIs or any Shares into which the CDIs may be transmuted may not be conducted unless in compliance with the US Securities Act.

US SECURITIES LAW RESTRICTIONS

The Offer pursuant to this Prospectus is being made available to investors that are not in the United States and not US Persons or persons acting for the account or benefit of US Persons, in reliance on Regulation S under the US Securities Act (Regulation S).

Accordingly, the CDIs to be issued or transferred under the Offer and the underlying Shares will be 'restricted securities' under Rule 144 under the US Securities Act, and offers and sales of the CDIs and the underlying Shares will be subject to an initial one year distribution compliance period (**Distribution Compliance Period**) from the date of allotment of the CDIs under the Offer, which period could be extended. This means that, during such period, which may be extended longer than 12 months, you will not be permitted to sell the CDIs sold to you under the Offer or the underlying Shares into the United States or to, or for the account or benefit of, a US Person, unless the resale of the CDIs or the underlying Shares is registered under the US Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A). Please refer to Section 11.8 for further information.

To enforce the above transfer restrictions, the Company will be implementing restrictions that prohibit transfers of CDIs except in accordance with Regulation S, or pursuant to an available exemption from registration, and requiring that any Shares into which CDIs have been transmuted contain a legend to that effect. Furthermore, hedging transactions involving the CDIs, or any Shares into which CDIs may be transmuted, may not be conducted during the Distribution Compliance Period unless in compliance with the US Securities Act. In addition, the Company has requested that during the Distribution Compliance Period all CDIs issued or transferred under the Offer bear a designation on ASX that is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. However, you will still be able to freely transfer your CDIs on ASX during the Distribution Compliance Period, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person that is in the United States or that is, or is acting for the account or benefit of, a US Person, in each case that is not a QIB. Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and therefore the Company cannot provide any assurances as to when this designation will be lifted from the CDIs. See Section 11.8 for further information on the restrictions which will be placed on the Company's CDIs.

The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of the Company. Any CDIs that are acquired and subsequently resold by such affiliates will be subject to a Distribution Compliance Period. Because it would not be possible to distinguish such CDIs resold by affiliates of the Company from the other CDIs, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of the Company's CDIs.

REPRESENTATIONS AND WARRANTIES OF NON-US PERSON STATUS

All investors subscribing for CDIs under the Offer pursuant to this Prospectus will be required to make certain representations and warranties, to the effect that they are not in the United States, are not a US Person or a person acting for the account or benefit of a US Person, in their Application under the Offer. See Section 11.3 for further information.

OTHER FOREIGN JURISDICTIONS

This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Offer under this Prospectus, or to otherwise permit a public offering of CDIs, in any jurisdiction other than Australia and New Zealand.

The Offer is not being extended to any investor outside Australia and New Zealand, or to any US Person or person acting for the account or benefit of a US Person, other than to certain Institutional Investors as part of the Institutional Offer in certain jurisdictions. The distribution of this Prospectus outside Australia and New Zealand (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the Applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

See Section 11.14 for more detail on selling restrictions that apply to the Offer and sale of CDIs in jurisdictions outside Australia and New Zealand.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing Applications in the seven day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

OBTAINING A PROSPECTUS AND APPLICATION FORM

Paper copies of this Prospectus and an Application Form can be obtained by Australian and New Zealand resident investors that are not US Persons free of charge by calling the Coronado Offer Information Line on 1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday, during the Offer Period. Copies of this Prospectus are not available to any person in the United States or any person that is, or is acting for the account or benefit of, a US Person, unless it is accompanied by the US Offering Memorandum and such person is an Institutional Investor.

This Prospectus can also be obtained, by eligible investors, in electronic form from the Offer website, www.coronadoipo.com. If you access an electronic copy of this Prospectus, the following conditions apply:

- the Prospectus is available only to residents of Australia or New Zealand that are not US Persons accessing and downloading, or printing, the electronic Prospectus in Australia or New Zealand, and is not available to persons in other jurisdictions (including persons in the United States or that are US Persons) in which it may not be lawful to make an offer under this Prospectus; and
- you must access, download and read the electronic Prospectus in full.

APPLICATIONS

Applications for CDIs may only be made during the Offer Period on an Application Form.

By lodging an Application, you represent and warrant that you were given access to the Prospectus together with the Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

NO COOLING-OFF RIGHTS

Cooling-off rights do not apply to an investment in CDIs issued or transferred under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Important Notices

DEFINED TERMS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear.

A reference to USD, US\$ or US dollars in this Prospectus is a reference to US currency. A reference to AUD, A\$ or Australian dollars in this Prospectus is a reference to Australian currency. Unless otherwise stated or implied, a reference to time in this Prospectus is a reference to the time in Sydney, Australia.

PRIVACY

By completing an Application Form, you are providing personal information to the Company, the Seller and the Share Registry, which is contracted by the Company to manage Applications. The Company, the Seller and the Share Registry on their behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in an Application Form, the Company, the Seller and the Share Registry may not be able to process or accept your Application.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws. The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Company's register;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- market research companies for the purposes of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the CDIs and for associated actions.

Under the Privacy Act 1988 (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Company or the Share Registry. The Share Registry's complete privacy policy is available at the Share Registry's website: www.computershare.com/au. Queries regarding the Share Registry's privacy policy may also be emailed to privacy@computershare.com.au.

PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

COMPANY WEBSITE

Any references to documents included on the Company's website at www.coronadoglobal.com.au are for convenience only, and none of the documents or other information available on the Company's website is incorporated into this Prospectus by reference.

OFFER MANAGEMENT

The Offer is being arranged and managed by Goldman Sachs Australia Pty Ltd, UBS AG, Australia Branch, Credit Suisse (Australia) Limited and Bell Potter Securities Limited (together, the **Joint Lead Managers**).

None of the Joint Lead Managers has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by any of them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, each of the Joint Lead Managers and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

REGULATION OF THE COMPANY

The Company was incorporated in Delaware, United States and its internal affairs are governed by the Delaware General Corporation Law. As the Company was not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are generally not regulated by the Corporations Act or by ASIC. See Section 11.6 for information about material regulations that apply to the Company and its operating activities.

QUESTIONS

If you have any questions about the Company or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the Coronado Offer Information Line on 1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia), 8.30am to 5.00pm (Sydney Time), Monday to Friday during the Offer Period. Instructions on how to apply for CDIs are set out in Section 7 of this Prospectus and on the back of the Application Form.

If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in CDIs.

Important Information

Key dates	
Prospectus Date	Monday, 24 September 2018
Broker Firm Offer open	Tuesday, 2 October 2018
Broker Firm Offer close	Monday, 15 October 2018
Bookbuild to determine Final Price	Thursday, 18 October 2018 - Friday, 19 October 2018
Final Price announced to the market	Monday, 22 October 2018
Commencement of trading of CDIs on ASX on a conditional and deferred settlement basis	Tuesday, 23 October 2018
Settlement	Thursday, 25 October 2018
Issue and transfer of CDIs (Completion)	Friday, 26 October 2018
Commencement of trading of CDIs on ASX on an unconditional and deferred settlement basis	Friday, 26 October 2018
Expected dispatch of holding statements	Monday, 29 October 2018
Expected commencement of trading of CDIs on ASX on a normal settlement basis	Monday, 29 October 2018

Note: This timetable is indicative only and may be subject to change without notice. Unless otherwise indicated, all times are stated in Sydney Time. The Company and the Seller, in consultation with the Joint Lead Managers, reserve the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notification). If the Offer is cancelled or withdrawn before the issue and transfer of CDIs, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

HOW TO INVEST

Applications for CDIs can only be made by completing and lodging an Application Form. Instructions on how to apply for CDIs are set out in Section 7 of this Prospectus and on the back of the Application Form.

QUESTIONS

Please call the Coronado Offer Information Line on 1300 161 487 (within Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4014 from 8.30am to 5.00pm (Sydney Time), Monday to Friday during the Offer Period. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.



Important Information

Key Offer statistics ^{1,2}	A\$	US\$ ³
Ratio of CDIs to Shares	10 CDIs for 1 Share	
Indicative Price Range ⁴	A\$4.00 – A\$4.80 per CDI	
Total number of CDIs available under the Offer ²	290.0 million	
Total proceeds of the Offer ^{2,5}	A\$1,160 – A\$1,392 million	US\$841 – US\$1,010 million
Total number of New CDIs to be offered by the Company under the Offer	166.5 million	
Total proceeds from the issue of New CDIs under the Offer ⁵	A\$666 – A\$799 million	US\$483 – US\$580 million
Total number of Sale CDIs to be offered by the Seller under the Offer ²	123.4 million	
Total proceeds from the sale of Sale CDIs under the Offer ^{2,5}	A\$494 – A\$593 million	US\$358 – US\$430 million
Total CDIs on issue immediately after Completion ⁶	966.5 million	
Number of CDIs to be held by the Seller at Completion of the Offer ^{2,7}	676.6 million	
Number of CDIs to be held by new investors at Completion of the Offer ²	290.0 million	
Percentage of Company to be held by new investors at Completion of the Offer ^{2,6}	30%	
Indicative market capitalisation ⁸	A\$3,866 – A\$4,639 million	US\$2,804 – US\$3,365 million
Total net cash at Completion of the Offer ⁹	A\$74 – A\$204 million	US\$54 – US\$148 million
Implied Enterprise Value ¹⁰	A\$3,792 – A\$4,436 million	US\$2,750 – US\$3,218 million
Implied Enterprise Value/FY2019 EBITDA ¹¹	3.7x – 4.4x	
Implied Enterprise Value/FY2018 EBITDA ¹¹	4.8x – 5.6x	
Implied forecast dividend yield ¹² for 12 months ending 31 December 2019	10.3% – 12.4%	

1. This table contains Forecast Financial Information and information derived from Forecast Financial Information. Forecast Financial Information is set out in Section 4, and is prepared on the basis of the general and specific assumptions set out in Section 4.9. It should be read in conjunction with the discussion of the Pro Forma Historical Financial Information in Section 4.8, as well as the sensitivities set out in Section 4.10, and the risk factors set out in Section 5. This table also contains Non-US GAAP Financial Information, which is discussed in Section 4.3.
2. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.
3. Assumes an exchange rate of A\$1 = US\$0.7254, which represents the exchange rate reported by Bloomberg as at 1 September 2018.
4. The Indicative Price Range is the indicative range for the Final Price. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.
5. Based on the Indicative Price Range. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.
6. Total number of Shares on issue immediately after Completion of the Offer expressed as an equivalent number of CDIs based on the ratio of CDIs to Shares.
7. Number of Shares held by the Seller at Completion of the Offer expressed as an equivalent number of CDIs based on the ratio of CDIs to Shares.
8. Indicative market capitalisation is calculated as the Indicative Price Range multiplied by the total number of CDIs on issue immediately after Completion of the Offer (calculated as total number of Shares on Issue immediately after Completion of the Offer expressed as an equivalent number of CDIs based on the ratio of CDIs to Shares). CDIs may trade below, within or above the Indicative Price Range.
9. Net cash is cash and cash equivalents less total borrowings (excluding capital and equipment finance leases and financing for insurance). Coronado uses this measure to understand Coronado's overall credit position. Investors should consider that cash and cash equivalents may be required for purposes other than debt reduction as set out in Section 4.3.
10. Implied Enterprise Value is calculated as the indicative market capitalisation of A\$3,866 million to A\$4,639 million (based on the Indicative Price Range), less net cash of A\$74 million – A\$204 million.
11. This ratio is commonly referred to as an EV/EBITDA ratio. The EV/EBITDA ratio for FY2019 is calculated as the implied Enterprise Value (based on the Indicative Price Range) divided by forecast EBITDA for the 12 months ending 31 December 2019 of US\$737.3 million (equivalent to A\$1,016.4 million at an exchange rate of A\$1 = US\$0.7254) (see Section 4.9.5 for further details). The EV/EBITDA ratio for FY2018 is calculated as the implied Enterprise Value (based on the Indicative Price Range) divided by pro forma forecast EBITDA for the 12 months ending 31 December 2018 of US\$577.7 million (equivalent to A\$796.4 million at an exchange rate of A\$1 = US\$0.7254) (see Section 4.9.5 for further details).
12. Calculated as the implied dividend for the 12 months ending 31 December 2019 divided by the Company's indicative market capitalisation. The Company's dividend policy is to distribute between 60% and 100% of free cash flow. However, the Company intends to pay out 100% of free cash flow relating to the period from Settlement to 31 December 2019. Free cash flow 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. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. For more information on the Company's dividend policy, see Section 4.12.

Chairman's Letter



24 September 2018

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to invite you to become a Shareholder of Coronado Global Resources Inc. (**Company** or **Coronado**). The Directors believe that the Offer represents an attractive opportunity to invest in a large-scale producing metallurgical coal focused company with operations in Australia and in the United States of America (**United States** or **US**).

As a Shareholder in Coronado, you will have direct access to a low-cost global producer, marketer and exporter of a full range of premium quality metallurgical coals. Coronado is a diversified producer with operations in Australia and in the United States. In the state of Queensland, Australia, we own the producing Curragh mine complex, which is located in the prolific Bowen Basin, and in the Central Appalachian region in the states of Virginia and West Virginia, in the United States, we own the producing Buchanan, Logan and Greenbrier mine complexes. These safe, efficient and well located mining complexes comprise eight active and highly productive coal mines with immediate access to transportation infrastructure. This supports Coronado's position as one of the lowest-cost and one of the most reliable sources of a suite of metallurgical coal products. Our products are sought after by steelmakers and merchant coke plants around the world, supporting our position among the top five metallurgical coal producers by volume to the export market globally (based on 2017 production).

We believe that we are positively differentiated from other Australian and US-listed coal producing companies through our scale, geographical diversification, low-cost operations, metallurgical coal focused production and focus on shareholder returns. We sell our metallurgical coal products to both the domestic steel markets in the US and export steel markets globally, with flexibility to respond to changing market conditions, and

we are competitively positioned on the global seaborne metallurgical coal cost curve, with lower cash costs than some of the world's largest coal producers (see Section 3.1.3 for further details). Our producing assets have no scheduled capital requirements over the medium term other than stay-in-business capital, which we expect to fund from free cash flows. Combined with a strong balance sheet and low operating cost structure, we believe that Coronado is well positioned to deliver attractive shareholder returns.

Our portfolio consists of long-lived assets that are underpinned by substantial Resources and Reserves. Coronado has Reserves of 1,035 million tonnes (**Mt**) (with Marketable Reserves of 657 Mt), Resources for our Australian Operations of 696 Mt and Resources for our US operations of 1,581 Mt.¹ This Reserves base results in long-lived operations, with an implied Marketable Reserve life of approximately 33 years.²

Coronado was founded in 2011 by The Energy & Minerals Group (**EMG**), Garold (Gerry) Spindler and James (Jim) Campbell. Gerry will continue with the Company as its Managing Director and Chief Executive Officer and Jim will continue with the Company as its President and Chief Operating Officer. The Board is pleased to have Gerry and Jim lead the Coronado team, with each bringing more than 30 years of coal mining, marketing and project development expertise to our executive team.

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves, while Resources for Coronado's Australian Operations are quoted in addition to Reserves. Note that the Resource and Reserve estimates for the Australian Operations and the US Operations have been prepared by different Competent Persons. For the Australian Operations, Reserves are reported on a 7.5% moisture basis. For the US Operations, Reserves are reported reflecting moisture of between 4.5 and 6%, depending upon mining method. For more detail on these and other differences between the operations, refer to the Xtract Report (2018) and MM&A Report (2018).

2. Implied Reserve life calculated as total Marketable Reserves divided by 2017 calendar year saleable production.



Under Gerry and Jim's leadership, Coronado has successfully completed four strategic acquisitions, including the Curragh, Buchanan, Logan and Greenbrier producing mining complexes. This has allowed us to grow our coal sales from less than 0.5 Mt in 2013 to more than 20 Mt in 2017.¹

We remain committed to evaluating attractive opportunities for our Shareholders in order to deliver value accretive returns. For example, we have identified a number of cost optimisation opportunities across our portfolio of complexes, including at the recently acquired Curragh mine complex. We are focused on exploiting these opportunities to deliver near-term value for Shareholders. In addition, we are continuing to progress a number of our development-stage projects through disciplined investment, including MDL 162 in Australia, as well as the Pangburn-Shaner-Fallowfield and Russell County projects in the US.

Coronado recognises that our social licence to operate is both earned and retained through trust and we will not take this licence for granted. We view the safety of our employees and operations, environmental management and community engagement as paramount to earning and retaining this trust and remain committed to operating in an ethical and sustainable manner and in supporting the communities in which we operate.

Coronado is at the forefront of the metallurgical coal industry and we believe that we are well positioned to capture the expected growth in steel demand, particularly from emerging economies in Asia. We believe that this is an exciting time to become a Shareholder as the Company takes the next step in its evolution. We are pleased that EMG will continue to be a major Shareholder and contributor to the governance and strategic direction of the Company as this evolution takes place.

This Prospectus contains further details of Coronado's business, the industry in which we operate and further information in relation to the Offer for your consideration. We encourage you to carefully read this Prospectus in full before making an investment decision, including the risk factors regarding an investment in Coronado.

On behalf of the Board, we thank you for taking the time to consider this Offer and look forward to welcoming you as a Shareholder.

Yours sincerely,

Greg Martin
Chairman

1. 2017 production figures are pro forma for the acquisition of Curragh from Wesfarmers Limited (**Wesfarmers**) and other pro forma adjustments.

SECTION 1

Investment Overview



The information contained in this Section 1 is a summary only. You should read this Section in conjunction with the information set out in the remainder of this Prospectus.

1.1 INTRODUCTION

Topic	Summary	More information
Who is Coronado?	- Coronado is a low-cost global producer, marketer and exporter of a full range of premium quality met coals. Coronado owns a portfolio of operating mines located in Queensland, Australia, and in the states of Virginia and West Virginia in the US. - Coronado has a single 100%-owned producing mining complex in Australia and three 100%-owned producing mining complexes in the US. These complexes comprise eight active and productive mines that are located close to transportation infrastructure, which supports Coronado's position as one of the lowest-cost, and one of the most reliable, sources of a suite of met coals whose products are sought by steelmakers globally. In addition to these producing complexes, Coronado has a number of development-stage assets, including MDL 162 in Australia, as well as Pangburn-Shaner-Fallowfield and Russell County in the US.	Section 3.1
What is Coronado's history?	- Coronado was founded in 2011 by Garold Spindler, James Campbell and a fund affiliated with EMG, a management company for a series of specialised private equity funds. Messrs Spindler and Campbell each have in excess of 30 years of coal mining, processing and marketing experience. Coronado was founded with the intention to evaluate, acquire and develop coal properties. - Coronado's scale and platform has resulted from its four acquisitions: 2013: acquired Greenbrier from Lehman Brothers; 2014: acquired Logan from Cliffs Natural Resources; 2016: acquired Buchanan from CONSOL Energy; and 2018: acquired Curragh from Wesfarmers. - Through its acquisitions, Coronado has grown its coal sales from less than 0.5 Mt in 2013 to more than 20 Mt in 2017.¹	Section 3.1.4

1.2 KEY FEATURES OF THE COMPANY

Topic	Summary	More information
What industry and markets does Coronado operate in?	- Coronado produces and supplies coal predominantly to the global met coal markets. - Coronado's Australian Operations produce a variety of high quality low-ash met coal products from its operating mine Curragh, including HCC, SCC and PCI coal: - these met coal products have established brands with a diverse customer base of leading steelmakers, predominantly located in Asia; and - Curragh also produces thermal coal, which is primarily sold domestically under a long-term contract to Stanwell, a Queensland Government-owned entity and the operator of the Stanwell Power Station.	Sections 3.1, 3.1.1 and 3.1.2

1. 2017 production figures are pro forma for the acquisition of Curragh from Wesfarmers and other pro forma adjustments. See Section 3.1.4 for more information.

1. Investment Overview

Topic	Summary	More information
What industry and markets does Coronado operate in? <i>continued</i>	- Coronado's US Operations are located in the CAPP region in Virginia and West Virginia, which is a highly active coal-producing region, and produce a suite of high quality met coal products: - Buchanan produces Low-Vol met coal, Logan produces High-Vol met coal and Greenbrier produces Mid-Vol met coal; - met coal mined at Coronado's US Operations is predominantly exported to steelmakers, primarily in Europe, South America and Asia, and also consumed domestically by US steelmakers; and - Logan and Greenbrier also produce thermal coal which is sold predominantly to global export markets, as well as domestically in the US.	Sections 3.1, 3.1.1 and 3.1.2
How does Coronado generate revenue?	- Coronado generates revenue from producing and marketing a suite of premium quality met coals to steelmakers globally. - Coronado seeks to maximise revenue through coal blending, which allows the Company to offer differentiated products with consistency in quality. - Coronado's suite of met coal products enables it to maximise the revenue opportunity from each of its products. - Coronado also sells a small quantity of thermal coal.	Sections 3.1, 3.1.1, 3.1.2 and 3.1.3
What are the key features of Coronado's business model?	- Key features of Coronado's business model include: - high quality met coal opportunities; - long-life operating assets with global supply diversity; - low-cost operations that produce a broad range of high quality products; - disciplined approach to capital allocation with a focus on distributing surplus cash flow to shareholders in a value-efficient way; - expansion and optimisation upside potential; - operations solely in low political and economic risk jurisdictions; and - balance sheet strength, with low leverage and positive operating free cash flow.	Sections 3.2.1, 3.2.2 and 3.2.3
What material contracts has Coronado entered into?	- Across its Australian Operations and US Operations, Coronado's material contracts typically relate to rail and port services. - Rail and port services are typically contracted on a long-term take-or-pay basis in Australia, while these contracts are typically negotiated on an annual basis in the US. - Coronado's key rail contracts include: - Aurizon Network (Australian Operations); - Aurizon Operations (Australian Operations); - Pacific National (Australian Operations); - NS railway (US Operations); and - CSX railway (US Operations). - Coronado's key port contracts include: - RG Tanna Coal Terminal (Australian Operations); - Wiggins Island Coal Export Terminal (Australian Operations); - Kinder Morgan Coal Terminal Pier IX (US Operations); - Lambert's Point Coal Terminal Pier VI (US Operations); and - CNX Marine Terminal (US Operations).	Sections 3.1.1, 3.6.1 and 3.6.2

Topic	Summary	More information
What material contracts has Coronado entered into? <i>continued</i>	- At Curragh, Coronado also has a material Coal Supply Agreement (CSA) with Stanwell, which is expected to expire in 2027. Under the CSA, Coronado is obliged to: - sell thermal coal in the quantities and on terms agreed to Stanwell for use at the Stanwell Power Station; and - pay certain rebates linked to the quantity and realised price of a reference specification coal to Stanwell on met coal exported from the Curragh East Mining Area and the Curragh North Mining Area. - On 14 August 2018, Coronado entered into the Curragh Mine New Coal Supply Deed (Supply Deed) with Stanwell. The Supply Deed grants Coronado the right to mine the coal reserves contained in the Stanwell Reserve Area (SRA) and in exchange for these rights Coronado has agreed certain amendments to the CSA and has agreed to enter into a New Coal Supply Agreement (NCSA) that will commence on or around the expiry of the CSA.	Sections 3.1.1, 3.6.1 and 3.6.2
What is Coronado's strategy for value creation?	- Coronado has a multifaceted strategy to drive business performance and long-term growth with a focus on shareholder returns. - Coronado's strategy for long-term value creation includes: - a focus on asset improvement and optimisation; - driving organic growth in production; and - assessing inorganic growth opportunities. - Management has a history of implementing successful improvement initiatives across the US Operations, which has delivered growth in production and margin expansion: - the Company has identified a number of optimisation initiatives at its Curragh mine complex, in addition to those included in the current mine plan, that it intends to implement in order to enhance the value of the complex. - Coronado has identified options within its current portfolio to generate organic growth, including MDL 162 at its Australian Operations and its two large-scale development projects at its US Operations, Pangburn-Shaner-Fallowfield and Russell County: - MDL 162 has Reserves of 83 Mt (with Marketable Reserves of 54 Mt)¹ and Resources of 238 Mt¹; - Pangburn-Shaner-Fallowfield has Reserves of 201 Mt (with Marketable Reserves of 147 Mt)³ and Russell County has Reserves of 47 Mt (with Marketable Reserves of 27 Mt)²; and - Coronado estimates that these projects, if developed, could add in excess of 6 Mt of annual saleable production. - Management has a strong track record of identifying and executing value accretive and opportunistic inorganic growth opportunities. The Company intends to remain focused on being prudently capitalised and preserving its low leverage position while being open to exploring additional value accretive acquisitions should the opportunity present itself.	Sections 3.7.1, 3.7.2, 3.7.3 and 3.7.4

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves.

2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

1. Investment Overview

Topic	Summary	More information																																	
What is Coronado's dividend policy?	- The payment of dividends by Coronado is at the discretion of the Directors and 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, the operating results, cash flows, future capital requirements, regulatory restrictions and any other factors the Directors may consider relevant. - Coronado's objective in setting its dividend policy is to deliver shareholder returns while maintaining flexibility to pursue the strategic initiatives of the Company within a prudent capital structure. - The Company's dividend policy is to distribute between 60% and 100% of free cash flow. However, the Company intends to pay out 100% of free cash flow relating to the period from Settlement to 31 December 2019. Free cash flow 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. - The Directors may establish a dividend reinvestment plan in the future under which Shareholders may elect that the dividends payable by the Company be reinvested in whole or in part in acquisition of CDIs at a price to be determined by the Board from time to time.	Sections 4.17 and 11.3																																	
Have any Resources or Reserves been identified?	- Coronado has substantial Reserves of 1,035 Mt (with Marketable Reserves of 657 Mt)¹, Resources for its Australian Operations of 696 Mt and Resources for its US Operations of 1,581 Mt.² - Coronado's Resources and Reserves for its Australian Operations are: <table> <tr> <th></th><th>Curragh</th><th>MDL 162</th></tr> <tr> <td>Reserves</td><td></td><td></td></tr> <tr> <td><i>Proved</i></td><td>162</td><td>78</td></tr> <tr> <td><i>Probable</i></td><td>7</td><td>5</td></tr> <tr> <td>Total Reserves</td><td>169</td><td>83</td></tr> <tr> <td>Total Marketable Reserves</td><td>139</td><td>54</td></tr> <tr> <td>Resources</td><td></td><td></td></tr> <tr> <td><i>Measured</i></td><td>190</td><td>115</td></tr> <tr> <td><i>Indicated</i></td><td>165</td><td>87</td></tr> <tr> <td><i>Inferred</i></td><td>103</td><td>36</td></tr> <tr> <td>Total Resources (exclusive of Reserves)</td><td>458</td><td>238</td></tr> </table>		Curragh	MDL 162	Reserves			<i>Proved</i>	162	78	<i>Probable</i>	7	5	Total Reserves	169	83	Total Marketable Reserves	139	54	Resources			<i>Measured</i>	190	115	<i>Indicated</i>	165	87	<i>Inferred</i>	103	36	Total Resources (exclusive of Reserves)	458	238	Sections 3.3.1 and 3.3.2.
	Curragh	MDL 162																																	
Reserves																																			
<i>Proved</i>	162	78																																	
<i>Probable</i>	7	5																																	
Total Reserves	169	83																																	
Total Marketable Reserves	139	54																																	
Resources																																			
<i>Measured</i>	190	115																																	
<i>Indicated</i>	165	87																																	
<i>Inferred</i>	103	36																																	
Total Resources (exclusive of Reserves)	458	238																																	

- Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources for Coronado's US Operations are as at 31 December 2017. Note that the Resource and Reserve estimates for the Australian Operations and the US Operations have been prepared by different Competent Persons. For the Australian Operations, Reserves are reported on a 7.5% moisture basis. For the US Operations, Reserves are reported reflecting moisture of between 4.5 and 6%, depending upon mining method. For more detail on these and other differences between the operations, refer to the Xstract Report (2018) and MM&A Report (2018).
- Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves. Resources and Reserves for Coronado's US Operations are as at 31 December 2017 and Resources for Coronado's US Operations are quoted inclusive of Reserves.

Topic	Summary						More information	
Have any Resources or Reserves been identified? <i>continued</i>	• Coronado's Resources and Reserves for its US Operations are:						Sections 3.3.1 and 3.3.2.	
		Producing complexes			Development projects and idled asset			
		Buchanan	Logan	Greenbrier	Pangburn-Shaner-Fallowfield	Russell Country		Amonate
	Reserves							
	<i>Proved</i>	173	103	28	120	37		53
	<i>Probable</i>	11	55	32	80	10		80
	Total Reserves	185	158	61	201	47		133
	<i>Proved Marketable</i>	110	59	15	89	23		24
	<i>Probable Marketable</i>	7	30	14	59	5		32
	Total Marketable Reserves	117	89	29	147	27		56
Resources								
<i>Measured</i>	215	155	56	296	135	128		
<i>Indicated</i>	46	66	34	194	22	194		
<i>Inferred</i>	–	1	1	3	1	33		
Total Resources (inclusive of Reserves)	261	222	92	493	157	356		

1.3 KEY FINANCIAL METRICS

Topic	Summary					More information	
What is Coronado's pro forma and statutory historical and forecast financial performance?	A summary of Coronado's pro forma historical and pro forma forecast financial information and statutory historical and statutory forecast financial information is set out below.					Section 4.4	
		Pro forma Historical					Pro Forma Forecast
	\$m	FY2016	FY2017	1H2017	1H2018		FY2018
	Total revenue	1,269.3	2,174.1	1,086.2	1,115.8		2,279.1
	EBITDA	159.4	592.6	352.0	254.1		577.7
	EBIT	7.4	427.1	267.5	167.2		409.7
	Net income (loss)	(6.1)	286.3	180.8	113.1		275.6

1. Investment Overview

Topic	Summary						More information	
What is Coronado's pro forma and statutory historical and forecast financial performance? <i>continued</i>	\$m	Statutory Historical				Statutory Forecast		Section 4.4
		FY2016	FY2017	1H2017	1H2018	FY2018	FY2019	
	Total revenue	437.3	768.2	396.1	799.6	1,962.9	2,343.4	
	EBITDA	96.3	227.9	133.4	134.9	459.4	737.3	
	EBIT	36.6	152.4	92.1	70.5	313.9	565.6	
	Net income	36.5	142.4	90.9	35.6	166.1	384.4	
	The information presented above contains non-US GAAP financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5.							
What is the basis of preparation of Coronado's financial statements?	The Financial Information included in this Prospectus has been prepared in accordance with the recognition and measurement principles of US GAAP and is presented in USD. Sections 4.4.6, 4.4.7 and 4.7.2 set out a reconciliation of the key differences between US GAAP and AAS for certain items contained in the Financial Information (for informational purposes only).						Sections 4.4.6, 4.4.7 and 4.7.2	

1.4 INVESTMENT HIGHLIGHTS

Topic	Summary	More information
Unique met coal exposure with a world class portfolio	- Coronado presents an attractive opportunity to invest in a predominantly met coal focused company, with diversification across geographies and mining complexes. - Coronado has multiple large-scale operations in both Australia and the US. In Australia, it has one 100%-owned operating complex and in the US it has three 100%-owned operating complexes. - Coronado produced 20.2 Mt of saleable coal in 2017, of which 76% was met coal.¹ - In 2017, Coronado was the fifth largest met coal producer globally by export volume² and the largest met coal producer in the US by production volume³. - Coronado is positively differentiated to US-listed met coal producers as a result of its scale, geographic diversification and product diversification. Coronado presents an attractive alternative to ASX-listed coal producers as it is a predominantly met coal focused company.	Sections 3.1, 3.1.1, 3.1.2, 3.1.3 and 3.2.2

1. 2017 production pro forma for the acquisition of Curragh from Wesfarmers and other pro forma adjustments. See Section 3.1.4 for more information.

2. Wood Mackenzie Coal Supply Service, Q2 2018 and management information; excludes Rio Tinto given coal asset divestments. Coronado pro forma for the acquisition of Curragh from Wesfarmers; Glencore's 2017 production is pro forma for the acquisition of an 82% interest in Hail Creek from Rio Tinto (August 2018) and a 49% interest in the Hunter Valley Operations from Yancoal Australia Limited (May 2018); Yancoal's FY2017 production is pro forma for the acquisition of Coal & Allied from Rio Tinto (September 2017).

3. Management information; Energy Ventures Analysis Quarterly Coal Production Report – Q4 2017 (27 January 2018 Update). Coronado total represents 2017 actual tonnes produced.

Topic	Summary	More information
Diversification by country, asset, product and market	- Coronado benefits from a geographically diverse asset base, with access to multiple transportation infrastructure options, providing access to both seaborne export and domestic markets. - Production is diversified across a well established suite of high quality products with established brand recognition. This broad product range supports strong customer demand, global end-market flexibility and blending opportunities. - The Company maintains a diverse, high quality customer base across a range of global markets, mitigating customer concentration risk.	Sections 3.1.1, 3.1.2, 3.3.1, 3.3.2, 3.5.1 and 3.5.2
Long-life operating assets supported by significant Reserves	- Coronado's asset base comprises long-life producing complexes with an implied Marketable Reserve life of 33 years based on 2017 production.¹ - Coronado has substantial Reserves of 1,035 Mt (with Marketable Reserves of 657 Mt), Resources for its Australian Operations of 696 Mt² and Resources for its US Operations of 1,581 Mt³. - The Supply Deed entered into with Stanwell is expected to extend the mine life at Curragh.	Sections 3.1, 3.2.2, 3.3.1 and 3.3.2
Fully invested assets with minimal capital expenditure needs and competitive cost profiles	- Coronado's assets are fully invested with no medium-term growth capital investment required to sustain existing production. - Curragh and Buchanan, Coronado's major met coal export focused complexes, are competitively positioned on the global seaborne met coal cost curve.⁴ - Coronado's portfolio is flexible and able to respond to market conditions, enhancing margins through the cycle.	Sections 3.1.3 and 3.2.2
Value creation through further optimisation and growth potential	- Generating efficiencies and cost optimisation across the portfolio of complexes is a core focus of Coronado's management: - the Company's management has a history of implementing cost optimisation initiatives across its portfolio of mining complexes to increase production and reduce costs; and - Coronado has identified a number of improvement opportunities at Curragh that will aim to further optimise the complex's cash operating cost position. - Coronado has several attractive existing brownfield expansion and greenfield development opportunities, which it believes have the capacity to significantly enhance the Company's production capacity and implied Reserve life. - Coronado has a strong track record of identifying and executing value accretive and opportunistic acquisitions to achieve its objective to establish scale, diversify products and operating geographies and further enhance the quality of the business.	Section 3.7

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Implied Reserve life calculated as total Marketable Reserves divided by 2017 calendar year production.

2. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves.

3. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

4. FOB cash costs basis, excluding private and government royalties.

1. Investment Overview

Topic	Summary	More information
Focus on balance sheet strength with a track record of sustainable shareholder returns	- Coronado is focused on balance sheet strength, with an emphasis on low leverage and a disciplined approach to capital allocation. - The Company has a track record of strong cash flow generation and delivering sustainable shareholder returns. - Coronado's objective in setting its dividend policy is to deliver shareholder returns while maintaining flexibility to pursue the strategic initiatives of the Company within a prudent capital structure. - The Company's dividend policy is to distribute between 60% and 100% of free cash flow. However, the Company intends to pay out 100% of free cash flow relating to the period from Settlement to 31 December 2019. Free cash flow 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.	Sections 3.7.1.1 and 4.17
Highly experienced Board and management team with a track record of driving operating efficiencies	- Coronado's Board and management have significant experience in the coal and energy sectors, with Coronado's management having over 100 years of combined experience in all aspects of the coal value chain, from the discovery of resources, through to development, production and marketing of coal. - The management team has a successful track record building and operating coal mining operations in Australia, the US and globally, including driving operational efficiencies.	Sections 3.1.4 and 3.1.5

1.5 KEY RISKS

Potential investors should be aware that there are risks associated with investing in Coronado, including risks associated with Coronado's US Operations and Australian Operations specifically and risks associated with investing in the stock market generally. Some risks are beyond the control of Coronado and its Directors and management and may have a material impact on Coronado's financial performance or position. Set out below are some of the key risks associated with an investment in Coronado. See Section 5 for further information on these key risks and other risks affecting Coronado.

Topic	Summary	More information
Coal prices and demand	Lower than expected coal prices or adverse changes in coal demand (including as a result of increased availability of substitutes for Coronado's met or thermal coal) may have a material adverse impact on Coronado's business, operating and financial performance.	Section 5.1.1
Operations	Operating difficulties, including but not limited to weather, technical problems, natural disasters (affecting either Coronado or its key contractors and transportation service providers), industrial disputes and labour and other shortages may impact Coronado's business, operating and financial performance.	Section 5.1.2
WICET	- Coronado Curragh is exposed to risks as a user of and investor in WICET. In particular, there is a risk that: - amounts payable under Coronado Curragh's take-or-pay agreement may increase if another shipper defaults under its take-or-pay agreement and ceases using the terminal; and - WICET Pty Ltd defaults under its senior debt facility and the senior lenders or a receiver appointed by them takes steps to seek to recover against the shippers (whether through increased charges or otherwise).	Section 5.1.4

Topic	Summary	More information
Transport	Coronado transports coal to customers by a combination of road, rail, barge and ship. Disruptions to transportation services, or any deterioration in the reliability or services provided by Coronado's transportation service providers, could impair Coronado's ability to supply coal to its customers, resulting in decreased shipments, revenue and potential claims for breach of coal sales contracts.	Section 5.1.5
Approvals, permits and licences	A number of Coronado's approvals, permits and licences will need to be renewed in the future. Failure to renew, or delays in renewing, environmental approvals, mining tenements, leases, licences and land access rights may adversely affect Coronado.	Section 5.1.6
Resource and Reserve estimates	The volume and quality of coal that Coronado recovers may be less than the Resource and Reserve estimates included in this Prospectus.	Section 5.1.8
Management	Coronado may lose key management personnel and may not be able to recruit qualified replacements.	Section 5.1.10
Coal sales contracts	The loss or deterioration of key customer relationships could materially and adversely affect Coronado's business, operating and financial performance or cause a material disruption to Coronado's operations.	Section 5.1.11
Regulations	There may be adverse changes in regulations, including the introduction of additional environmental regulations, health and safety requirements or regulations relating to climate change.	Sections 5.1.12, 5.1.13 and 5.1.14

1.6 DIRECTORS AND SENIOR MANAGEMENT

Topic	Summary	More information
Who are Coronado's Directors and senior management?	Directors - Greg Martin (Independent Non-Executive Chairman) - Garold Spindler (Managing Director and Chief Executive Officer) - Philip Christensen (Independent Non-Executive Director) - Bill Koeck (Independent Non-Executive Director) - Greg Pritchard (Independent Non-Executive Director) - Ernie Thrasher (Non-Executive Director) - Laura Tyson (Non-Executive Director) Senior management - Garold Spindler (Managing Director and Chief Executive Officer) - James Campbell (President and Chief Operating Officer) - Ayten Saridas (Group Chief Financial Officer)	Sections 6.1 and 6.2

1. Investment Overview

1.7 SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS

Topic	Summary	More information																																			
Who is the Seller and what is their relationship with the Company?	- Coronado Group LLC (Seller), a Delaware limited liability company, is the sole shareholder of the Company. - The EMG Entities currently own 98.7% of the Seller. The remaining 1.3% interest in the Seller is held by Company management. - Following Completion, 70% of the Shares on issue will be held by the Seller.¹ The Company has entered into a Stockholder’s Agreement and a Registration Rights and Sell-Down Agreement with the Seller (which for the purposes of these agreements, includes the Seller, any successor of the Seller and any permitted assign of the Seller, which includes any Seller Group Entity). These agreements govern the relationship between the Company and the Seller (or its successor or permitted assign) while the Seller Group Entities retain certain levels of aggregate beneficial ownership of Shares in the Company. The Company and the Seller have also entered into a Relationship Deed under which the Company provides a number of indemnities in favour of the Seller, including in relation to certain Offer-related matters and also certain guarantees that have in the past been provided or arranged by the Seller and its Affiliates in support of Company obligations. Section 11.5.2 provides a summary of the terms of the Stockholder’s Agreement and the Registration Rights and Sell-Down Agreement and Section 11.5.3 provides a summary of the terms of the Relationship Deed.	Sections 6.3.4, 7.1.3, 11.4 and 11.5.2																																			
What will be the ownership structure of the Company following Completion?	Details of indirect interests in Shares (and CDI equivalents) on issue immediately prior to Completion and as expected on Completion are set out in Section 7.1.3. <table><tr><th rowspan="2">Shareholder</th><th colspan="2">Immediately prior to Completion</th><th colspan="3">On Completion</th></tr><tr><th>Interest in Shares</th><th>%</th><th>Interest in Shares</th><th>CDI equivalent</th><th>%</th></tr><tr><td>EMG Entities</td><td>78,945,705</td><td>98.7%</td><td>66,764,564</td><td>667.6 million</td><td>69.1%</td></tr><tr><td>Management Shareholders</td><td>1,054,295</td><td>1.3%</td><td>891,620</td><td>8.9 million</td><td>0.9%</td></tr><tr><td>New Shareholders</td><td>–</td><td>-%</td><td>28,995,508</td><td>290.0 million</td><td>30.0%</td></tr><tr><td>Total</td><td>80,000,000</td><td>100.0%</td><td>96,651,692</td><td>966.5 million</td><td>100.0%</td></tr></table> Note: The holding information for the EMG Entities and the Management Shareholders prior to Completion represents their respective shareholdings in the Seller. The holding information for the EMG Entities and Management Shareholders on Completion represents their indirect interest in Shares held by the Seller, and excludes any Shares or CDIs in which they may acquire an interest as part of the Offer at the Offer Price.	Shareholder	Immediately prior to Completion		On Completion			Interest in Shares	%	Interest in Shares	CDI equivalent	%	EMG Entities	78,945,705	98.7%	66,764,564	667.6 million	69.1%	Management Shareholders	1,054,295	1.3%	891,620	8.9 million	0.9%	New Shareholders	–	-%	28,995,508	290.0 million	30.0%	Total	80,000,000	100.0%	96,651,692	966.5 million	100.0%	Section 7.1.3
Shareholder	Immediately prior to Completion		On Completion																																		
	Interest in Shares	%	Interest in Shares	CDI equivalent	%																																
EMG Entities	78,945,705	98.7%	66,764,564	667.6 million	69.1%																																
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Total	80,000,000	100.0%	96,651,692	966.5 million	100.0%																																

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

Topic	Summary	More information																																				
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer, and are there any related party interests?	- The following table represents the Directors' respective interests in Shares on Completion: <table><tr><th>Director</th><th>Interest in Shares on Completion</th><th>CDI equivalent</th><th>%</th></tr><tr><td>Greg Martin</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Garold Spindler*</td><td>702,667</td><td>7.0 million</td><td>0.7270%</td></tr><tr><td>Philip Christensen</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Bill Koeck</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Greg Pritchard</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>Ernie Thrasher**</td><td>1,666,845</td><td>16.7 million</td><td>1.7246%</td></tr><tr><td>Laura Tyson**</td><td>10,485</td><td>0.1 million</td><td>0.0092%</td></tr><tr><td>Total</td><td>2,378,380</td><td>23.8 million</td><td>2.4608%</td></tr></table> * Represents an indirect economic interest in the Company held through investments in class A units in the Seller. Garold Spindler also holds MIUs in the Seller as disclosed in Section 6.3.2.5. ** Represents an indirect economic interest in the Company held through investment vehicles holding an investment in the EMG Entities. Note: This does not include any CDIs or interests in CDIs which may be acquired as part of the Offer at the Offer Price. - Directors may hold their interests in the Shares or CDIs shown above directly, or through holdings in companies or investment vehicles. - Those Directors who hold indirect economic interests in the Company through investments in the Seller or the EMG Entities will have an indirect interest in proceeds received by the Seller for sale of Sale CDIs under the Offer. - Directors and key executives are entitled to fees and remuneration as disclosed at Sections 6.3.1.3 and 6.3.2. - Certain Company executives and other members of management are eligible to participate in the Company's STI Plan and LTI Plan and hold MIUs, as disclosed at Section 6.3.2.4. - Professional advisers to the Offer are entitled to fees as set out at Section 6.3.3. - The Company has entered into commercial agreements with certain Directors and with EMG, as disclosed at Section 6.3.5.	Director	Interest in Shares on Completion	CDI equivalent	%	Greg Martin	Nil	Nil	Nil	Garold Spindler*	702,667	7.0 million	0.7270%	Philip Christensen	Nil	Nil	Nil	Bill Koeck	Nil	Nil	Nil	Greg Pritchard	Nil	Nil	Nil	Ernie Thrasher**	1,666,845	16.7 million	1.7246%	Laura Tyson**	10,485	0.1 million	0.0092%	Total	2,378,380	23.8 million	2.4608%	Section 6.3
Director	Interest in Shares on Completion	CDI equivalent	%																																			
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Bill Koeck	Nil	Nil	Nil																																			
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Laura Tyson**	10,485	0.1 million	0.0092%																																			
Total	2,378,380	23.8 million	2.4608%																																			
Will any CDIs or Shares be subject to restrictions on disposal following Completion?	On Completion, the Shares held by the Seller will be subject to escrow arrangements. The Seller, the EMG Entities and the members of Company management who hold approximately a 1.3% interest in the Seller have entered into a voluntary escrow deed in respect of their interest in the Seller and the Seller's Shareholding retained following the Offer (as applicable), which will apply immediately following Completion until 4.15pm (Sydney Time) on the first business day after release of the Company's results for FY2019, subject to certain exceptions set out at Section 7.6.	Section 7.6																																				

1. The range reflects both the Indicative Price Range and New CDIs offered by the Company.

1. Investment Overview

1.8 OVERVIEW OF THE OFFER

Topic	Summary	More information
Who are the issuers of this Prospectus?	- This Prospectus is issued by Coronado, a company incorporated in Delaware, United States, and the Seller, a Delaware limited liability company. - Coronado has been registered with ASIC as a foreign company in Australia under Chapter 5B of the Corporations Act.	Sections 7.1 and 11.1
What is the Offer?	- The Offer is an initial public offering of CDIs over Shares in Coronado. - Under the Offer, 290.0 million CDIs (equivalent to 29.0 million Shares, representing a ratio of 10 CDIs for one Share) will be issued by the Company and offered by the Seller.^{1,2} The Offer will consist of: 166.5 million New CDIs offered by the Company to raise proceeds of between A\$666 million and A\$799 million;² and 123.4 million Sale CDIs offered by the Seller to raise proceeds of between A\$494 million and A\$593 million.^{1,2} - raising total proceeds of between approximately A\$1,160 million and A\$1,392 million assuming the Final Price per CDI is within the Indicative Price Range.^{1,2}	Section 7.1

What is the proposed use of funds raised under the Offer?

- The Offer is expected to raise between A\$1,160 million and A\$1,392 million.^{1,2} The Offer is being conducted to:
- provide a liquid market for Shares (in the form of CDIs) and an opportunity for others to invest in Shares (in the form of CDIs) through listing the Company on ASX;
 - fund repayment of existing debt facilities;
 - provide the Company with additional financial flexibility to pursue growth opportunities through improved access to capital markets; and
 - allow EMG to realise part of its investment in the Company.

Sources of funds	A\$m	US\$m ³	% of funds raised
Cash proceeds received from issue of New CDIs by the Company	A\$666 – A\$799 million	US\$483 – US\$580 million	57%
Cash proceeds received from sale of Sale CDIs by the Seller	A\$494 – A\$593 million	US\$358 – US\$430 million	43%
Total sources	A\$1,160 – A\$1,392 million	US\$841 – US\$1,010 million	100%

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

2. Based on the Indicative Price Range. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.

3. Assumes an exchange rate of A\$1 = US\$0.7254, which represents the exchange rate reported by Bloomberg as at 1 September 2018.

Topic	Summary				More information
What is the proposed use of funds raised under the Offer? <i>continued</i>	Use of funds	A\$m	US\$m ¹	% of funds used	Section 7.1.2
	Proceeds to the Seller net of Offer costs	A\$479 – A\$575 million	US\$347 – US\$417 million	41%	
	Payment of Offer costs by the Seller	A\$15 – A\$18 million	US\$11 – US\$13 million	1%	
	Payment of Offer costs by the Company	A\$37 – A\$41 million	US\$26 – US\$29 million	3%	
	Repayment of existing debt facilities and for working capital	A\$630 – A\$759 million	US\$457 – US\$550 million	54%	
	Total uses	A\$1,160 – A\$1,392 million	US\$841 – US\$1,010 million	100%	
How is the Offer structured?	The Offer comprises: - the Broker Firm Offer, which is open to eligible Australian resident retail clients and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares (in the form of CDIs) from their Broker, made under this Prospectus; and - the Institutional Offer, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus or the US Offering Memorandum, as applicable.				Sections 7.1.1, 7.3 and 7.4
What are CDIs?	- ASX uses an electronic transfer system called CHESS for the clearance and settlement of trades on ASX. - Coronado was incorporated in Delaware, United States, which does not recognise the CHESS system of holding securities. To enable companies such as Coronado to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. - CDIs confer the beneficial ownership in foreign securities, such as the Shares, on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee. CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX. - The CDIs and Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the US. Due to certain US securities law restrictions, you will not be able to sell CDIs or the underlying Shares into the United States or to, or for the account or benefit of, US Persons during the Distribution Compliance Period, unless the CDIs or the underlying Shares are registered under the US Securities Act and any applicable United States state securities laws, or are offered and sold pursuant to an applicable exemption available from (including resales to QIBs pursuant to Rule 144A), or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable United States state securities laws.				

1. Assumes an exchange rate of A\$1 = US\$0.7254, which represents the exchange rate reported by Bloomberg as at 1 September 2018.

1. Investment Overview

Topic	Summary	More information
What are CDIs? <i>continued</i>	The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX which effectively automatically prevents any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. However, you will still be able to freely transfer your CDIs on ASX during the Distribution Compliance Period, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or that is, or is acting for the account or benefit of, a US Person, in each case that is not a QIB.	Sections 7.7, 7.8 and 11.3
What is the CDI:Share ratio?	10 CDIs will be equivalent to one Share.	Section 7.1
What rights and liabilities attach to the CDIs being offered?	- The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. Investors should note that there are certain differences between Shares in the Company and ordinary shares which are typically issued by Australian incorporated public companies. - A summary of the rights of CDI holders is set out in Section 11.3. A summary of the rights of holders of Shares in the Company is set out in Section 11.4.	Sections 7.7, 11.3 and 11.4
Will the CDIs be quoted on ASX?	- The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of its CDIs on ASX under the code 'CRN'. It is anticipated that quotation will initially be on a conditional and deferred settlement basis. - Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.8.1
What is the allocation policy?	The allocation of CDIs between the Broker Firm Offer and Institutional Offer will be determined by agreement between the Company, the Seller and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.3.4 and 7.4.2.	Sections 7.1.1, 7.3.4 and 7.4.2
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer.	Section 7.2
What are the tax implications of investing in CDIs?	Applicants may be subject to Australian or United States federal income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the CDIs will depend upon an investor's particular circumstances, particularly for non-resident CDI holders. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 11.13
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to Successful Applicants by standard post on or about Monday, 29 October 2018.	Section 7.8.3

Topic	Summary	More information
What is the minimum Application size?	The minimum Application under the Broker Firm Offer is A\$2,000 worth of CDIs. There is no maximum value of CDIs that may be applied for under the Broker Firm Offer.	Section 7.2
How can I apply for CDIs under the Offer?	- If you are an eligible investor who has received an invitation to apply for CDIs under the Broker Firm Offer, you may apply for CDIs by completing a valid Broker Firm Offer Application Form. - To the maximum extent permitted by law, an application under the Offer is irrevocable.	Section 7.3.2
When can I sell my CDIs on ASX?	- It is expected that trading of the CDIs on ASX on a conditional and deferred settlement basis will commence on or about Tuesday, 23 October 2018, initially on a conditional and deferred settlement basis. - It is expected that the CDIs will commence trading on ASX on a normal settlement basis on or about Monday, 29 October 2018.	Section 7.8.3
Is the Offer underwritten?	No. The Offer is not underwritten.	Section 11.5.1
Who are the Joint Lead Managers on the Offer?	Goldman Sachs, UBS, Credit Suisse and Bell Potter.	Section 6.3.3
Can the Offer be withdrawn?	- The Company and the Seller reserve the right to withdraw the Offer at any time before the issue or transfer of CDIs to Successful Applicants. - If the Offer does not proceed, all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.	Sections 7.8.1 and 7.9
Where can I find out more information about this Prospectus or the Offer?	- Call the Coronado Offer Information Line on 1300 161 487 (within Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday during the Offer Period. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4014 from 8.30am to 5.00pm (Sydney Time), Monday to Friday. - All enquiries in relation to the Broker Firm Offer should be directed to your Broker. - If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.	Important Information



SECTION 2

Industry Overview

In this Section, references to coal Resources and Reserves for Coronado are JORC Code-compliant and are measured in accordance with the JORC Code. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and for Coronado's US Operations are as at 31 December 2017. References to resources and reserves for other assets, companies, countries, regions and basins are sourced from third parties and measured in accordance with their source data, which includes Wood Mackenzie, AME and regulatory filings. Wood Mackenzie and AME estimates of resources and reserves typically adhere to the guiding practice in the jurisdiction in which the relevant asset is located and may not be JORC Code-compliant. Wood Mackenzie country estimates of reserves are based on corporate-level reporting of reserves and are not the geological estimates of the country's reserves. The production figures provided by Wood Mackenzie are based on the key producing countries that impact the global coal market. Coronado has commissioned industry reports from Wood Mackenzie (titled 'US Metallurgical Coal Market Report (2018)') and AME (titled 'Coal Industry Report (2018)') – these reports are referred to in this Section as the 'Wood Mackenzie Report (2018)' and 'AME', respectively. Figures quoted for Coronado are pro forma for the acquisition of Curragh. See Section 4.2 for information on pro forma adjustments.

Coal is a common and widely distributed carbon-based natural resource and broadly classified as either met coal, typically used in the manufacturing of steel, or thermal coal, typically used in power generation, cement manufacturing and other industrial applications. Coals suitable for use in steel production comprise a relatively small subset of the total global coal resource base.¹ Of the estimated 6,153 Mt of total global coal production in 2017, only 1,061 Mt (or 17%) was met coal, with the remaining 5,092 Mt (or 83%) classified as thermal coal.²

Australia and the US are two of the world's largest coal reserve holders, with 14% and 24%, respectively, of total global reserves at the end of 2017.³ Australia and the US are also significant coal producers and exporters, accounting for 7% and 10%, respectively, of global coal production in 2017 and 17% and 6%, respectively, of global met coal production in 2017.⁴

Coronado is engaged in the exploration, development, production and sale of coal from its mining complexes in the Bowen Basin of Australia and the Central Appalachian region of the US (**CAPP**), two of the world's largest sources of met coal. Coronado focuses on the production of met coal. In 2017, met coal accounted for 76% of the Company's total production.

2.1 INTRODUCTION

Steel is an important engineering and construction material used throughout the world and met coal is a key input in the production of crude steel. Steel production is expected to grow at a CAGR of approximately 1% between 2017 and 2023⁵ and met coal production is expected to grow at a CAGR of approximately 4% over the same period.⁴ Crude steel production occurs primarily via the blast furnace-basic oxygen furnace (**BF-BOF**) route, which accounted for 72% of global crude steel production in 2017.⁶ In this process, coke (produced from met coal in a coke oven) is used to reduce iron ore to iron (also commonly known as 'hot metal' or 'pig iron'), which is then converted into crude steel in the blast furnace.

Met coals are hard bituminous coals that are typically black in colour, whereas thermal coals are softer bituminous or non-bituminous coals that range from dark brown to black in colour and are usually softer in nature. However, both met and thermal coals are referred to as black coal. Met coal is further categorised as either coking coal or PCI coal. When heated, coking coal softens and forms a plastic mass that swells and re-solidifies into a porous solid (coke) that is suitable for use in a blast furnace. In the PCI coal production process, fine coal granules are blown directly into the blast furnace and reduce the need for coke. Generally, all types of met coals have combustion properties and can be used as a replacement for thermal coal. However, not all coals exhibit the thermoplastic properties and chemical characteristics necessary to make suitable coke.⁷ The key properties of met and thermal coals are set out in Table 2 and Table 4, respectively.

Met coal production is concentrated in a limited number of regions worldwide. In 2017, the top five met coal producing countries or regions were China (63%), Australia (17%), Russia (7%), eastern US (6%) and western Canada (3%).² Australia and the US were the largest met coal exporters in 2017 and accounted for 58% and 15%, respectively, of total global seaborne⁸ met coal supply.²

1. World Coal Association, A Comprehensive Overview of Coal (2009).

2. Wood Mackenzie, Coal Supply Service, May 2018.

3. BP Statistical Review of World Energy 2018.

4. Wood Mackenzie, Coal Supply Service, May 2018.

5. Wood Mackenzie, Steel Market Service, May 2018.

6. World Steel Association, World Steel in Figures (2018).

7. AME.

8. Seaborne refers to export trade by sea.

2. Industry Overview

Australian-based coal miners produce both met and thermal coals and in 2017 accounted for 17% (179 Mt) and 5% (257 Mt) of global met coal production and global thermal coal production, respectively.¹ The Bowen Basin, located in the state of Queensland, is Australia's largest coal producing basin and in 2017 accounted for 48% of Australia's total coal production and 3% of global coal production.¹ Australia has a limited domestic steel production industry, with 98% of Australia's met coal production in 2017 being exported, typically to steelmakers in Asia.¹ In 2017, 78% of Australia's thermal coal production was exported to Asian markets for power generation, with the balance consumed domestically.¹ In 2017, Australia made up 58% of the global seaborne trade for met coal and 20% of the global seaborne trade for thermal coal.¹ Further information on the Australian coal industry and the Bowen Basin region in which Coronado operates is provided in Section 2.3.2.

Met coal production in the US is currently limited to the Appalachian coal region, which extends from Alabama to Pennsylvania in the eastern part of the country. In 2017, the US comprised 15% of the global seaborne trade for met coal and 4% of the global seaborne trade for thermal coal.¹ In 2017, met coal production from the US totalled 65 Mt (6% of global met coal production in 2017), of which 71% was exported.¹ Thermal coal is more widely distributed throughout the major coal basins in the US, with the majority of 2017 production split between the Powder River Basin (47%), Appalachia (19%), the Illinois Basin (15%) and Rockies/Southwest regions (9%).²

Only 6% of US thermal coal supply was exported in 2017.¹ More information on the coal industry in the US and the CAPP in which Coronado operates is set out in Section 2.3.3.

2.2 COAL AS A PRODUCT

2.2.1 What is coal?

Coal is a widely distributed sedimentary rock formed from peat, primarily composed of carbon and hydrogen. It is formed through natural application of heat and pressure to biological matter over extended periods of time.

2.2.1.1 Measuring the amount of coal through resources and reserves

Measurable quantities of coal are classified as a 'resource' or a 'reserve'. A resource defines the amount of coal that may be present in a coal deposit, while a reserve identifies that portion of the resource that is estimated to be economically recoverable using current technology.³ There are several mineral resource and ore reserve classification systems worldwide, including the US Securities and Exchange Commission Industry Guide 7 (**SEC Industry Guide 7**), the Canadian Institute of Mining, Metallurgy and Petroleum classification, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the **JORC Code**).

While Coronado had historically reported its resources and reserves for its US-based complexes under SEC Industry Guide 7, the Company now reports its mineral resources (**Resources**) and ore reserves (**Reserves**) for all of its complexes under the JORC Code. Section 11.7 sets out further information on the differences between SEC Industry Guide 7 and the JORC Code.

1. Wood Mackenzie, Coal Supply Service, May 2018.

2. Energy Ventures Analysis, Quarterly Coal Production Report – Q4 2017.

3. World Coal Association, The Coal Resource: A Comprehensive Overview of Coal (2005).

2.2.1.2 JORC Resources

Resources are a concentration of solid material in or on the Earth's crust in such a form, grade and quantity that there are reasonable prospects for eventual economic extraction. In order to be classified as Resources under the JORC Code, the location, quantity, grade and continuity must be known, estimated or interpreted from specific geological evidence and knowledge. Resources are sub-divided into three categories of decreasing geological confidence: (i) Measured; (ii) Indicated; and (iii) Inferred. These categories are described in further detail below:¹

- **Measured Resources:** That part of a Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of 'Modifying Factors'² to support detailed mine planning and final evaluation of the economic viability of the deposit. Mineralisation may be classified as a Measured Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of a Competent Person³ determining the Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability;
- **Indicated Resources:** Mineralisation may be classified as an Indicated Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation. Confidence in the estimate is sufficient to allow application of Modifying Factors within a technical and economic study; and
- **Inferred Resources:** That part of a Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. Mineralisation that is classified as an Inferred Resource has a lower level of confidence than that applying to Indicated Resources.

2.2.1.3 JORC Reserves

Reserves are the economically mineable part of a Measured and/or Indicated Resource base. Reserve estimates include diluting allowances for losses, which may occur when a material is mined or extracted. Reserves are determined by studies at the pre-feasibility or feasibility level and the key underlying assumptions and outcomes of studies at the pre-feasibility or feasibility level must be disclosed publicly at the time of reporting of a new or materially changed Reserve. Reserves are sub-divided in order of decreasing confidence into Proved Reserves and Probable Reserves. These categories are described further below:⁴

- **Proved Reserves:** Proved Reserves are the economically mineable part of a Measured Resource and this is the highest confidence category of a Reserve estimate, implying a high degree of confidence in the geological and grade continuity, and the consideration of the Modifying Factors; and
- **Probable Reserves:** Probable Reserves are the economically mineable part of an Indicated Resource and this is of a lower confidence category than Proved Reserves, but is of sufficient quality to serve as the basis for a decision on the development of a deposit.

The JORC Code does not require that a full feasibility study has been undertaken to convert Measured and/or Indicated Resources to Reserves. However, it does require that at least a pre-feasibility study has been carried out, that determined a mine plan and production schedule that is technically achievable and economically viable, and that material Modifying Factors have been considered. A full feasibility study is at a higher level of confidence than a pre-feasibility study and would normally contain mining, infrastructure and process designs completed with sufficient rigor to serve as the basis for an investment decision or to support project financing.⁵

1. The JORC Code, paragraphs 20 to 28.

2. Modifying Factors are defined as considerations used to convert Resources to Reserves. These include, but are not limited to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors as per the JORC Code.

3. A Competent Person is defined by the JORC code as 'a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation', as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years' relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.

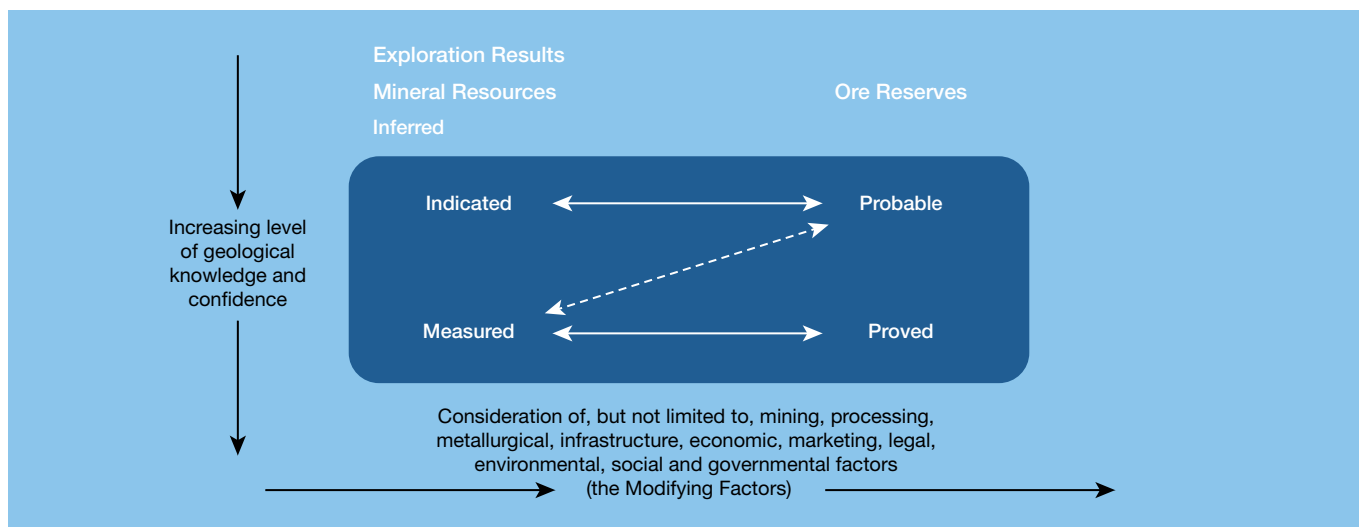
4. The JORC Code, paragraphs 30 and 31.

5. The JORC Code, paragraph 40.

2. Industry Overview

Figure 1 highlights the interplay of classifications between Resources and Reserves according to the JORC Code.

Figure 1: Relationship between Resources and Reserves¹



2.2.2 Overview of met coal

Met coals are primarily used in the manufacture of coke as well as direct injection into a blast furnace (BF) as a replacement for coke. Met coals are differentiated by variations in the physical and chemical properties that govern applicable use, and while all met coals are used primarily in steelmaking, not all met coals have equal ability to be carbonised into coke. Upon heating to high temperatures in the absence of oxygen, certain coals (i.e. those with caking properties) soften and form a plastic mass that swells and re-solidifies into a hard but porous solid (coke). Coke is used primarily as a fuel and a reducing agent in a BF during the smelting of iron ore into iron, before it is converted into steel. Caking coals that yield coke suitable for use in a BF are referred to as coking coals. All coking coals have caking characteristics but not all caking coals are appropriate for cokemaking.²

2.2.2.1 Types and properties of met coal

Met coal types include HCC, SHCC, SSCC and PCI coal. All of these types of met coal are used in the steel production process and are typically sub-categorised by their volatile content as Low-Vol, Mid-Vol or High-Vol volatile coal.

Once met coal is converted into coke, key chemical properties affect the use and value of the product, including its ash, phosphorus and sulphur contents. The physical properties of the coke that are analysed include size and strength (or hardness), as generally measured by coke strength after reaction (CSR). The CSR test is intended to simulate the strength properties of coke as it descends in the BF and is exposed to increasing quantities of reducing gases at higher temperatures. CSR has become an increasingly important quality parameter for BF operators as coke utilisation rates have declined and the amount of PCI and other fuel injectants has increased due to PCI traditionally pricing below HCC.³

For each type of met coal, various properties can affect price, including the volatility, strength, fluidity, swell and ash content. HCC can be blended with coal of less desirable qualities. PCI coals are utilised as a coke substitute in BFs and reduce the consumption of coke. The BF-BOF route remains the most economic means to produce steel and HCC currently has no economically viable substitutes.

Coronado produces met coals within the HCC, SHCC and SSCC (collectively, Semi Coking Coals (SCC)) and PCI product categories across its Australian Operations. At its US Operations, Coronado produces HCC across a combination of Low-Vol, Mid-Vol, High-Vol and PCI coal.

Table 1 sets out the key properties of coal that are applied to met coal, while Table 2 shows the comparability of the properties of met coal under Australian and US classifications of met coal.

1. The JORC Code, Figure 1.

2. World Coal Association, 2018; Britannica, 2018.

3. Wood Mackenzie Report (2018).

Table 1: Properties of coal commonly applied to met coal¹

Met coal property	Description
Volatile matter (%)	• Volatile matter in coal refers to the components of coal, except for moisture, that are liberated from coal at high temperatures in the absence of air.
Ash (%)	• The ash content in coal represents the non-combustible inorganic residue remaining after coal is burned. Ash lowers the heating properties of coal and the ability of met coal plants to dispose of ash in an environmentally friendly manner must be considered.
Free Swelling Index (FSI)	• This property is also known as Crucible Swelling Number and describes the degree of free swelling of a one-gram sample of crushed coal, heated under elevated conditions (>800°C) in a specialised silica crucible.
Fluidity (ddpm)²	• This property is also known as Gieseler Maximum Fluidity and is a measure of the coal's plasticity/fluidity during carbonisation, where coal changes from a solid material to a plastic state and then to a fused porous solid (coke) during cooling.
Total dilatation (%)	• This property is the degree to which coal expands and contracts in the BF.
Mean maximum reflectance (MMR) (%)	• The degree of reflectance of vitrinite is used as an index of coal rank. Vitrinite is a primary component of coal and is the bright, shiny component of black coal, derived from the woody parts of plants.
CSR (%)	• This test is one measure of the relative strength of the coke product made from met coal. It is intended to simulate the strength properties of coke as it descends in the BF and is exposed to increasing quantities of reducing gases at higher temperatures. • For high quality HCC, the CSR should typically be at least 55% before the reaction occurs.
Phosphorus (%)	• Phosphorus is considered to be a deleterious element in the steelmaking process, as it reduces the ductility and impact toughness of finished steel. • As many iron ores can have high phosphorous levels, steel mills seek to procure met coal with a phosphorus level below 0.05%. Above this level, met coals may incur a price discount.

Table 2 sets out the classification of HCC, SHCC, SSCC and PCI by key properties and sub-classifications. For SSCC, specifications from typical New South Wales (or **NSW**) and Queensland (or **QLD**) SSCC are shown to reflect the different benchmarks. Classifying a coal as High-Vol A (**HVA**), High-Vol B (**HVB**), Mid-Vol, Low-Vol and Ultra Low-Vol is based on the properties of the coal as set out in Table 2.

1. AME.

2. Dial divisions per minute.

2. Industry Overview

Table 2: Properties and comparison of different types of met coal (dry basis)¹

Australian coal types	HCC				SHCC			SSCC ²		PCI coal		
US coal types	HVA	HVB	Mid-Vol	Low-Vol	High-Vol	Mid-Vol	Low-Vol	NSW	QLD	Mid-Vol	Low-Vol	Ultra Low-Vol
Volatile matter (%)	30-33	>33	21-29.5	16.8-21	30-41	21-29.5	16.8-21.0	33-39	25-27.5	22-27	17-21	9-16.5
Ash (%)	6-8	6-9	6.5-10	5.5-10	6-10	8-10	8-10	5-9.5	9-10	9-11.5	8.5-9.5	7-10.5
FSI	7-9	7-9	7-9	6.5-9	6.5-9	5-7	4-7	3-6	3-4	1-3	1-2.5	0-2
Fluidity (ddpm)^{3,4}	>27,000	20,000-30,000	40-7,000	10-1,000	150-10,000	30-1,000	10-100	10-500	15-50	NA	NA	NA
Total dilatation (%)⁵	220-350	70-220	30-270	10-100	30-200	30-60	10-50	35-100	5-20	NA	NA	NA
MMR (%)	1.00-1.15	0.90-1.00	1.00-1.50	1.30-1.65	0.70-1.10	0.90-1.10	1.25-1.60	0.65-0.85	1.00-1.10	1.10-1.15	1.25-1.45	1.70-1.75
CSR (%)⁶	50-60	40-50	60-72	40-74	30-50	35-55	35-55	30-40 ⁷	30-40 ⁷	NA	NA	NA
Phosphorus (%)	0.004-0.010	0.003-0.010	0.007-0.080	0.010-0.100	0.003-0.090	0.040-0.090	0.010-0.100	0.002-0.070	0.060-0.090	0.055-0.070	0.055-0.070	0.003-0.100

Coronado produces a range of met coals across its Australian Operations and US Operations that display favourable characteristics for cokemaking. At Coronado's Australian Operations, the Curragh mine complex produces high quality Low-Vol met coal products with low levels of volatile matter and sulphur and is globally recognised as a reliable and flexible independent supplier of high quality, low ash, met coal (discussed further in Section 3.3.1.1). At Coronado's US Operations, the Buchanan mine complex produces a primarily low-ash, Low-Vol, medium-sulphur HCC whose quality is sought globally (discussed further in Section 3.3.2.2). In addition, the High-Vol, low-ash coal produced at the Logan mine complex expands the blending capabilities of Coronado, providing access to a more diverse customer base (discussed further in Section 3.3.2.3). The Greenbrier mine complex produces a self-coking coal (a property mix that it does not require blending with other coals for use in a BF), but it is not economical as a standalone product; however, it can also be used in a blend with other less attractive coals to create a high quality coke product (discussed further in Section 3.3.2.4).

2.2.2.2 Importance of met coal in the global economy

Met coal is used primarily in the manufacturing process for steel. Steel is used in a variety of applications in everyday life, from construction to home appliances to cars. As steel has been an essential part of the expanding global economy, demand for met coal has historically been closely tied to steel production in the world's growing economies, including China and India.

Global steel production is dependent on met coal, with 72% of the steel produced in 2017 utilising met coal in new production (via the integrated steelmaking process using a BF), with the remainder produced through the recycling of scrap metal feedstock (utilising existing steel).⁸

1. Coronado estimates. Properties measured on a dry basis to reduce effects moisture has on measured properties of met coal. Table 2 is not exhaustive, thus other coals may fall outside of the stipulated ranges.

2. Both SSCCs are Australian coal types.

3. Dial divisions per minute.

4. Fluidity usually reported for coking coal, not PCI coal.

5. Total dilatation usually reported for coking coal, not PCI coal.

6. CSR usually reported for coking coal, not PCI coal.

7. Calculated CSR only since this is not normally reported.

8. World Steel Association, World Steel in Figures 2018.

In 2017, Coronado sold approximately 16 Mt of met coal (or 78% of the Company's total sales) from its Curragh, Buchanan, Greenbrier and Logan operations, of which 14% was consumed by steel producers in the US and Canada, with the remaining majority exported globally either directly to consumers or through marketers. With operations in the two largest met coal exporting countries, Australia and the US at 58% and 15%, respectively, of global seaborne production,¹ Coronado is strategically positioned to supply different qualities of met coal to various markets in the global economy.

Table 3 sets out the steelmaking process and the importance of met coal within that process.

Table 3: Description of the steelmaking process²

Production of coke	• Coke is produced by baking raw met coal in a coke oven in the absence of oxygen to remove impurities from the met coal to leave almost pure carbon. • This baking process, when combined with a subsequent cooling process, fuses together the carbon molecules of the coal in a process known as carbonisation, creating the pure carbonised product known as coke. • Coke burns at higher temperatures than met coal and is largely free of impurities, making it desirable in the steelmaking process.
Production of steel using coke	• Iron is made through feeding coke, iron ore, small quantities of fluxes (minerals such as limestone, which are used to remove impurities) and superheated air into a BF. • The superheated air ignites the coke, heating the BF and 'blasting' away the oxygen molecules in the iron whilst fusing carbon atoms to the iron. The result is molten pig iron. • This pig iron is combined with varying amounts of steel scrap and small amounts of flux in a BF (at temperatures up to 1,700°C). The scrap melts, impurities are oxidised and the carbon content is reduced by 90%, resulting in liquid steel. • Optimal operation of the BF demands the highest quality of raw materials – a BF fed with high quality coke requires less coke input, resulting in higher quality hot metal and better productivity.
Influence of PCI in steelmaking	• PCI aids the conversion of iron ore to pig iron in the BF and utilising PCI involves blowing large volumes of fine coal granules into the BF already containing the coke. • PCI provides a supplementary source of carbon to dramatically speed up the production of metallic iron from iron ore using coke. • A wider range of coals can be used in PCI, including thermal coal, which has lower carbon content than met coal. Utilising PCI can reduce the amount of coke required, potentially reducing overall costs and prolonging the life of existing coke batteries (a series of coke ovens stacked in rows into which coal is loaded for steelmaking).

2.2.3 Overview of thermal coal

Thermal coal generally refers to all coals used primarily for the generation of energy. Coal properties commonly applied to thermal coal are outlined in Table 4.

Table 4: Properties of thermal coal³

Thermal coal property	Description in relation to met coal
Calorific value	• The higher the calorific value of a thermal coal, the higher the energy generating capacity.
Sulphur and SO₂	• Although both met and thermal coal contain sulphur, this is of particular importance for thermal coal as sulphur is transformed into SO₂ when thermal coal is burnt. • SO₂ is a pollutant which must be disposed of in accordance with environmental regulations.
Ash	• The higher the ash level of the thermal coal, the lower the carbon content and energy generating capacity.
Moisture	• High moisture content in thermal coal thwarts the heating and energy generation process.

1. Wood Mackenzie, Coal Supply Service, May 2018.

2. World Coal Institute, Coal & Steel (2005); Alpha Coal Handbook (2012).

3. AME; World Coal Association, The Coal Resource – A Comprehensive Overview of Coal (2005).

2. Industry Overview

2.2.3.1 Importance of thermal coal in the global economy

Thermal coal is used primarily as an energy source in the generation of electricity. This occurs through grinding thermal coal into a powder and firing it into a boiler to produce steam, which drives turbines to produce electricity. Other applications for thermal coal include direct heating, space and water heating and cement manufacturing. The World Energy Council estimates that, in 2018, thermal coal will be utilised as an energy source for 40% of the world's power generation and is forecast to continue to supply a strategic share of power generation over the next three decades.¹ Major thermal coal producing countries include China, the US, Indonesia, South Africa, Australia and Russia.² Major consumers of imported thermal coal include China, India, Japan, Korea, Chinese Taipei and Germany.³

In 2017, Coronado sold approximately 4.6 Mt of thermal coal (or 23% of total production) from its Curragh and Logan mine complexes for sale to domestic customers in Australia and the US, respectively.

2.2.4 Types of mining techniques

Coal seam characteristics, such as location, thickness, depth and quality of coal reserves, are key determinants of the choice of mining technique employed to extract the coal. Multiple techniques may be utilised within a single mining operation.

It is generally easier to mine coal seams that are thick and located close to the surface, as opposed to thin seams that are located deep underground. Coal mining typically commences at the location of the coal seam that is the most economical to mine. The two main types of mining operations are above ground (known as 'surface' mining) and underground. There are four types of surface mining techniques: (i) open-pit; (ii) contour; (iii) highwall; and (iv) auger mining. There are two types of underground mining techniques: (i) bord and pillar; and (ii) longwall. These mining techniques are described in further detail below.

2.2.4.1 Surface mining techniques

Surface mining of coal typically involves utilising bulldozers to clear trees and other large objects and removing the topsoil (part of what is known as the **overburden**) from the area that is to be mined. In addition to the aforementioned process, rock strata above the coal seam (also part of the overburden) is removed by large scale equipment. Included in this process is drilling and blasting. Once the overburden is removed, several mining techniques are employed to extract the exposed coal, including:³

- **Open-pit mining:** Coal and overburden are extracted using front-end loaders and draglines. The void created is progressively filled with overburden after the coal has been extracted. Mobility in equipment allows for more flexibility in operations when compared to other techniques, while open-pit mining tends to be relatively labour intensive because of the variety of equipment and machinery required.³
- **Contour mining:** Coal is removed in terraced strips from a seam or series of seams on a hill or mountain by bulldozers, power shovels, wheel loaders and/or stripping wheels.³
- **Highwall mining:** A continuous miner that is operated by remote control is used to bore an entry into the coal seam of a highwall left behind in an open-pit mine after excavation has been completed;³ and
- **Auger mining:** Working on a contour mining bench, or in an open-pit mine, horizontal holes are drilled up to a distance of approximately 90 metres into a coal seam. The coal is removed by a special auger through a screw-like action.

Coronado's Curragh mine complex utilises the open-pit mining technique, while the Company's Logan and Greenbrier mine complexes utilise both the contour mining and highwall mining techniques for their surface-based mines.

2.2.4.2 Underground mining techniques

Underground mining of coal involves the use of underground extraction methods. Most underground mining is conducted with a combination of continuous miners, shuttle cars (which transport coal from the working face of the coal mine), conveyor belts and/or skip hoists. Key underground mining techniques include:³

- **Bord and pillar (or room and pillar) mining:** Roadways (bords) are developed that intersect at right angles as development continues through the coal seam, leaving relatively small square or rectangular pillars. In this process, as little as 40% of the coal seam may be extracted by mine development, with the remaining coal left in the supporting pillars until retreat extraction begins, where all the pillars are extracted and the roof allowed to fall;³ and

1. World Energy Council, World Energy Resources (Coal 2016).

2. Wood Mackenzie, Coal Supply Service, May 2018.

3. AME.

- **Longwall mining:** Large portions of a seam are removed from a long working face or wall in one virtually continuous operation. The space immediately adjacent to the working face is protected from roof collapse by large hydraulic shields that support the roof and move forward as coal is removed. This type of mining can be highly efficient due to the high degree of automation and the lack of need to stop cutting for regular roof re-support. Less coal is lost to the provision of roof supporting pillars, as compared to the bord and pillar method.¹

Coronado's Buchanan mine complex utilises the longwall mining technique, while the Company's Logan and Greenbrier mine complexes utilise the bord and pillar mining technique for their underground mines.

Further information on the mining techniques utilised at Coronado's complexes is given in Section 3.3.

2.2.5 The role and importance of blending coal

BFs typically operate on different sets of specifications that require coke of a certain quality. To meet these specifications, coal of different types is often blended to produce coke to achieve a mixture that contains the qualitative attributes required for a specific BF. As discussed in Section 2.2.2.1, different coals have different physical and chemical properties and it can be difficult for BF and coke plant operators to switch between coals. The type of blend used to produce coke for use in a BF must be carefully considered to ensure that the plant is not damaged and output quality is maintained.¹

The blending of coals allow plants to utilise less expensive coals in the coking process, which on their own may be of such quality that they could cause detrimental effects to the plant and equipment or environmental issues.¹ The blending process allows these coals to achieve the characteristics of higher quality, more expensive coals. This means that plant managers can take advantage of changing prices on the international coal market, as well as navigating supply disruptions, to maintain production and plant efficiency.¹

For coking plants to efficiently utilise blending, operators must understand how a blend will behave. It is also important that the blend characteristics remain consistent over time, so as to not damage the plant. Coronado produces met coal of consistent quality and specifications, allowing coke plants to be confident in the coal used in their blend.¹

Thermal coal can also be blended with other coals with the benefits and considerations for blending thermal coal following a similar logic, where blending of thermal coals with different qualities can be used to generate increased efficiency in power generation.¹

2.3 COAL MARKETS

2.3.1 Global coal markets

Markets for met and thermal coal operate relatively independently of each other. However, a degree of substitution can occur between specific thermal coals and lower ranked met coal, as lower ranked met coal is less suitable for creating coke but still has thermal heating properties.¹ When the supply of higher quality met coals is constrained, or prices are extremely high, these 'crossover' coals can be sold for higher value in met coal markets but may retreat to thermal coal markets in times of ample met coal supply.

In most countries in which met and thermal coals are produced, domestic markets have emerged to take advantage of proximate sources of fuel for power generation or feedstock for cokemaking and industrial use. Similarly, transportation linkages have been developed to access export markets, either landborne across country borders (such as between the US and Canada) or seaborne. While substantially larger volumes of coal produced on an annual basis are consumed in the country of origin, export markets – and particularly seaborne markets – tend to exhibit greater price and volume transparency than domestic markets. As a result, seaborne market prices are the most common reference point in the international met coal market. Typically, global seaborne markets are sub-divided into the Atlantic and Pacific basins, referencing the primary location of coal production and location of the end-customer.

2.3.1.1 Global met coal markets

Wood Mackenzie estimates that global demand for seaborne met coal will increase by a CAGR of approximately 1%, from 300 Mt in 2017 to 310 Mt by 2023.² Major consumers of seaborne met coal included Japan, China, India and Europe.² Met coal, and in particular HCC, is a relatively scarce product, as large-scale mineable deposits are limited to specific geographic regions located in the eastern US, western Canada, eastern Australia, Russia, China, Mozambique and Mongolia. These countries represented nearly all of global met coal production and global HCC production in 2017.³

1. AME.

2. Wood Mackenzie, Coal Market Service, H2 2017.

3. Wood Mackenzie, Metallurgical Coal Industry Outlook (March 2018).

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The strength of markets for met coal is usually measured by the price and trade of HCC, as it is the most highly sought after coal that is used in the production of coke and steel. In 2017, global met coal production was estimated at 1,061 Mt, of which 52% comprised HCC. Wood Mackenzie estimates that 194 Mt of this HCC (or 35%) was traded on the seaborne market, with the remaining 65% being consumed domestically.¹

Wood Mackenzie estimates that the global seaborne HCC supply will grow by a CAGR of approximately 3% to 231 Mt by 2023 from 2017 volumes of 194 Mt.¹ Coronado is well positioned for this market growth, with approximately 11 Mt (or 54%) of its 2017 production being HCC.²

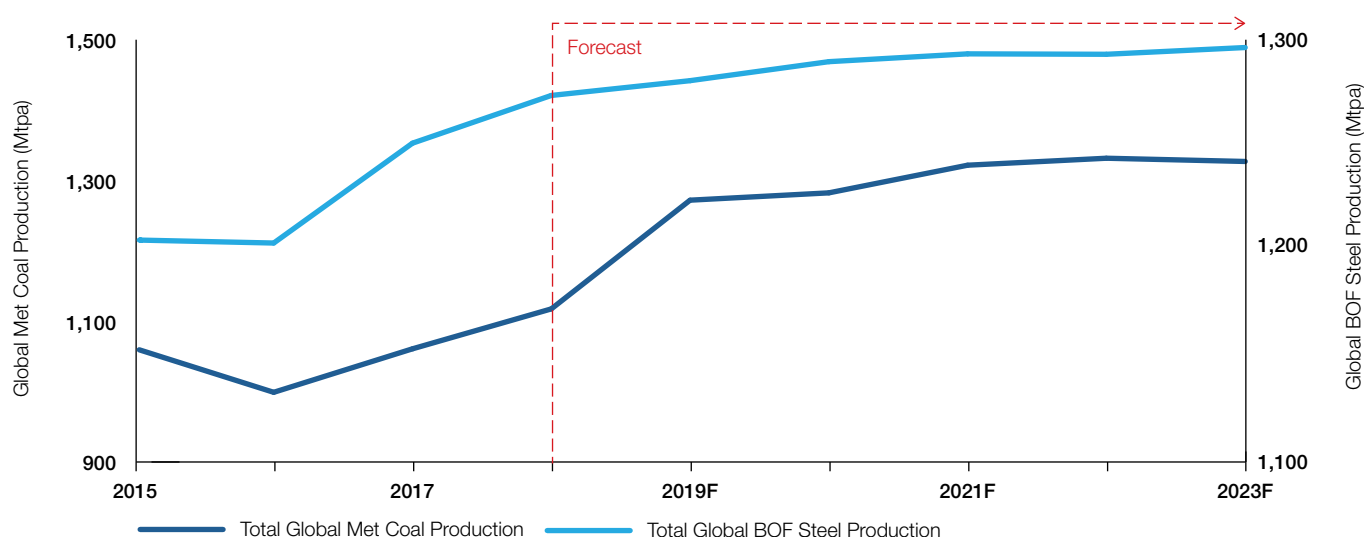
Management expects the volume and proportion of coals that Coronado produces to remain broadly consistent going forward.

2.3.1.2 Key drivers of met coal demand

Different types of met coal are used extensively in the production of steel, which is the primary driver of met coal demand. The adaptability and cost effectiveness of steel underpin its extensive use in the construction, infrastructure, development and manufacturing industries, such as the automotive, shipbuilding and consumer durable sectors. These industries have historically been the key drivers of steel demand.³

Wood Mackenzie forecasts the production of met coal to increase from 1,061 Mt in 2017 to 1,327 Mt by 2023.¹ Figure 2 demonstrates the high degree of correlation between global steel production and global met coal production, with BF-BOF steel production expected to grow at a CAGR of approximately 1% between 2017 and 2023,⁶ while met coal production is expected to increase at a CAGR of approximately 4% over the same period.¹

Figure 2: Historical and forecast global steel and met coal production⁴



Wood Mackenzie forecasts that two key drivers of crude steel production and met coal demand will be: (i) infrastructure investment in India, the US, China, Thailand, Vietnam and Europe; and (ii) consumer spending and an emerging middle class in developing nations.⁵ Wood Mackenzie estimates that the majority of this growth in demand will be driven by developing nations in Asia, with this region expected to account for over 78% of global steel production by 2023.⁶ Strong global crude steel sector growth illustrated by production growth of 5.1% year-to-date relative to 2017.⁷

Figure 3 shows that China comprises a significant component of global finished steel demand (being demand for steel types that are used in end-products in the production process, such as rolled steels), comprising 46% of global demand in 2017. Between 2018 and 2023 China's finished steel demand is expected to remain relatively flat, averaging 749 Mtpa over the period.⁶ Growth in demand for finished steel is expected to be driven by Europe, Asia (excluding China) and the Rest of the World, from 508 Mt in 2017 to 578 Mt in 2023 for these three regions combined.⁶ India is also expected to be a key growth market, growing from 83 Mt in 2017 to 101 Mt by 2023, while North American demand is expected to remain constant.⁶

1. Wood Mackenzie, Coal Supply Service, May 2018.

2. Refer to Section 4.2 for pro forma adjustments.

3. AME.

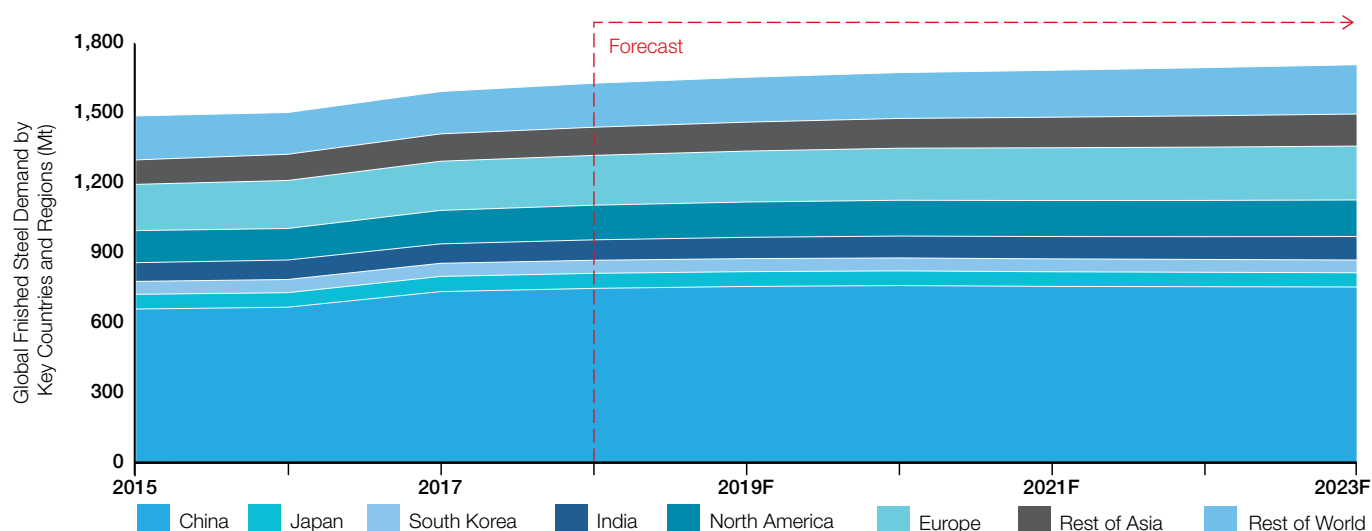
4. Wood Mackenzie, Coal Supply Service, May 2018; Wood Mackenzie, Steel Markets Service, May 2018.

5. Wood Mackenzie, Global Steel Long-Term Outlook Q1 2018 (March 2018). Wood Mackenzie notes that infrastructure projects in the countries mentioned require major capital injections. Wood Mackenzie's forecast of these projects to growth is positive but conservative in the event these projects do not go ahead.

6. Wood Mackenzie, Steel Markets Service, May 2018.

7. World Steel Association, 2018. Year-to-date represents production from 1 January 2018 to 31 July 2018.

Figure 3: Global finished steel demand by key countries and regions (Mt)¹



Crude steel production (being production of the first solid steel product upon solidification of liquid steel) is dominated by China, with Japan and India as the next largest producers. In 2017, these countries accounted for 61% of global steel production.¹ Figure 4 and Figure 5 show the major producing countries and regions of crude steel production globally in 2017. China has historically accounted for a large proportion of crude steel production, maintaining a global market share of 49% in 2017.¹ Of the 302 Mt of met coal seaborne imports in 2017, Japan and Europe each imported 20%, with India and China each importing 17%.²

Figure 4: 2017 crude steel production by region¹

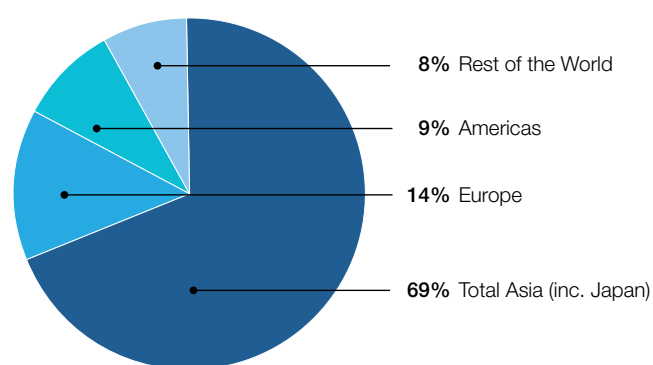
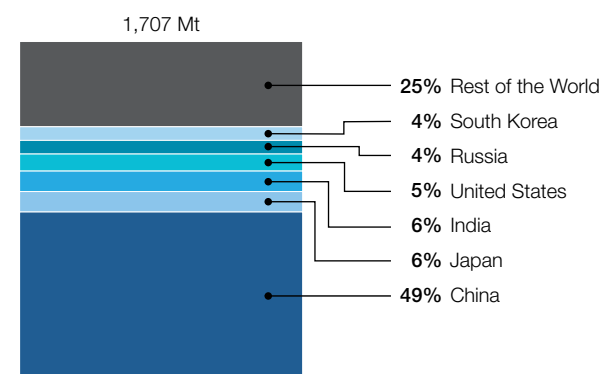


Figure 5: 2017 largest crude steel producers¹



2.3.1.3 Historical and forecast global seaborne met coal production

As demand for met coal has been expanding in conjunction with increases in steel production, so too has demand for seaborne met coal. This is because the world's largest steel producers (being China, Japan and India) cannot satisfy met coal demand through domestic production and these countries must look abroad for the balance of required supply. In the case of China and India, this is due to the quality of available coal to satisfy demand, not quantity. With limited domestic demand for met coal, major suppliers, such as Australia, the US and Russia, are largely export-focused.

1. Wood Mackenzie, Steel Markets Service, May 2018.

2. Wood Mackenzie, Coal Supply Service, May 2018; Wood Mackenzie, Metallurgical Coal Industry Outlook (March 2017).

2. Industry Overview

As shown in Figure 6, Wood Mackenzie estimates that global demand for seaborne met coal will increase by a CAGR of approximately 1%, from 300 Mt in 2017 to 310 Mt by 2023.¹ Wood Mackenzie sees this growth as being underpinned by the closing of induction furnace capacity in China, which has seen a shift to steel being produced via the BF-BOF route, increasing total demand.² Additional demand growth will come from India, which lacks met coal of suitable quality to meet its steelmaking coal requirements.³ As a result, Wood Mackenzie forecasts India will increase its seaborne imports of met coal by 11 Mt between 2017 and 2023.¹

Figure 6: Seaborne met coal demand by region¹

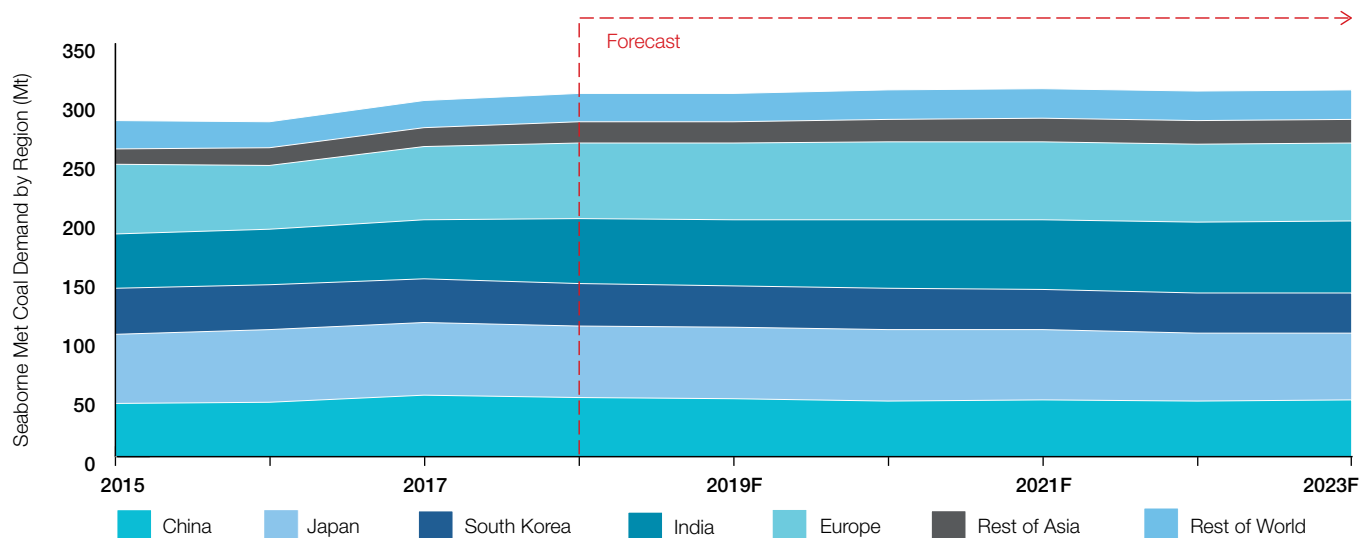
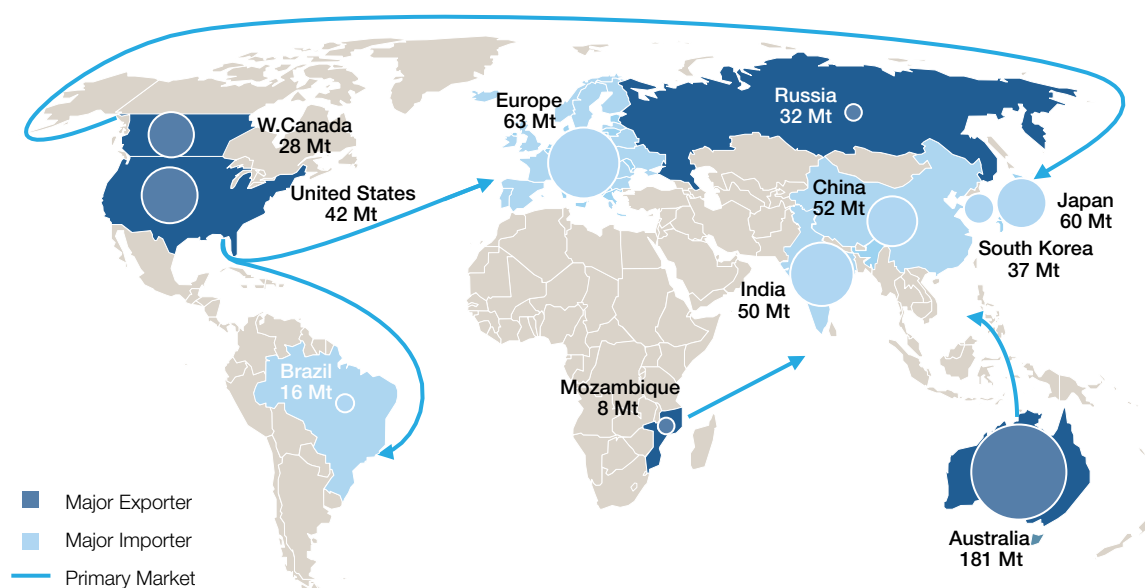


Figure 7 shows the trade flows of met coal for the world's largest met coal producers and consumers. Regions such as Europe and Asia are net importers of met coal, with Brazil being a key importer in South America. Conversely, Australia, the US and Russia are net exporters of met coal, with Australia and the US enjoying direct seaborne trade routes to major met coal consumers, while Russian coal must typically travel by rail thousands of kilometres before being loaded onto a vessel.¹

Figure 7: 2017 seaborne met coal trade flows¹



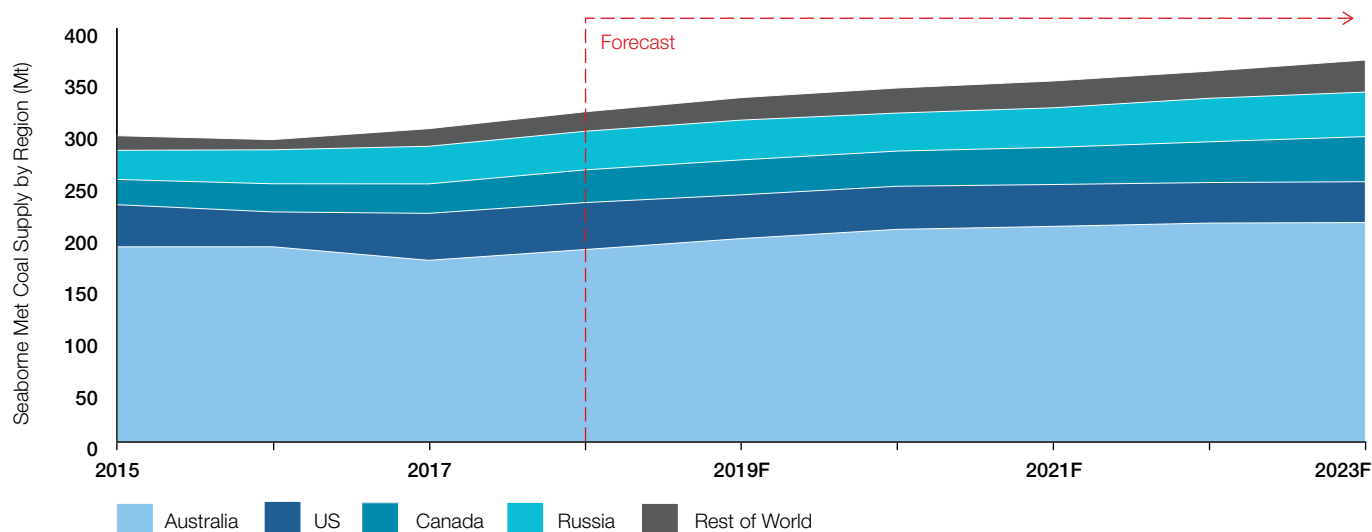
1. Wood Mackenzie, Coal Markets Service, H2 2017.

2. Wood Mackenzie Report (2018).

3. AME.

As shown in Figure 8, Wood Mackenzie forecasts seaborne met coal supply to increase at a CAGR of approximately 3% between 2017 and 2023. Wood Mackenzie sees Australian seaborne met coal supply growing by a CAGR of approximately 3% due to Australia's relatively low-cost reserves position and proximity to the Asian markets.¹ In addition, Wood Mackenzie views the US as the swing supplier in international markets, particularly in China.²

Figure 8: Seaborne met coal supply by region¹



2.3.1.4 Global thermal coal markets

Thermal coal markets typically operate independently of the markets for met coal. This is driven primarily by the different end uses for both coals, with thermal coals used extensively in power generation. Demand for thermal coal is driven by the following key factors:

- global weather conditions, with colder temperatures resulting in increases in thermal coal demand;
- the supply and price of close substitutes in the energy production process, such as natural gas;
- government policies pushing for lower CO₂ emissions and cleaner energy production; and
- improvements in electricity generation technology and efficiencies.

AME forecasts that thermal coal demand will be largely driven by emerging economies, particularly India and Vietnam.³ In addition, over the short term Chinese thermal coal imports are forecast to increase, primarily due to reduced hydro generation and the government-enforced restriction on domestic coal production.³ The majority of the world's thermal coal is consumed by the countries that produce it, with only 14% of total thermal coal production in 2017 being exported.³

Almost all of Coronado's thermal coal production in 2017 was consumed domestically in Australia and the US.

1. Wood Mackenzie, Coal Supply Service, May 2018.

2. Wood Mackenzie Report (2018).

3. AME.

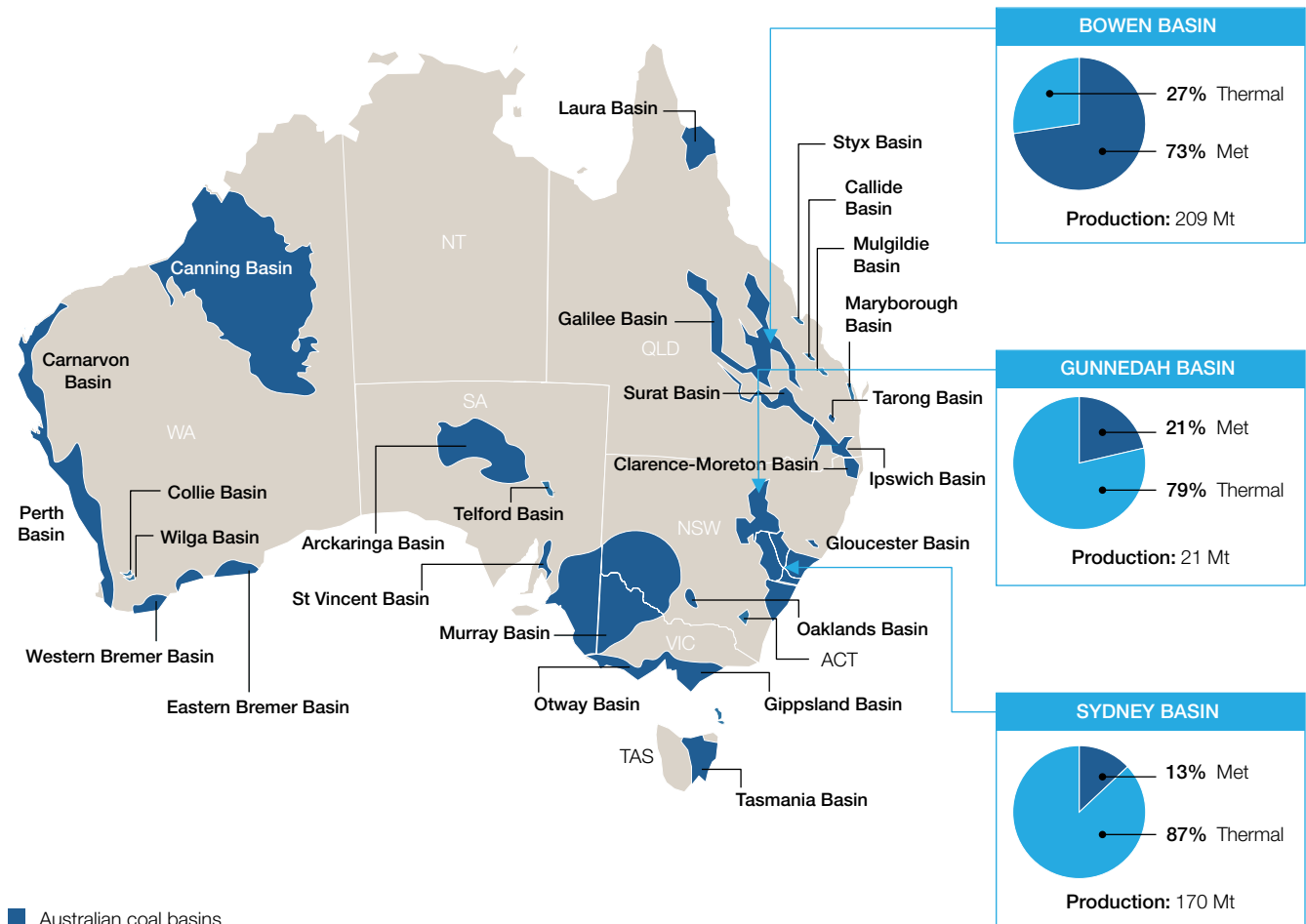
2. Industry Overview

2.3.2 Australian coal markets

Australia's multiple coal basins collectively held 14% of the world's total coal reserves and produced 436 Mt in 2017.^{1,2} With much of the country's commercial met and thermal coal production concentrated in the eastern half of the country – specifically the Bowen, Gunnedah and Sydney basins – rail infrastructure in Queensland and New South Wales is well developed, providing reliable linkages from mines to both domestic customers, as well as numerous deepwater export ports.

As shown in Figure 9, the Bowen Basin is Australia's largest coal producing basin and largest source of met coal. Coronado's Australian assets are located in the Bowen Basin.

Figure 9: Australian coal basins and production³



1. BP Statistical Review of World Energy 2018.

2. Wood Mackenzie, Coal Supply Service, May 2018.

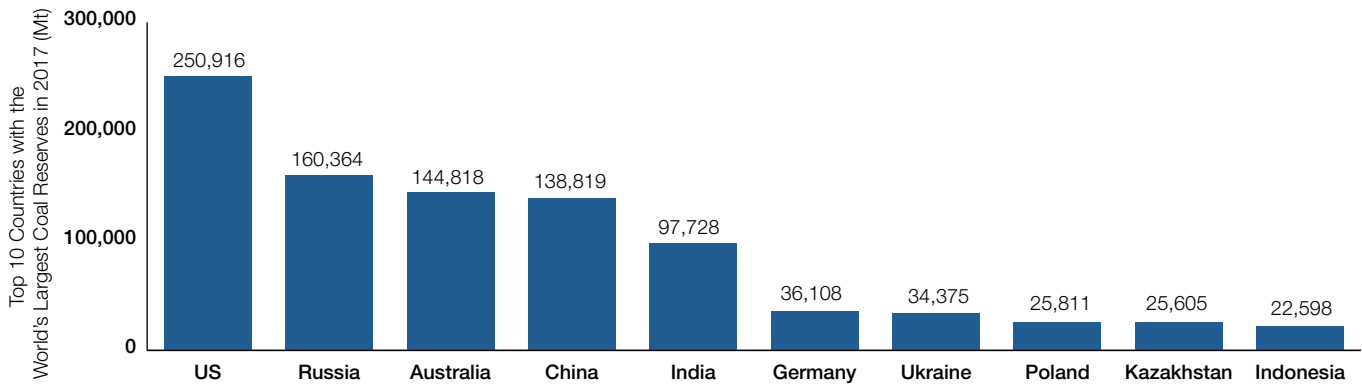
3. Wood Mackenzie, Coal Supply Service, May 2018; Wood Mackenzie, Australian Coal Supply Summary, Location Maps (July 2017).

2.3.2.1 Australian met and thermal coal markets

2.3.2.1.1 Supply

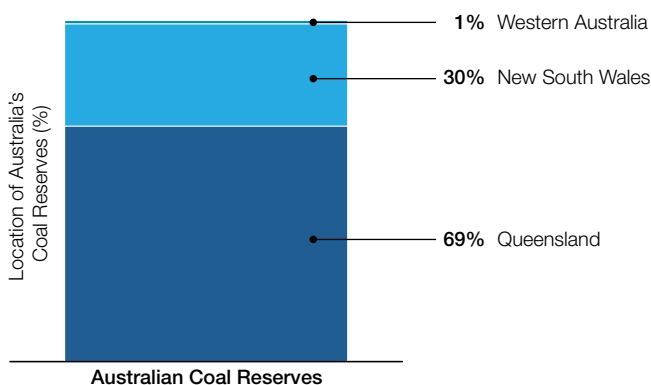
Australia produces a wide variety of coal types, from sub-bituminous thermal coals in the states of Victoria, and Western Australia, to black met and thermal coals in Queensland and New South Wales. Figure 10 shows the countries that had the largest coal reserves as of 2017.

Figure 10: Top 10 countries with the world's largest coal reserves in 2017 (Mt)¹



As shown in Figure 11, Wood Mackenzie estimates that Queensland contains the majority of Australia's met and thermal coal reserves. Wood Mackenzie estimates that of Australia's coal reserves in 2017, 69% was located in Queensland, with 85% of Australia's total met coal reserves located in Queensland.² Over 59% of Australia's thermal coal reserves are also located in Queensland.²

Figure 11: Location of Australia's coal reserves²



In 2017, Queensland's met coal production accounted for 84% (or 150 Mt) of Australia's total met coal production of 179 Mt. Of this 150 Mt of met coal production, 99 Mt was HCC, the entirety of which was exported to seaborne markets. HCC exported from Queensland accounted for 95% of total HCC exported from Australia.²

2.3.2.1.2 Bowen Basin production

The Bowen Basin is one of the world's largest coal basins and occupies a triangular shaped area approximately 250 km wide and 600 km long. The Bowen Basin is the northern most extension of a chain of Permian coal basins (which also include the Sydney Basin and Gunnedah Basin). These basins host the majority of black coal deposits in Australia.

While the exact coal resources of the area are difficult to quantify, Wood Mackenzie estimates that the Bowen Basin contained total coal resources of approximately 20 billion tonnes as of July 2017.³

1. BP Statistical Review of World Energy 2018.

2. Wood Mackenzie, Coal Supply Service, May 2018.

3. Wood Mackenzie, Australian Coal Supply Summary, Geology (July 2017).

2. Industry Overview

In comparison to other Australian coal basins, the Bowen Basin contains larger and higher quality coal resources and is one of the world's major sources of high quality met coal.¹ In 2017, Wood Mackenzie estimated that the Bowen Basin produced 48% of Australia's total coal production and 85% of Australia's total met coal production. Of Australia's total thermal coal production in 2017, 22% was produced in the Bowen Basin.²

Within Queensland, the Bowen Basin represents the premier coal producing basin, with 89% of total Queensland coal production being produced from the Bowen Basin in 2017. Of this production, 72% was met coal and 28% was thermal coal.²

Figure 12: 2017 Queensland coal production²

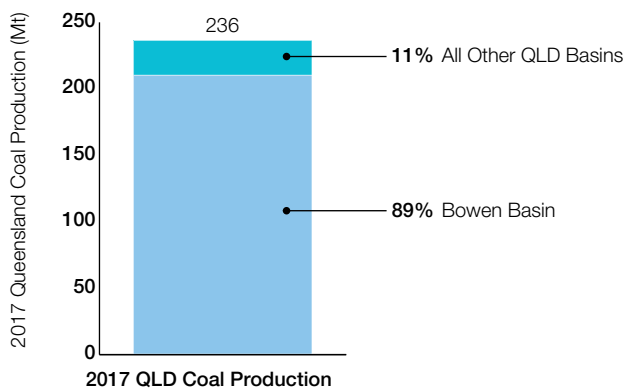
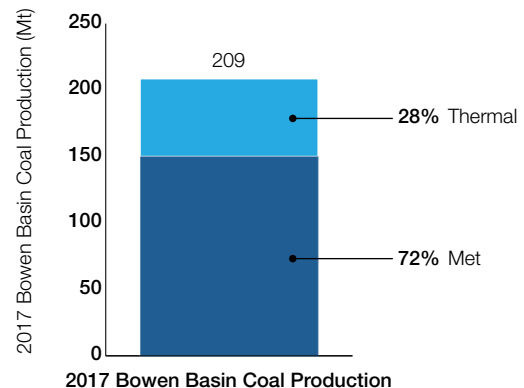


Figure 13: 2017 Bowen Basin coal production²



Coronado's Curragh mine complex is located in the Bowen Basin, approximately 10 km north of the town of Blackwater in central Queensland. Curragh produces met coal that is exported into the global HCC, SCC and PCI coal markets, as well as thermal coal that is consumed domestically by Stanwell Corporation Limited (**Stanwell**), an entity owned by the state of Queensland. More information on the existing supply contract with Stanwell is contained in Section 11.5.4.6.

2.3.2.1.3 Coal infrastructure of the Bowen Basin

As much of Queensland's coal is transported by rail or exported to the seaborne markets, access to reliable infrastructure is vitally important to the region's coal producers. Coal in Queensland is transported from mines on train paths operated and managed by Aurizon Network Pty Ltd (**Aurizon Network**) with above rail (haulage) services provided by Aurizon Operations Ltd (**Aurizon Operations**) and other haulage providers. Met and thermal coal from Queensland may be shipped to seaborne markets through one of the following ports: (i) Abbot Point; (ii) Hay Point; (iii) Gladstone; or (iv) Brisbane.

For parties that do not own port or rail infrastructure, take-or-pay contracts are used as a means of securing coal haulage capacity. Under take-or-pay contracts, coal miners agree to pay rail and/or port operators for a specified haulage capacity on their network. Rail and port operators receive a certain guaranteed return regardless of whether the coal miners ultimately supply coal to be transported in contracted capacities. In the event that a coal supplier does not supply sufficient coal to satisfy its contracted capacity and that capacity is not otherwise utilised by other miners, subject to certain other adjustments such as force majeure, the coal supplier must pay a charge that reflects the capacity contracted. This provides rail and port operators with continual compensation for non-discretionary costs for providing coal haulage capacity, even if it is not fully utilised by coal miners.

The nature of these contracts provides coal miners with certainty that their coal will be hauled to domestic or seaborne markets, without causing excessive stockpiling at mines or processing facilities. As these contracts are arranged in advance, the margins attributable to the sale of coal may change as the prices of coals fluctuate up and down, given these take-or-pay contracts are fixed or otherwise regulated charges (subject to Consumer Price Index (**CPI**) adjustments).

1. Wood Mackenzie, Australian Coal Supply Summary, Geology (July 2017).

2. Wood Mackenzie, Coal Supply Service, May 2018.

2.3.2.1.4 Rail infrastructure of the Bowen Basin

There are four rail connections from the Bowen Basin to various ports and coal handling facilities, with further rail connections proposed for construction. The Blackwater and Moura lines, with nominal capacities of 85 Mtpa and 20 Mtpa, respectively, have direct connections from the Bowen Basin to the Port of Gladstone, where the RG Tanna Coal Terminal (**RG TCT**) and WICET are located.¹

Domestic users, including Stanwell, Gladstone Power Station, Cement Australia and Queensland Alumina Limited, require 10 Mtpa of capacity collectively. The remaining capacity is available for export. The Goonyella line connects directly to Hay Point, where the Dalrymple Bay Coal Terminal (**DBCT**) and Hay Point Coal Terminal are located. Effective rail capacity of the Goonyella line is 140 Mtpa. The Newlands line and Goonyella line also provide direct access to Abbot Point.¹

The below rail infrastructure (including tracks, train stations and maintenance yards) comprising the Central Queensland Coal Network (**CQCN**) is serviced and operated by Aurizon Network. The CQCN is declared for third party access under the Queensland Competition Authority Act 1997 (Qld). Accordingly, as the operator of a declared service, Aurizon Network is required to submit an access undertaking for approval by the Queensland Competition Authority (**QCA**). This access undertaking, once approved, is legally enforceable against Aurizon Network and prescribes a maximum allowable revenue (**MAR**) that the rail operator can earn. Aurizon Network regularly publishes 'Reference Tariffs' for each of its coal systems (including the Blackwater line) based on the pricing principles in the access undertaking and the MAR. Aurizon Network charges customers to haul coal on a take-or-pay basis, where coal suppliers will be charged regardless of whether coal is transported on the network if Aurizon Network does not earn its MAR for the relevant period.

In December 2017, the QCA issued a draft ruling that would reduce the rate of return that can be charged by Aurizon Network on its network routes. In response, Aurizon Network decided to modify its maintenance practices. As a result of this modification, available capacity may decrease and customers may not be able to arrange for the transportation of coal in excess of the capacity guaranteed under the terms of their contracts. Further details of this risk are set out in Section 5.1.5.

Coal transport operations on this network (above rail operations and haulage) are carried out by three main companies: (i) Aurizon Operations; (ii) Pacific National Proprietary Limited (**Pacific National**); and (iii) BHP-Billiton-Mitsubishi Alliance Rail. It is these companies that control the above rail operations to each of the ports in Queensland described later in this Section.

The relatively close proximity of Bowen Basin coal mines to port and rail infrastructure (and, therefore, seaborne routes to Asia), as shown in Figure 14, means that Bowen Basin mines are strategically placed to supply the region with coal as Asian economies expand.

Coal from Coronado's Curragh mine complex is transported predominantly by Aurizon Operations. Curragh also has spot haulage agreements in place with Pacific National to manage and provide flexibility during periods of surge capacity.

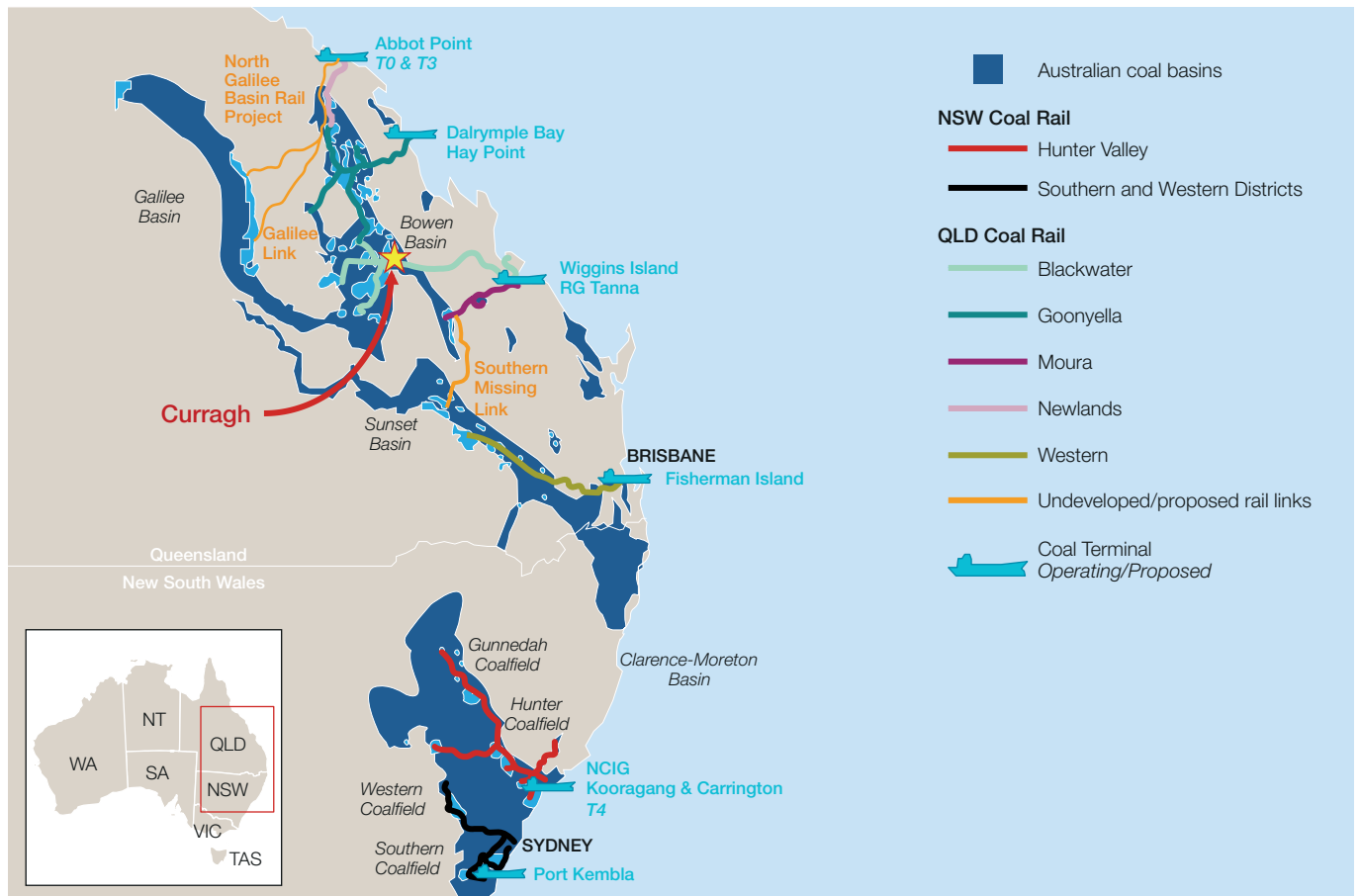
2.3.2.1.5 Port infrastructure

As shown in Figure 14, the Bowen Basin is located in close proximity to existing rail and port infrastructure.

1. Wood Mackenzie, Australian Coal Supply Summary (July 2017).

2. Industry Overview

Figure 14: Queensland rail and port infrastructure¹



As of June 2018, Queensland had six operating coal terminals. Details of these coal terminals are set out further in Table 5.²

Table 5: Queensland coal terminals³

Coal terminal	Port	Owner(s)	2017 nameplate capacity (Mt)	Curragh's capacity (Mtpa)
Abbot Point	Abbot Point	Adani Group (via 99-year lease from the Queensland Government)	50	NA
DBCT	Hay Point	DBCTM Management (via a 50-year lease from the Queensland Government)	85	NA
Fisherman Island	Brisbane	Queensland Bulk Handling (a subsidiary of New Hope Corporation)	10	NA
Hay Point	Hay Point	BHP Billiton Mitsubishi Alliance	55	NA
RGTCT	Gladstone	Gladstone Ports Corporation Limited (GPC)	80	7.7 ⁴
WICET	Gladstone	WICET Pty Ltd – a consortium composed of Glencore, Aquila Resources, Yancoal, Coronado Curragh, New Hope Group	27	1.55

1. Wood Mackenzie, Australian Coal Supply Summary (July 2017).

2. Wood Mackenzie, Australian Coal Supply Summary – Geology (July 2017).

3. Queensland Government, Department of Transport and Main Roads, Coal Transport Infrastructure Development.

4. Coronado has the right to export between 7.67 Mtpa and 8.67 Mtpa and must nominate a 'Minimum Guaranteed Port Allocation' within this band.

As one of the nearest coal basins to the east coast of Queensland, the Bowen Basin is well placed to access ports and the seaborne market. This contrasts with other Queensland coal basins, such as the Galilee Basin and Surat Basin, which are further inland and require longer journeys by rail to ports and processing facilities.

Proximity to ports is an important factor for Australian coal suppliers, as the cost of transporting coal is a major determinant of the economic feasibility of a coal mine. Figure 15 shows the shipping time from RGTCT in Australia to one global end-market (Japan) and compares this to other potential ports for shipping.

Figure 15: Shipping advantage

Port of origination	Illustrative days to Japan
DBCT, Australia	11
RGTCT, Australia	12
Ridley, Canada	12
Vancouver, Canada	13
Newcastle, Australia	13
Norfolk, US	51

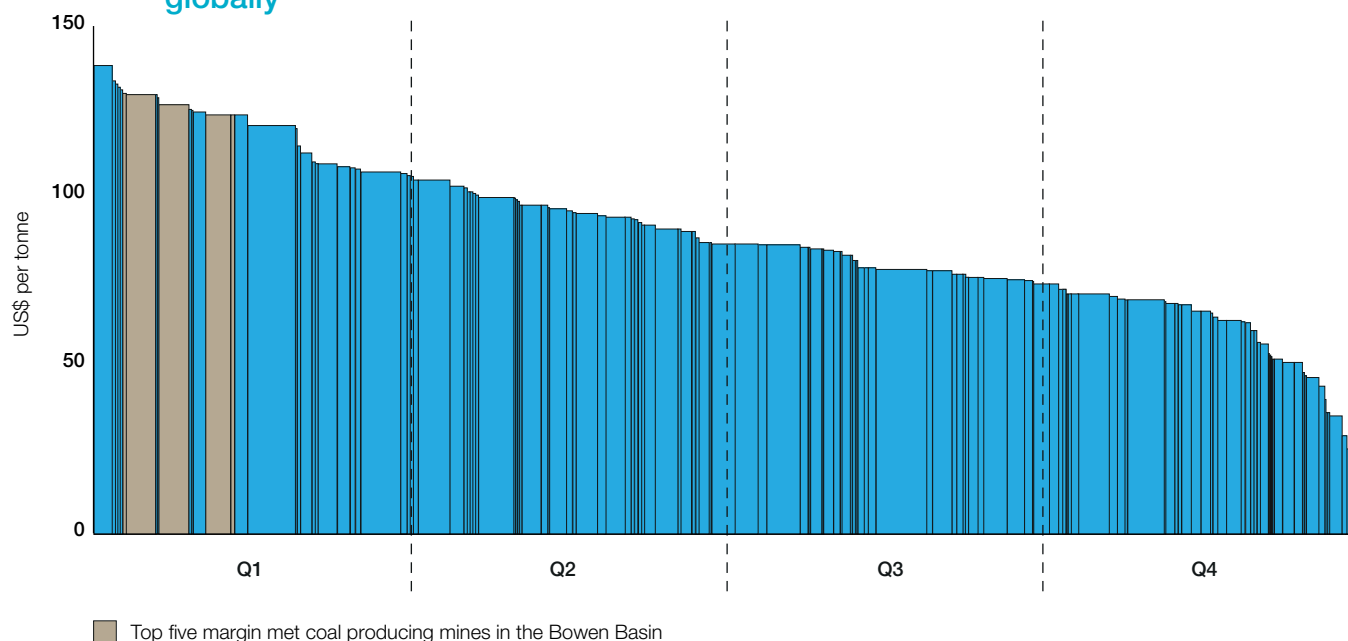
Coronado's seaborne coal from Curragh is railed approximately 300 km from Curragh to RGTCT and WICET before being shipped to the seaborne markets from the Port of Gladstone.

2.3.2.1.6 Cost structure of Bowen Basin coal miners

As shown in Figure 16, Bowen Basin met coal mines are among some of the highest margin mines in the world. This reflects the broadly low-cost structure of Bowen Basin mines, as well as the high quality met coals produced in the region.

Over the past five years, the weighted average free on board (FOB) cost (excluding royalties) for Bowen Basin met coal mines has shown a generally decreasing trend, demonstrating a high level of cost efficiency.¹ The top five margin met coal producing mines in the Bowen Basin are all located in the first quartile in the global met coal margin curve.^{2,3}

Figure 16: 2017 seaborne operating margin position of Bowen Basin met coal mines globally^{2,3,4}



1. AME.

2. Wood Mackenzie, Coal Cost Service, May 2018.

3. The top five margin met coal producing mines in the Bowen Basin and their primary owner are: Newlands (Glencore), German Creek (Anglo American), Caval Ridge (BHP Billiton Mitsubishi Alliance), Moranbah North (Anglo American) and Drake (QCoal).

4. Operating margin defined by Wood Mackenzie is gross revenue less operating cash costs less royalties/production.

2. Industry Overview

2.3.2.1.7 Royalty requirements of Bowen Basin coal producers

The Queensland Government charges royalties on all coal extracted and sold to the export and domestic markets in Australia. Liability for mining royalty arises when the coal is sold, disposed of or used in a return period. The value of coal upon which the royalty is paid is calculated by determining the gross value of the coal upon sale and deducting certain permitted expenses for the period. These deductions must be claimed on a GST-exclusive basis and include assay costs, the COAL21 levy payable to Australian Coal Association Low Emissions Technologies Ltd and the levy payable under the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 (Cth).¹ The rate at which royalties must be paid (as of July 2018) is shown in Table 6.

Table 6: Queensland coal royalty rates²

Average price per tonne for the period	Royalty rate (% of value)	
≤ A\$100 per tonne		7.0%
> A\$100 per tonne up to and including A\$150 per tonne	First A\$100 per tonne	7.0%
	Balance	12.5%
> A\$150 per tonne	First A\$100 per tonne	7.0%
	Next A\$50 per tonne	12.5%
	Balance	15.0%

2.3.2.1.8 Bowen Basin coal demand

Coal production from the Bowen Basin increased from 193 Mt in 2013 to 209 Mt in 2017, representing a CAGR of approximately 2%. In 2017, Wood Mackenzie estimated that the Bowen Basin produced 48% of Australia's total coal production and 85% of Australia's total met coal production.³

Wood Mackenzie estimates that 98% of Australia's met coal production is exported for use in steel production (as of July 2018). The largest importers of Australia's met coal are India, China and Japan.⁴ Key end-markets for steel produced in these countries include the construction and manufacturing industries.

In 2017, the Bowen Basin produced 59 Mt of thermal coal, 90% of which was exported.³

2.3.2.2 Historical and forecast Australian coal prices

2.3.2.2.1 Met coal

The prices of HCC, SHCC, SSCC and PCI coal were historically set with reference to the results of negotiations between key Japanese steel mills and large Australian producers, which set a 'benchmark' price. This was historically done on an annual basis but more recently has shifted to a quarterly basis. The HCC segment is now based on the trailing three-month average of the spot price. Chinese and smaller Indian steelmakers and coal consumers typically prefer the shorter-term pricing dynamics of the spot market to take advantage of changes in supply and demand.⁵ As a result, Japanese end-users may have been pressured to also move to spot pricing, although quarterly pricing was considered an acceptable compromise.⁵ Since the second quarter of 2017, this arrangement had broken down in the HCC market and pricing is now generally based on a three-month average of the spot price.⁵

When Cyclone Debbie impacted Queensland in the middle of quarterly benchmark negotiations in the second quarter of 2017, Japanese steel producers abandoned the negotiated contract system in favour of a price reflecting the average of the HCC indices for HCC deliveries, agreeing to a premium benchmark price of approximately US\$190 per tonne for the second quarter of 2017, US\$170 per tonne for the third quarter of 2017 and US\$191 per tonne for the fourth quarter of 2017, which were approximate to the then spot price. This resulted in an average contract price of US\$209 per tonne for HCC across 2017. It is currently unclear whether the index system will be continued for the entirety of 2018. Contract prices for SSCC and Low-Vol PCI coal have, to date, largely been negotiated on a quarterly basis in Japan and Korea.⁵

1. Queensland Government, Royalties for Mining and Resources.

2. Queensland Government, Royalty Ruling, Mineral Resources Act.

3. Wood Mackenzie, Coal Supply Service, May 2018.

4. Wood Mackenzie, Coal Markets Service, H2 2018.

5. AME.

Figure 17a shows the benchmark price of two commonly exported coals from the Bowen Basin: (i) Queensland HCC FOB benchmark; and (ii) Ultra Low-Vol PCI (ULVPCI) coal FOB, as well as SSCC as typically exported from Newcastle (FOB basis). Wood Mackenzie forecasts that met coal prices will decline over the near term due to new met coal supply additions, coupled with the halt of Chinese Government price support (once the Chinese miners have reduced their debt). Coal prices are forecast to stabilise by 2023.¹ Figure 17b shows the Bloomberg Queensland Australia HCC Forward curve, as well as the Queensland HCC FOB benchmark from Wood Mackenzie.

Figure 17a: Historical and forecast met and thermal coal prices
(US\$ per tonne, Real 2018)

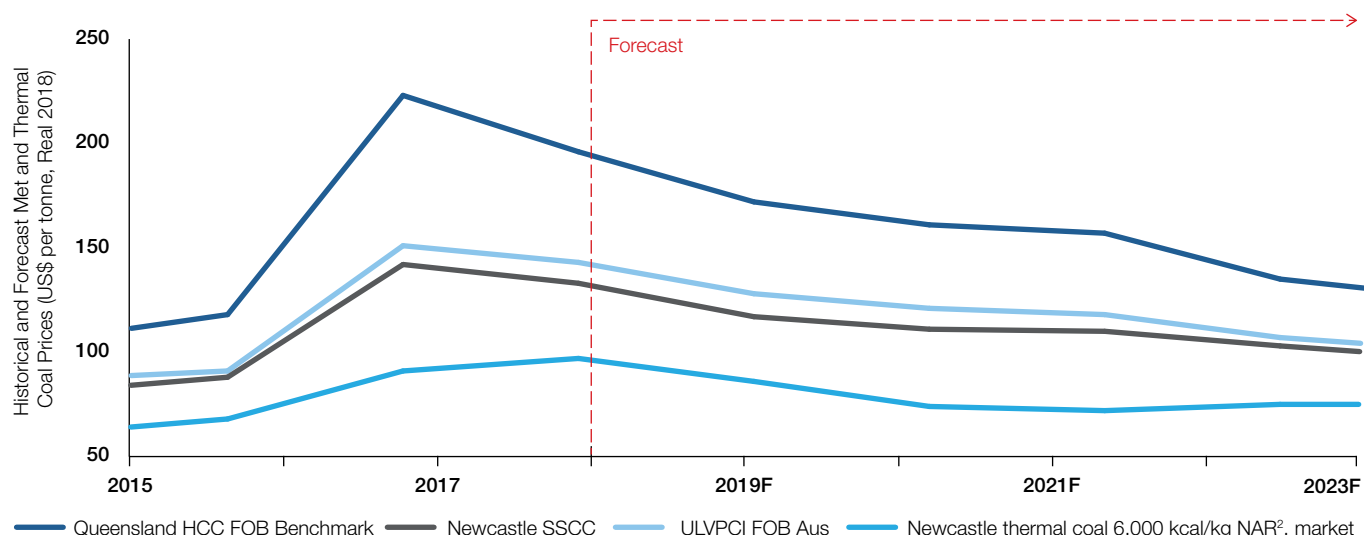
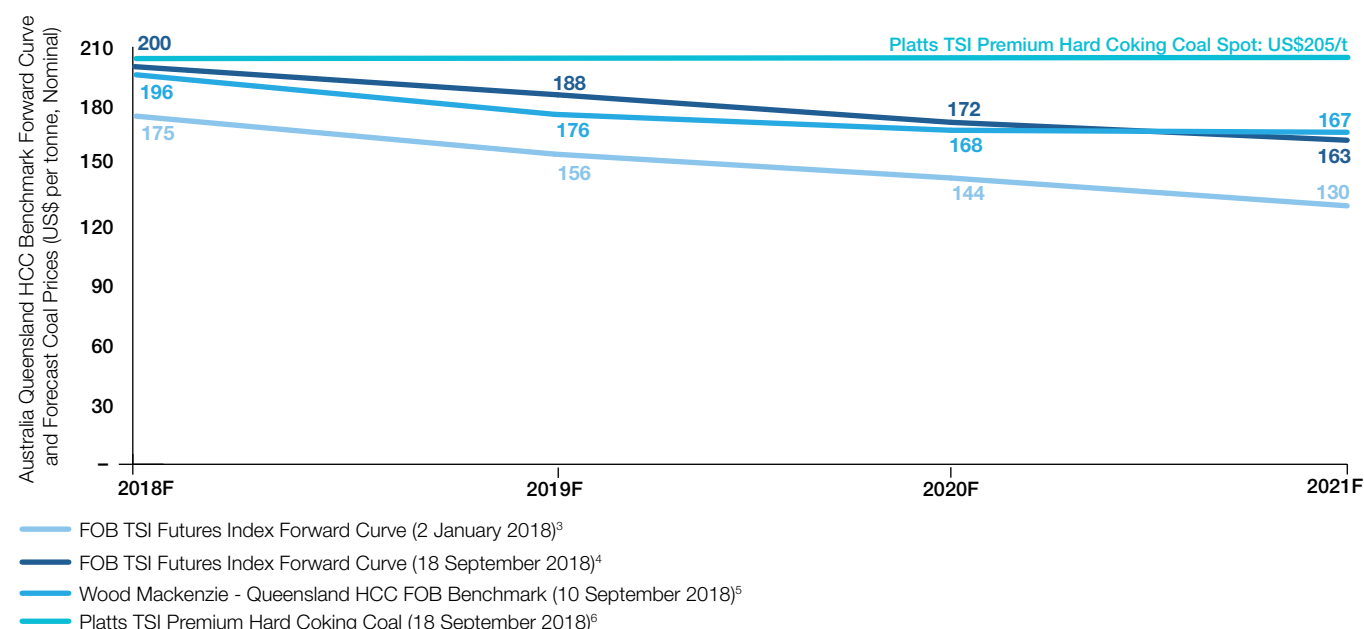


Figure 17b: Australia HCC Benchmark Forward Curves and Forecast Coal Prices
(US\$ per tonne, Nominal)²



1. Wood Mackenzie Report (2018).

2. Bloomberg, Wood Mackenzie Report 2018.

3. Bloomberg.

4. Bloomberg.

5. Wood Mackenzie Report (2018).

6. S&P Global Platts.

2. Industry Overview

Coronado's Curragh mine complex mines and sells HCC, SCC, PCI coal and on occasion thermal coal, with reference to the applicable benchmark, as discussed in Section 3.1.1. The Bloomberg HCC Queensland Australia Forward curve has changed significantly since the beginning of 2018. Markets have priced in additional upside that was not present 12 months ago, resulting in stronger medium-term Forecasts.

2.3.2.2.2 Thermal coal

Wood Mackenzie forecasts the Newcastle thermal coal 6,000 kcal/kg NAR¹ spot price to decrease from US\$91 per tonne (Real 2018) in 2017 to US\$72 per tonne (Real 2018) by 2021 but increase to US\$75 per tonne (Real 2018) by 2023. Wood Mackenzie expects Newcastle thermal coal contracts to price slightly higher than spot prices between 2018 and 2023, with the Newcastle thermal coal contract 6,322 kcal/kg GAR² predicted, on average, to fetch an 8% premium to the Newcastle thermal coal spot price.³

In Australia, Coronado sells thermal coal to Stanwell at a contracted price that is not related to the Newcastle thermal coal 6,000 kcal/kg NAR spot price or Newcastle thermal coal contract 6,322 kcal/kg GAR price. More information on the existing supply contract with Stanwell is contained in Section 11.5.4.6.

2.3.3 US coal markets

The US is the world's largest coal reserve holder, with 24% of total proved reserves at the end of 2017.⁴ Owing to its abundance and historically low cost, coal has been a mainstay in the US energy mix and steelmaking process for many decades. Coal basins in the US are well understood from a geological perspective and transportation linkages to move coal from the various producing regions to domestic end-markets and deepwater ports for export are well established.

The US is the world's second largest coal producer, with 637 Mt of coal produced in 2017 (representing 10% of total global coal production). Of this 2017 coal production, 90% was thermal coal and 10% was met coal.⁵ Coal production occurs in multiple regions, with coal quality and end use differing by basin, within basins and even within individual seams. Coal currently being produced in the western region of the US (which includes the Powder River Basin (**PRB**) and Rockies and Southwest coalfields), the interior region (which includes the Illinois Basin (**ILB**), Gulf Lignite and North Dakota Lignite regions) and portions of the Appalachian region are typically utilised in thermal and non-coking industrial applications. All current commercial met coal production occurs in the Appalachian region.⁶

The US met coal industry is highly focused on seaborne exports, with the international market absorbing approximately 71% of its supply.⁷ Exports remain an important market for US met coal, as the domestic demand outlook is stable to declining, given a maturing steel sector, increasing reliance on electric arc furnace steel production and a relatively fixed amount of domestic cokemaking capacity. Wood Mackenzie views the US as the swing supplier to seaborne international markets, although favourable transportation access and desirable quality should allow US coals to maintain a stable market presence in Europe and Brazil and enjoy upside in Asian markets in periods of strong demand or constrained supply.⁸ In the context of met coal producers in the US, Coronado was the largest producer of met coal by production volume in 2017.

1. Net as received coal.

2. Gross as received coal.

3. AME.

4. BP Statistical Review of World Energy 2018.

5. Wood Mackenzie, Coal Supply Service, May 2018.

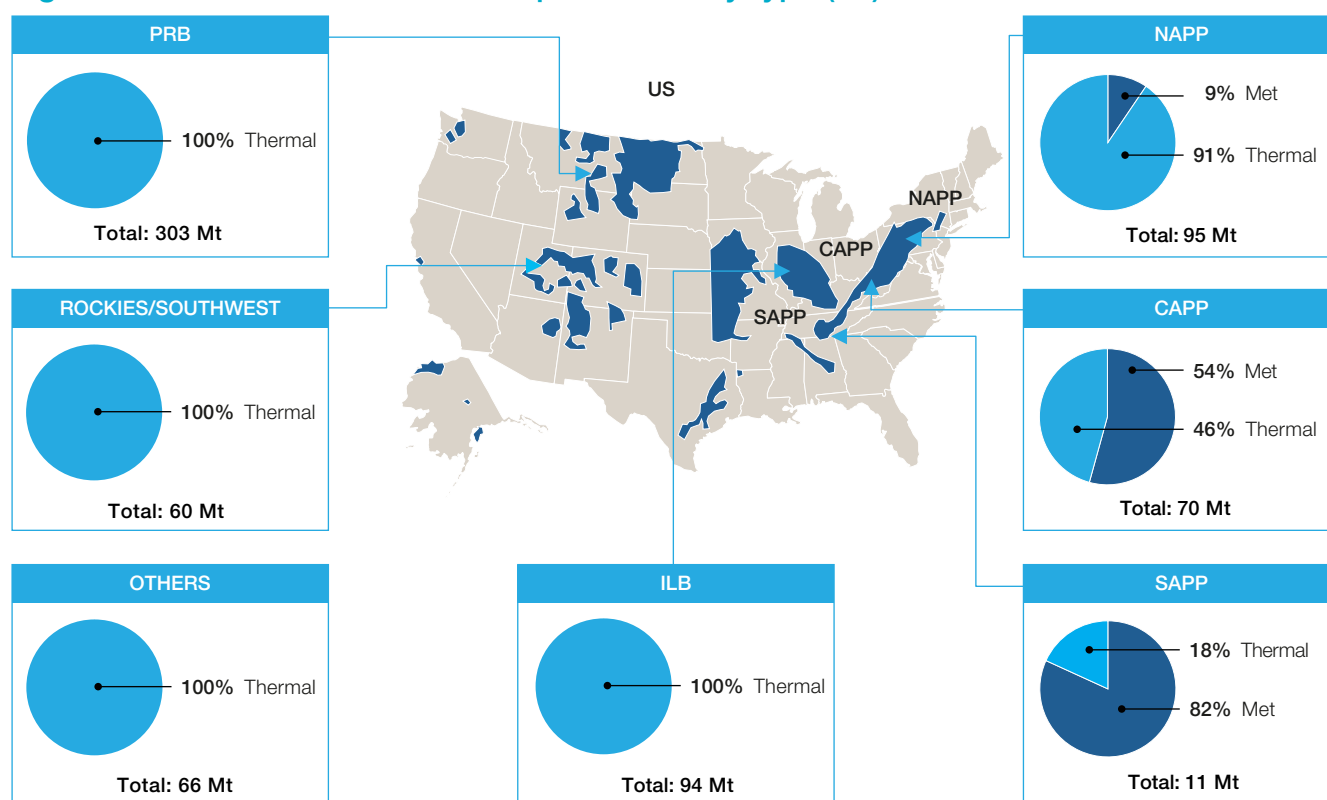
6. Energy Ventures Analysis, Quarterly Coal Production Report – Q4 2017.

7. Wood Mackenzie, Coal Supply Service, May 2018.

8. Wood Mackenzie Report (2018).

Figure 18 shows the key coal producing basins in the US, including by coal production type.

Figure 18: US coal basins and 2017 production by type (Mt)¹



In 2017, surface mining methods accounted for 65% of coal mined in the US. Most surface mining in the US occurs in the PRB of Wyoming and Montana and lignite regions in Texas, Mississippi and North Dakota. In aggregate, these regions contributed 80% of total surface mined production in 2017. Underground mining methods are more prevalent in the central and eastern coalfields in the US and accounted for 79% of all Appalachian coal production in 2017.²

Coronado's US Operations are located in the CAPP.

2.3.3.1 US met and thermal coal markets

2.3.3.1.1 Appalachian coal region supply

The Appalachian coal region spans from Pennsylvania in the north to Alabama in the south and covers 160,000 km. The region is further split into: (i) Northern Appalachian region of the US (**NAPP**), comprising portions of western Pennsylvania, Ohio, Maryland and northern West Virginia; (ii) CAPP, comprising portions of southern West Virginia, Virginia and northern Tennessee; and (iii) Southern Appalachian region of the US (**SAPP**), comprising portions of Alabama and southern Tennessee.

The NAPP, CAPP and SAPP contain black coal and hold the majority of US met coal reserves (or 1,319 Mt), with the CAPP containing 832 Mt (or 63%) of these reserves.³ Many regard met coals from the CAPP to be of the highest quality in the world owing to their generally low-ash and sulphur content.⁴ Coronado's US Operations are located within the CAPP and also exhibit these properties.

The Appalachian region also contains significant thermal coal reserves, which Wood Mackenzie estimated to be 2,612 Mt as of 2017.¹

1. Energy Ventures Analysis.

2. Energy Ventures Analysis, Quarterly Coal Production Report – Q4 2017.

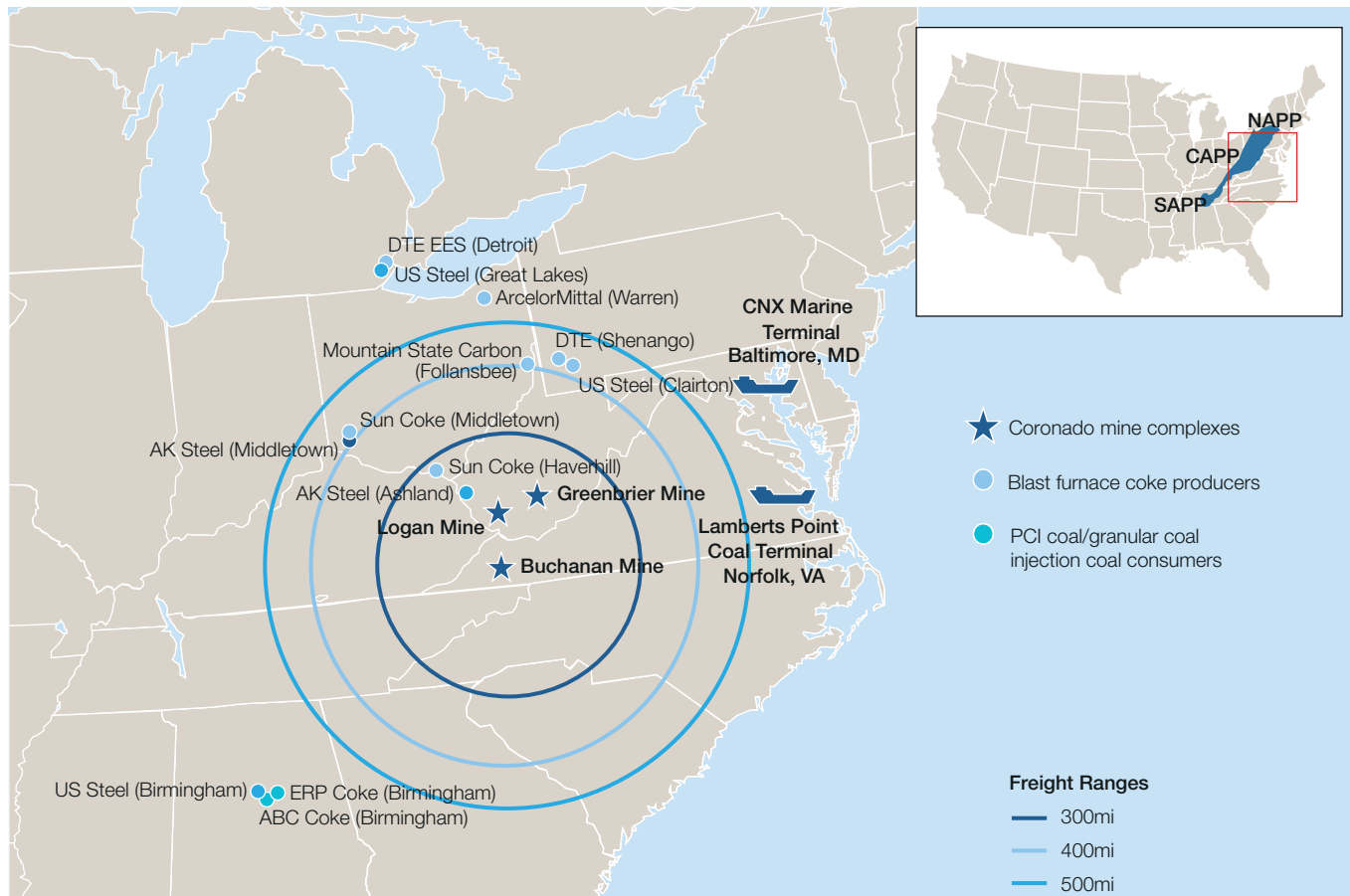
3. Wood Mackenzie, Coal Supply Service, May 2018.

4. Wood Mackenzie Report (2018).

2. Industry Overview

Figure 19 shows the location of Coronado's mining complexes in the Appalachian coal region.

Figure 19: Overview of the Appalachian region and location of Coronado's mining complexes



2.3.3.1.2 Coal infrastructure of the CAPP

Coal producers in the CAPP transport coal to customers or shipping ports by railroad, barge and trucks. The majority of CAPP coal is exported through one of three coal terminals at Hamptons Roads, Virginia. Dominion Terminal Associates (DTA) and Kinder Morgan Coal Terminal (Pier IX) are served by CSX Corporation (CSX), and Pier VI Terminal (Lamberts Point) (Pier VI) is served by Norfolk Southern (NS).

Domestic contracts are generally priced free on rail (FOR) at the mine with customers bearing the transportation costs from the mine to the applicable end location. Domestic sales contracts are typically annual agreements, generally negotiated in the second half of a calendar year for the following year.

Under export contracts, if the coal producer is selling its own coal directly, the producer typically bears the transportation cost from the mine to the customer's outbound shipping port, with pricing reflecting a FOB basis. The export customer is then responsible for all overseas shipping costs. Many coal producers are no longer handling their own export sales within the US and instead managing their export sales via intermediaries, who typically take ownership of the coal in the rail car and handle transportation logistics to the port and beyond. Coronado has a relationship with Xcoal for a portion of its export sales.

2.3.3.1.3 Rail infrastructure

Traditionally, multiple modes of transportation are used to transport coal mined in the CAPP, with Wood Mackenzie estimating that rail transport is involved in 85% of domestic CAPP coal transportation.¹ CSX and NS are the largest providers of rail service in the region.¹ Smaller, shorter lines that interchange with these major railroads serve several mines as well. Shippers generally negotiate prices with the railroads for export sales. Such prices are usually less than published tariffs and often approximate 20% of the applicable trailing three-month coal benchmark price.

1. Wood Mackenzie, Central Appalachia Coal Supply Summary, Infrastructure (December 2017).

2.3.3.1.4 Port infrastructure

Lamberts Point coal terminal at the Port of Hampton Roads is the largest coal terminal in North America. AME estimates that Lamberts Point had 48 Mtpa of export capacity in 2017.¹ This coal terminal is owned, operated and served by NS. Virtually all export coal produced by NS-served mines in the CAPP is moved through Lamberts Point, 95% of which was met coal. In 2017, total port nameplate capacity across all terminals at the Port of Hampton Roads was approximately 86 Mtpa. As only 32 Mt of this capacity was utilised, there is significant potential to expand exports from the region should an increase in demand for CAPP coal occur.¹

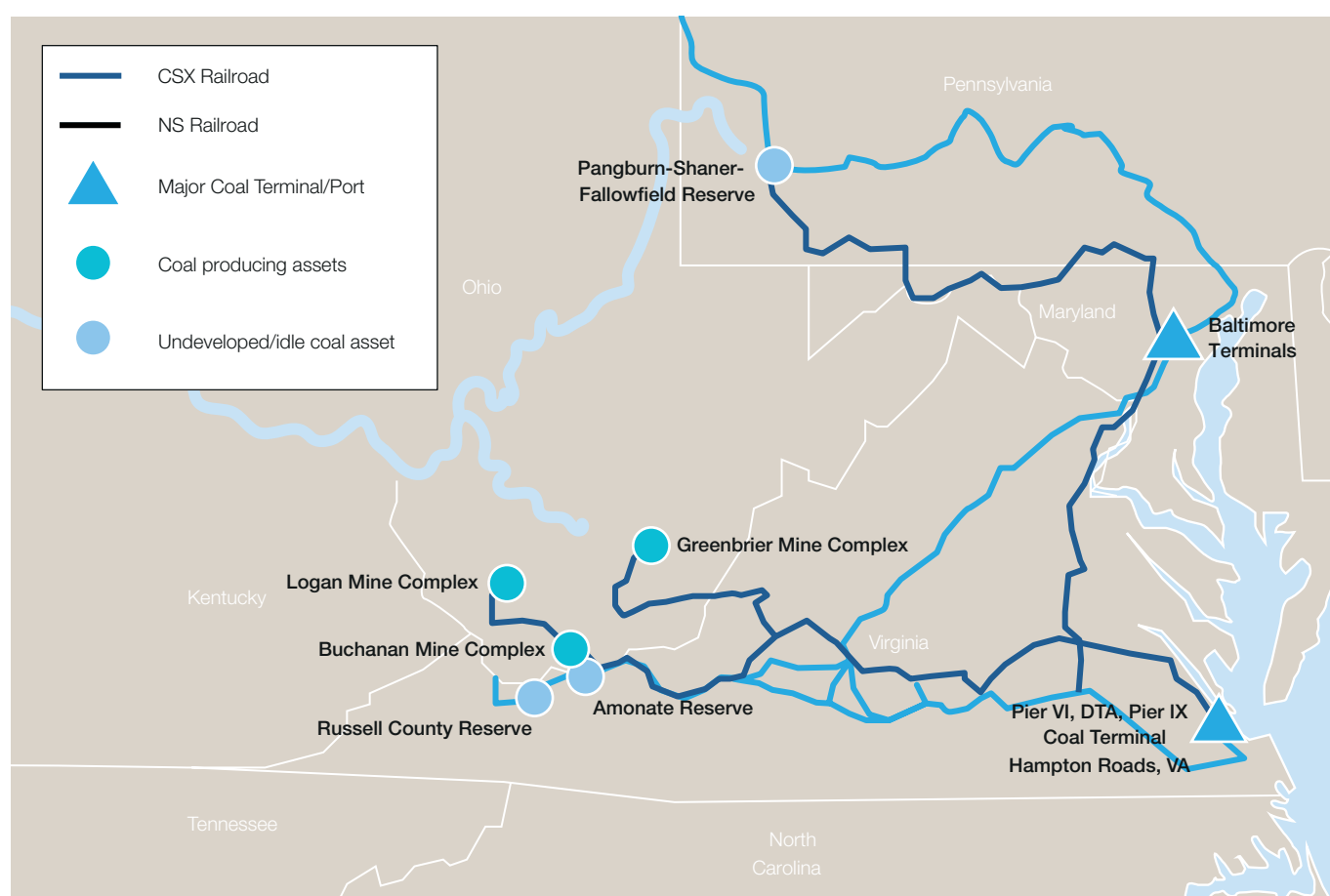
Table 7 sets out the 2017 nameplate capacity for key US coal export terminals.

Table 7: Key US coal export terminals²

Coal terminal	Port	Owner(s)	2017 approximate nameplate capacity (Mt)
Pier VI (Lamberts Point)	Hampton Roads	NS	48
DTA	Hampton Roads	Contura Energy (65%) and Arch Coal (35%)	22
Pier IX	Hampton Roads	Kinder Morgan	16
CNX Marine Terminal (CNX)	Baltimore	CONSOL Energy	15
Chesapeake Bay	Baltimore	CSX	9

Figure 20 shows the location of ports relative to Coronado's complexes in the CAPP.

Figure 20: CAPP port positioning



1. AME.

2. Wood Mackenzie, Coal Markets Service, H2 2017.

2. Industry Overview

For Coronado's mining complexes in the CAPP, the CSX railroad transports coal from the Logan and Greenbrier mine complexes to Pier IX, DTA or CNX while the NS service transports coal from the Buchanan mine complex to Pier VI or CNX. Port pricing is negotiated on a spot basis other than at Pier IX, where Coronado holds one Mt capacity on a fixed-price basis.

2.3.3.1.5 Barge infrastructure and trucking

The inland river system remains an important delivery network for Appalachian coals, particularly thermal coals to coal-fired power plants along the Ohio River and its major tributaries, as well as thermal exports through New Orleans. Met coals also move by barge to several cokemaking facilities, including USX Clairton and AK Steel Mountain State Carbon, both of which utilise coal from Coronado's US Operations.

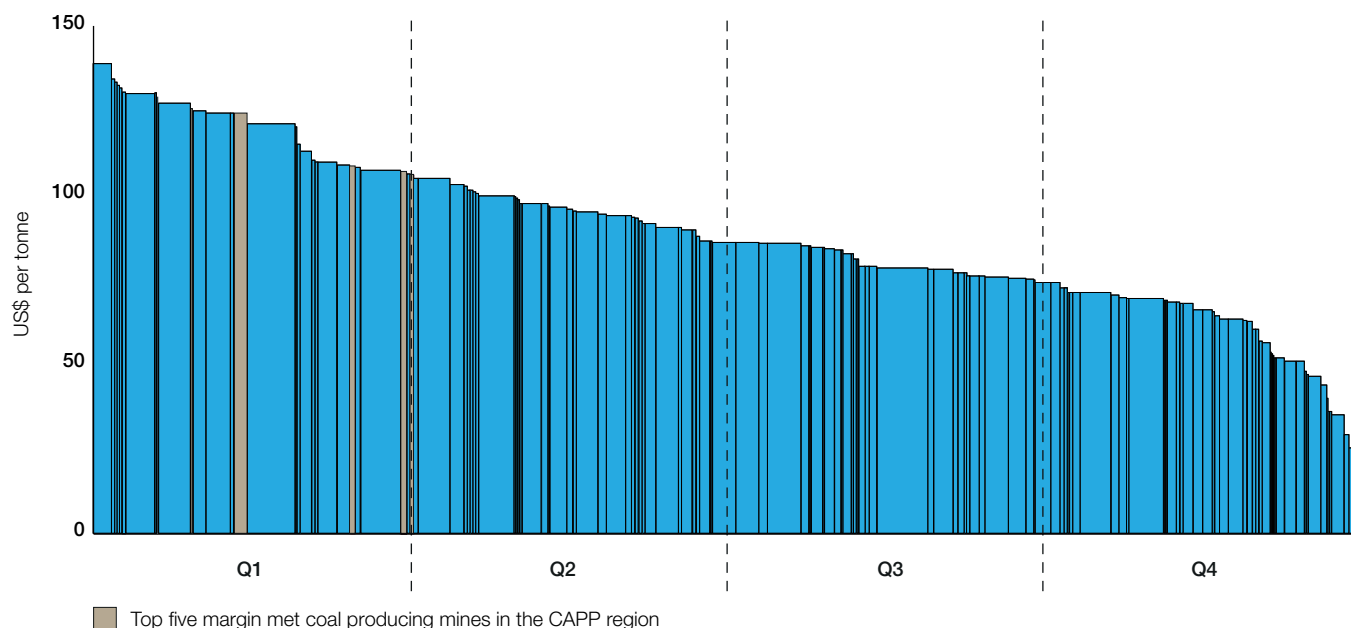
Trucks play a relatively small role in the ultimate delivery of CAPP coal to end-users but still account for a substantial portion of coal originations (approximately 13% in 2017). Many of these originations involve thermal coal that is trucked to the Tug Fork, Kanawha and Ohio rivers and barged directly to domestic power plants located on inland waterways.¹

2.3.3.1.6 Cost structure of the CAPP coal miners

The cost structure of the CAPP met coal miners is competitive, with the top five highest margin CAPP met coal producing mines being placed in the first quartile of the global met coal margin curve.²

Figure 21 shows the 2017 seaborne operating margin position of the CAPP met coal mines on the global met coal margin curve.

Figure 21: 2017 seaborne operating margin position of CAPP met coal mines on the global met coal margin curve^{3,4}



2.3.3.1.7 Royalty requirements of the CAPP coal miners

In the CAPP, royalties and taxes are required to be paid by all coal miners. Royalty rates are typically charged as a percentage of the selling price at the mine, estimated to be 3.5% to 10% on coal mined underground and 8% to 12% on surface-mined coal. These fees are generally paid to private mineral rights owners.

1. Wood Mackenzie, Central Appalachia Coal Supply Summary, Infrastructure (December 2017).

2. Wood Mackenzie, Coal Cost Service, May 2018.

3. Wood Mackenzie, Coal Cost Service, May 2018.

4. Operating margin defined by Wood Mackenzie is gross revenue less operating cash costs less royalties/production. The top five margin met coal producing mines in the CAPP and their primary owners are Rob Fork (Rhino), Buchanan (Coronado), Coal Mountain (Bluestone Resources), Hampden (Blackhawk) and Toms Creek (Contura Energy).

Most coal producing states in the CAPP also charge a severance tax, which ranges from 2% of the selling price in Virginia (Buchanan County), to 5% of the selling price in West Virginia. A Federal Reclamation Tax is also imposed on all active mines in the CAPP to fund the Abandoned Mine Land Fund to reclaim abandoned coal mines that closed before 1977. The maximum tax is US\$0.28 per short ton for surface-mined coal and US\$0.12 per short ton for underground-mined coal.

Under the Black Lung Benefits Revenue Act of 1977 and its amendment in 1981, each coal operator is required to pay federal black lung benefits to claimants who are current and former employees, as well as to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry prior to 1 July 1973. The rates for this are the lower of US\$1.10 per short ton for underground-mined coal and US\$0.55 per short ton for surface-mined coal, or 4.4% of the sales price.¹ The black lung benefit rates are levied on domestic sales only and not on coal that is exported.

Alongside corporate federal income tax of 21% on profits³, coal producers must also pay state corporate income taxes, which range from 6.0% in Virginia to 6.5% in West Virginia.

2.3.3.1.8 Demand

Coal production from the CAPP increased by 22% between 2016 and 2017, from 59 Mt to 72 Mt. Exports played a major role in this growth, as seaborne markets for the CAPP met coal were strong.² Coal production from the CAPP represented 11% of total US coal production in 2017, while the CAPP met coal production represented 67% of total US met coal production.

Met coal produced in the CAPP is consumed by domestic steel producers and those in Europe, Brazil and Asia.¹ Primary domestic consumers of this coal include steel producers in the Pittsburgh area (US Steel and AK Steel), the Great Lakes region (ArcelorMittal, DTE and US Steel) and the Midwest region (AK Steel and SunCoke).³ Key end-markets for steel in the US include the construction and automotive sectors, which in 2017 comprised 41% and 32% of domestic steel demand, respectively. General manufacturing comprised the balance of the demand for domestic steel.⁴

In 2017, thermal coal production from the CAPP was 29 Mt, which represented 5% of total thermal coal production in the US, with 83% of this production being consumed by domestic power stations.¹

Figure 22 and Figure 23 show the split of coal production from the CAPP in 2017 and the proportion of this production that was sold into the domestic and export markets. The majority of the CAPP production was met coal and nearly 64% of this was exported, reflecting high exposure to export markets.

Figure 22: 2017 met and thermal coal production from the CAPP¹

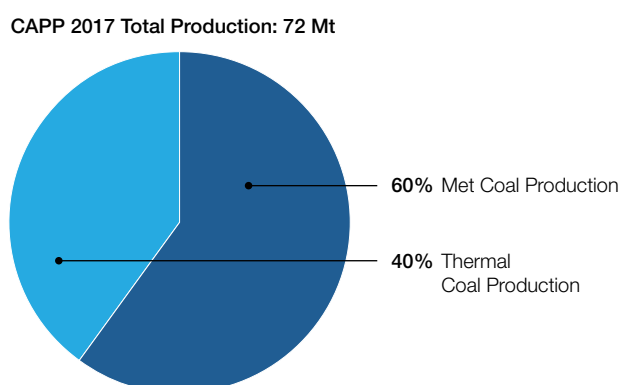
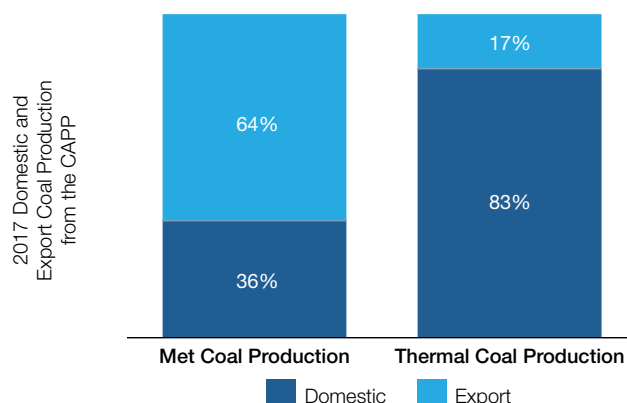


Figure 23: 2017 domestic and export coal production from the CAPP¹



In 2017, approximately 69% of Coronado's met coal production and 59% of Coronado's US thermal coal production was exported.

1. Wood Mackenzie, Central Appalachia Coal Supply Summary, Fiscal Terms (December 2017).

2. Wood Mackenzie, Coal Supply Service, May 2018.

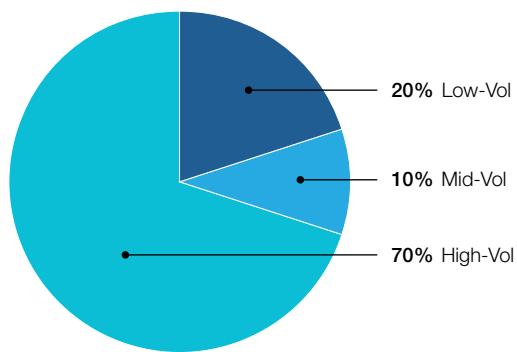
3. Wood Mackenzie, US Central Appalachian Coal Supply Summary, Infrastructure (December 2017).

4. AME.

2. Industry Overview

Figure 24 shows the typical met coal blend preferred by the US steel industry, which reflects the age and size of the BF's in operation. With the industry predominantly comprising smaller BF's that utilise lower PCI rates, the strength of the produced coal is a lower priority than in other countries. The preferred blend in the US is based predominantly on High-Vol coals, which comprise the majority of the blend and in 2017 accounted for 70% of the coal, with the remainder made up of Low-Vol and Mid-Vol coals. As there are currently no plans to introduce large BF's into the US domestic steel industry, AME expects that this preferred coal blend will be maintained going forward to at least 2023.³

Figure 24: 2017 typical US BF blend¹



Coronado produces Low-Vol, Mid-Vol and High-Vol coals at its US-based mining complexes. This suite of met coal products allows for blending to suit a variety of customer requirements. Further information on coal blending is contained in Section 2.2.5.

2.3.3.2 Implications of Section 232 tariffs

On 8 March 2018, the President of the US, Donald Trump, signed an executive order establishing a 25% tariff on imports of steel into the US. Wood Mackenzie forecasts that this could reduce imports of steel by up to 18 Mtpa, which is expected to have the flow-on effect of increasing US met coal demand by approximately 6.5 Mtpa.² This volume of additional met coal production could be achieved by reducing exports of met coal and redirecting that volume to domestic consumption. Wood Mackenzie regards the Section 232 tariffs as supportive of a stronger domestic met coal price environment.

The Section 232 tariffs have prompted retaliatory tariffs from key trading partners, notably Europe and China. As of July 2018, the list of goods included in these proposed retaliatory tariffs included coal and, therefore, may directly impact met coal exporters such as Coronado. The situation is evolving and could pose a future risk towards Coronado. Further details of this risk are set out in Section 5.1.1.1.

2.3.3.3 Implications of proposed US infrastructure spending

Significant infrastructure investment by the US Government, including its focus on transportation infrastructure (such as roads, bridges and other transportation infrastructure), will utilise locally produced steel and other raw materials, which is expected to have a positive impact on domestic steel production.

On 12 February 2018, the President of the US, Donald Trump, announced US\$200 billion in incentives and investment over the next 10 years in domestic infrastructure. This investment would then be leveraged with state, local and private funds to become a US\$1.8 trillion 10-year program focused on the construction of roads and bridges, as well as other transportation infrastructure, utilising locally produced steel and other raw materials.¹

If the infrastructure spending occurs, it is difficult to quantify the impact on demand for steel and met coals at this early stage. AME expects that it will have a positive impact on domestic steel production.¹ As of July 2018, the proposed infrastructure spending has bi-partisan support but the US Congress is yet to agree on a final plan and the proposed infrastructure spending is not yet law.¹

1. AME.

2. Wood Mackenzie Report (2018).

2.3.3.4 Historical and forecast Appalachian coal prices

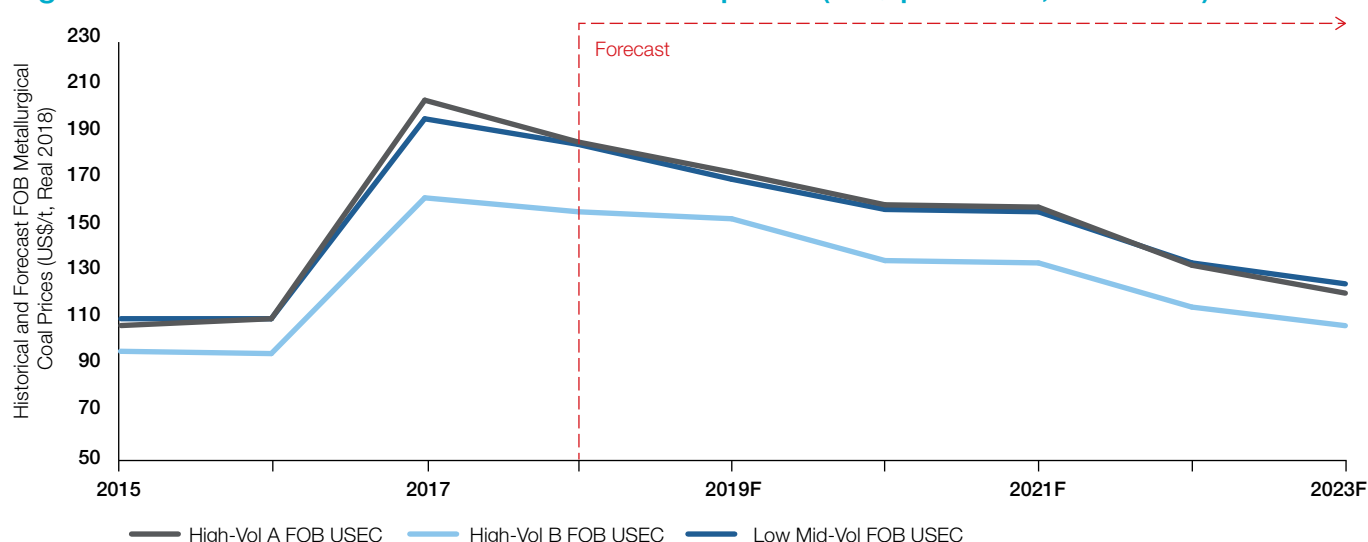
2.3.3.4.1 Met coal

High-Vol met coals in the US are well suited for the seaborne met coal market, possessing both high fluidity as well as relatively high CSR. High-Vol met coals from other regions, such as Russia, exhibit much lower strength. As a result, for end-users to procure a similar coke from non-US sources, blending of High-Vol coals with high strength Mid-Vol and Low-Vol met coals would be required.¹

It is for this reason that High-Vol A met coal benchmarks in the US typically achieve prices similar to Low-Vol HCC benchmarks, against which increasing volatility is usually seen as a discounting factor, as observed in the discount that Mid-Vol met coals receive against this benchmark. When High-Vol A met coal is in short supply, the benchmark price will typically rise above the Low-Vol benchmark, as has been seen for the first half of 2018.¹ Coronado is positively exposed to this relationship through its production of High-Vol A met coal.

Figure 25 shows the historical and forecast prices for US East Coast (USEC) coals, which represent those coals that are sold on the east coast of the US. Wood Mackenzie attributes the current elevated met coal price to Chinese BF capacity cuts and actions taken by the Chinese Government to keep prices strong in order to eliminate the debt of Chinese miners. However, Wood Mackenzie regards current pricing as elevated and forecasts a decline over the period between 2018 and 2023. Once Chinese miners eliminate their debt and the government support for prices is halted, the price should trend towards the cost of marginal supply.²

Figure 25: Historical and forecast FOB met coal prices (US\$ per tonne, Real 2018)²



2.3.3.4.2 Thermal coal

Wood Mackenzie estimates US thermal export FOB coal prices to see a return to marginal cost of production. Thermal coal prices in the US for 2018 remain supported by stronger-than-expected demand in China and India, China price management and a moderate supply recovery. Overcapacity has been narrowed further amid strong market sentiment towards upside in the near term.³

Total FOB cash costs reached a trough in 2016 and higher strip ratios, royalties and oil price assumptions are expected to be drivers of the continued price increases in 2018. As demand weakens into 2021, prices will remain stable before moving up in order to incentivise new supply. Incentive prices remain relatively flat for new projects as riskier basins are pushed out beyond 2028 amid financing challenges.¹

Wood Mackenzie expects the CAPP thermal coal (CSX 12,500 Btu, 1.6 Lbs) prices to reduce from US\$63 per tonne (Real 2018) in 2017 to US\$57 per tonne (Real 2018) by 2021, led by an increase in Chinese domestic supply and import restriction risk overhang.¹

In 2017, Coronado produced one Mt (or 12% of total production) of thermal coal from its US Operations.

1. AME.

2. Wood Mackenzie Report (2018).

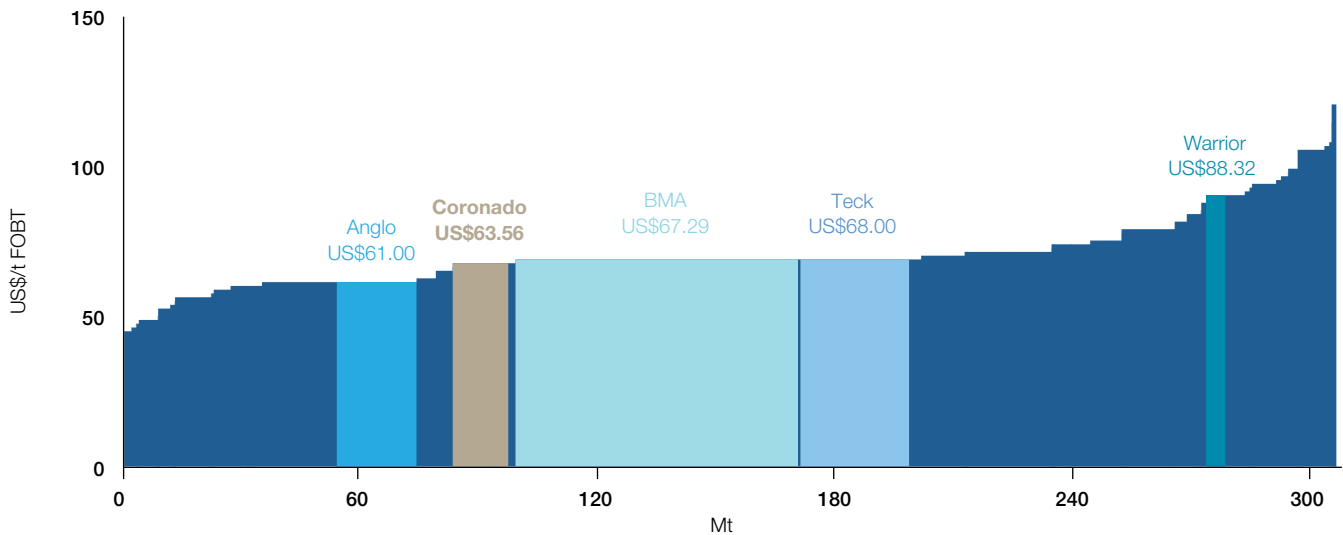
3. Wood Mackenzie Report (2018).

2. Industry Overview

2.3.4 Comparison of Australian and US met coal markets

Australia and the US are significant suppliers of met coal to global markets. Coronado's operations sit across both jurisdictions and reflect a competitive operating cost asset base, as shown in Figure 26.

Figure 26: 2017 seaborne export global met coal cost curve^{1,2}



While both countries have large met coal reserves and supply met coal to the world's growing economies, they have different underlying drivers. Table 8 sets out the key characteristics of the Australian and US met coal markets.

1. Wood Mackenzie Coal Supply Service, Q1 2018; FOBT cash cost basis includes direct costs for mining, processing, SG&A and realisation costs, excluding royalties; for pro forma Coronado, FOBT cash costs at the port include direct costs for mining, processing, SG&A, excluding all royalties (private, government and Stanwell) and sales-related costs; pro forma Coronado includes only export focused mines and met coal tonnes produced, Curragh and Buchanan, which comprise 85% of Coronado's total production; BHP Billiton Mitsubishi Alliance (BMA) includes total export production volumes of the 50%/50% joint venture between BHP Billiton and Mitsubishi.

2. Coronado cash costs exclude royalties and the cost of Stanwell obligations, being US\$25.8/t in 2017. Further detail on the royalty payable to Stanwell is set out in Section 3.3.1.1.

Table 8: Comparison of Australian and US met coal markets

	Australian met coal market	US met coal market	Implication
2017 total met coal production (Mt)¹	- Met coal production of 179 Mt (41% of total coal production) - Nearly all met coal production is sold into the seaborne markets	- Met coal production of 65 Mt (10% of total coal production) - Significant domestic met coal usage, with the US being a top five steel producing country globally²	Met coal producers in the US require strong relationships with domestic steelmakers and coke producers, as well as export customers
Typical met coal quality	Contains a broad range of met coals, with Queensland containing the bulk of the high quality met coal³	The CAPP contains high quality met coals that are generally considered to be among the best in the world⁴	Higher quality met coal is typically confined to selected basins within Australia and the US
Infrastructure used in the supply chain	- Rail and port⁵ - Typically long-term, take-or-pay contracts	- Rail, river barge and port⁶ - Rail contracts typically negotiated annually	Rail and port are key infrastructure components for met coal producers across both Australia and the US
Key customer markets¹	98% of met coal is exported, primarily to India, China and Japan¹	71% of met coal exports are seaborne¹, with the majority of this to Europe and Brazil¹	Clear focus on export markets for Australia
Met coal pricing	- For seaborne contracts, Peak Downs is typically the benchmark for HCC sold into the Asian basin⁷ - No significant domestic met coal market	- For seaborne contracts, typically basin-specific with reference to the Platts index⁷ - For domestic contracts, typically on an annual basis not directly linked to the Platts index	While pricing for export sales has a clear linkage to an observable benchmark, pricing for US domestic sales is not as easily linked

1. Wood Mackenzie, Coal Supply Service, May 2018.

2. Wood Mackenzie, Steel Markets Service, May 2018.

3. Wood Mackenzie, Australian Coal Supply Summary, Quality (July 2017).

4. Wood Mackenzie, US Central Appalachian Coal Quality (December 2017).

5. Wood Mackenzie, Australian Coal Supply Summary (July 2017).

6. Wood Mackenzie, US Central Appalachian Coal Supply Summary, Infrastructure (December 2017).

7. AME.

SECTION 3

Company overview



In this Section, references to coal Resources and Reserves for Coronado are JORC Code-compliant and are measured in accordance with the JORC Code. Resources and Reserves for Coronado's Australian Operations (as defined below) are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations (as defined below) are as at 31 December 2017. Resources for Coronado US Operations are quoted inclusive of Reserves, while Resources for Coronado's Australian Operations are quoted in addition to Reserves. Note that totals may not sum due to rounding. References to resources and reserves for other assets, companies, countries, regions and basins are sourced from third parties and measured in accordance with their source data, which includes Wood Mackenzie, AME and regulatory filings. Wood Mackenzie and AME estimates of resources and reserves typically adhere to the guiding practice in the jurisdiction in which the relevant asset is located and may not be JORC Code-compliant. Wood Mackenzie country estimates of reserves are based on corporate-level estimates and not the geological estimates of the country's reserves. Coronado has commissioned Xstract Mining Consultants Pty Ltd (Xstract) and Marshall Miller & Associates, Inc. (MM&A) to review its Australian Operations and US Operations, respectively. The 'Technical Assessment Report' prepared by Xstract and the 'Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code' prepared by MM&A are appended to this Prospectus – these reports are referred to herein as the 'Xstract Report (2018)' and 'MM&A Report (2018)'. Figures quoted for Coronado are pro forma for the acquisition of Curragh. See Section 4.2 for information on pro forma adjustments.

3.1 INTRODUCTION TO CORONADO

Coronado is a low-cost global producer, marketer and exporter of a full range of premium quality met coals. Coronado owns a portfolio of operating mines and development projects in Queensland, Australia (its **Australian Operations**) and in the states of Virginia and West Virginia in the US (its **US Operations**).

Coronado's Australian Operations comprise the Curragh mine complex (**Curragh**), a 100%-owned coal producing mine, and Mineral Development Licence (**MDL**) 162, a development-stage project. Coronado's US Operations comprise three 100%-owned producing complexes, the Pangburn-Shaner-Fallowfield and Russell County development projects and the Amonate asset. These complexes total eight actively producing mines that are located close to transportation infrastructure, which supports Coronado's position as one of the lowest-cost and most reliable sources of a well established suite of met coals whose products are sought after by steelmakers globally.

In 2017, Coronado was the fifth largest met coal producer globally¹ by export volume and the largest met coal producer in the US by production volume.² To support its high quality operations, the Company has substantial Reserves of 1,035 Mt (with Marketable Reserves of 657 Mt), Resources for its Australian Operations of 696 Mt and Resources for its US Operations of 1,581 Mt, with an implied Marketable Reserve life of approximately 33 years based on 2017 production.³

-
1. Wood Mackenzie Coal Supply Service, Q2 2018 and management information; excludes Rio Tinto given coal asset divestments. Coronado pro forma for the acquisition of Curragh from Wesfarmers; Glencore's 2017 production is pro forma for the acquisition of an 82% interest in Hail Creek from Rio Tinto (August 2018) and a 49% interest in the Hunter Valley Operations from Yancoal Australia Limited (May 2018); Yancoal's FY2017 production is pro forma for the acquisition of Coal & Allied from Rio Tinto (September 2017).
 2. Management information; Energy Ventures Analysis Quarterly Coal Production Report – Q4 2017 (27 January 2018 Update). Coronado total represents 2017 actual tonnes produced.
 3. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves, while Resources for Coronado's Australian Operations are quoted in addition to Reserves. Implied Reserve life calculated as total Marketable Reserves divided by 2017 calendar year production. Note that the Resource and Reserve estimates for the Australian Operations and the US Operations have been prepared by different Competent Persons. For the Australian Operations, Reserves are reported on a 7.5% moisture basis. For the US Operations, Reserves are reported reflecting moisture between 4.5 and 6%, depending upon mining method. For more detail on these and other differences between the operations, refer to the Xstract Report (2018) and MM&A Report (2018).

3. Company Overview

3.1.1 Overview of Australian Operations

Curragh is located in Queensland's Bowen Basin, which is one of the world's premier met coal regions. The location of Curragh and its proximity to key rail and port infrastructure are set out in Figure 27.

Figure 27: Coronado's Australian Operations



Curragh produces a variety of high quality low-ash met coal products, including HCC, SCC, which comprises SHCC and SSCC, and PCI coal, as shown in Figure 29. Refer to Section 2.2.2 for an overview of the different types of met coal.

These met coal products are exported globally to a diverse customer base of leading steelmakers. Curragh also produces thermal coal, which is primarily sold domestically under a long-term contract to Stanwell, a Queensland Government-owned entity and the operator of the Stanwell Power Station. More information on the existing supply contract with Stanwell is contained in Section 3.3.1.2.

Curragh has been operating since 1983 and in 2017 was the sixth largest met coal mine in Australia by met coal production, as shown in Figure 28. Figure 29 shows Curragh's met coal sales by product in 2017.

Figure 28: 2017 top 10 Australian met coal mines by met coal tonnes produced (Mt)¹

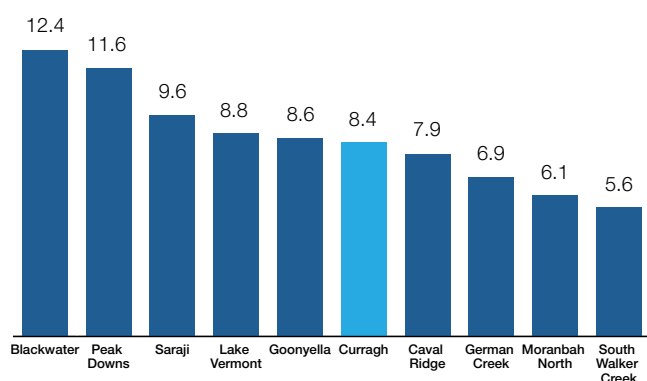
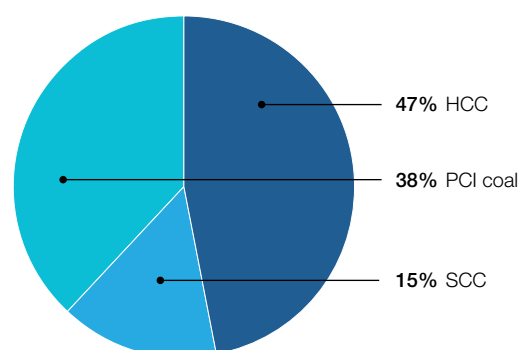


Figure 29: 2017 met coal sales by product type for Curragh



As at 30 June 2017, Curragh had total Reserves of 169 Mt (with Marketable Reserves of 139 Mt) and Resources of 458 Mt.²

Curragh's mining operations consist of two principal mining areas: (i) the Curragh East mining area (**Curragh East Mining Area**);³ and (ii) the Curragh North mining area (**Curragh North Mining Area**). These areas utilise conventional open-pit mining techniques. Coal from the Curragh North Mining Area is transported to a common processing facility via a 22 km long conveyor belt. Curragh benefits from the significant existing capital investment in raw materials handling, which underpins the ability to extract maximum value from the diverse and flexible resource base. Curragh has multiple options to supply either or both of the two separate Coal Handling Preparation Plants (**CHPPs**) from stockpile or directly, or to bypass plants altogether. During 2016, Curragh completed a A\$67 million upgrade to the Curragh East Mining Area run of mine (**ROM**) handling facility, to enhance control of product quality. Curragh's product yard machinery is uniquely configured to provide a high degree of control and consistency in final product quality. Curragh maintains a high standard of sampling and quality measures throughout its coal processing chain.

Coal from the CHPPs is loaded by train load-out bins into rail cars, which deliver the export met and thermal coal to the Port of Gladstone and the domestic thermal coal directly to the Stanwell Power Station. Curragh's access to rail and port infrastructure is supported by long-term contracts, providing security of access to the rail network and relevant ports. More information on the existing port and rail contracts is contained in Section 3.6.

Curragh's HCC product is recognised by steelmakers for its low-ash content, consistency of quality and favourable coking attributes. Curragh's SCC products are similarly valued, in particular for their low wall pressure which makes them suitable for stamp charging coke ovens. Curragh's PCI coal is recognised by steelmakers for its low phosphorus and sulphur content. This suite of products allows Curragh to be a key supplier to large steel markets, particularly Japan, India, Korea, Taiwan and China.

A majority of Curragh's coal sales are typically sold on a fixed-term basis with repeat customers that have supported mine offtake in all market environments, using prices negotiated against a portfolio of benchmark grade export prices, including bilaterally negotiated term prices and spot indices. Sales of Curragh coal are direct to major customers.

Coronado's Australian Operations also include the MDL 162 project, located adjacent to Curragh. As at 30 June 2017, MDL 162 had Reserves of 83 Mt (with Marketable Reserves of 54 Mt) and Resources of 238 Mt.²

1. Wood Mackenzie Coal Supply Service, Q2 2018. Curragh total represents 2017 actual tonnes produced.

2. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves. Curragh Resources and Reserves include Reserves for the Curragh East Mining Area and Curragh North Mining Area. For more detail on the basis used for estimation of Resources and Reserves for Coronado's Australian Operations, refer to the Xstract Report (2018) in Section 9.

3. The Curragh East Mining Area is referred to as the Curragh east mine in the Xstract Report (2018).

3. Company Overview

3.1.2 Overview of US Operations

Coronado's producing complexes in the US are located in the CAPP in Virginia and West Virginia, which is a highly active coal-producing region. See Section 2.3.3 for further information on the CAPP.

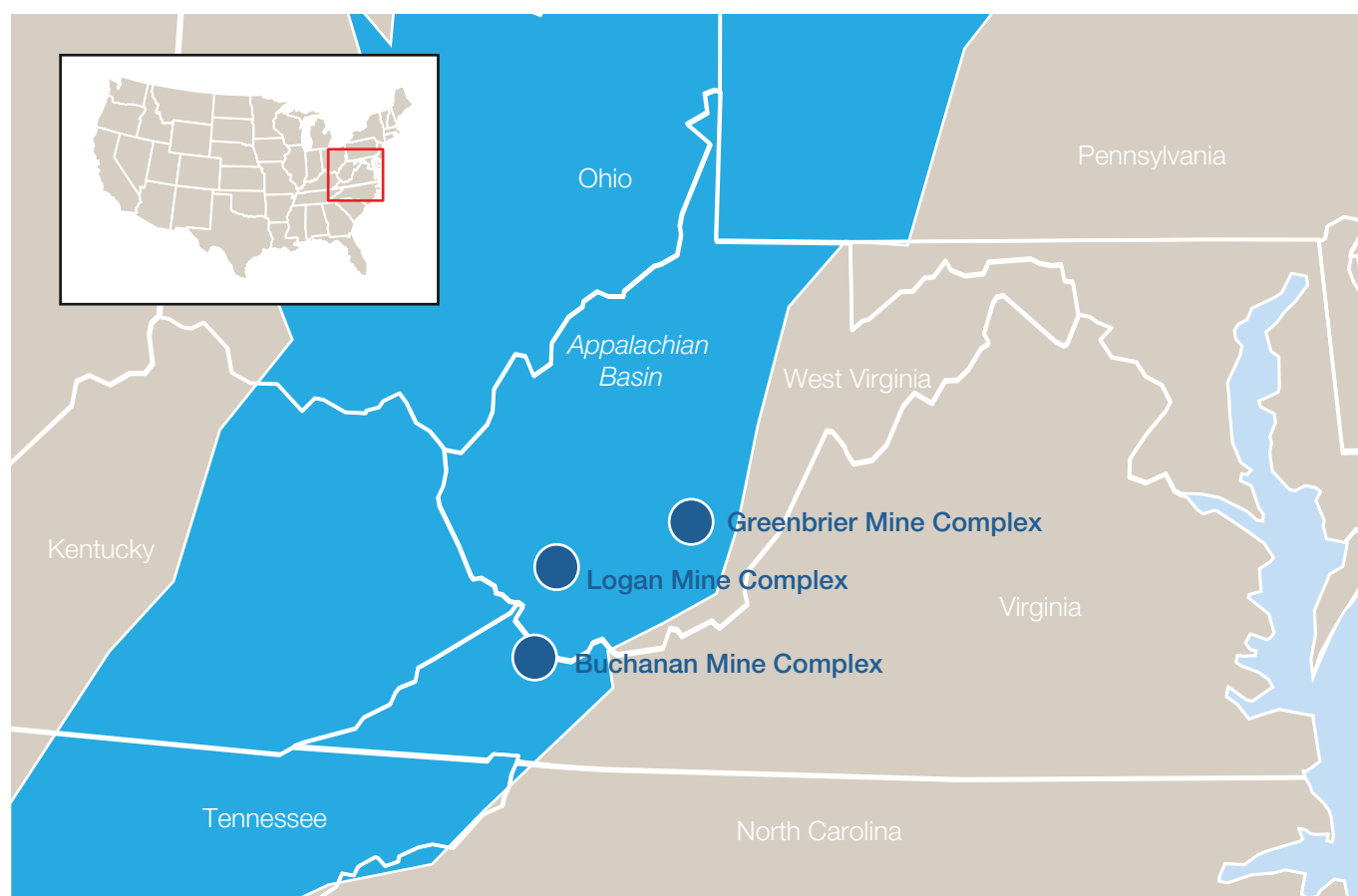
Coronado's three producing mining complexes in the US are:

- **Buchanan mine complex (Buchanan):** an underground mine located in Virginia that produced 4.9 Mt of Low-Vol met coal in 2017;
- **Logan mine complex (Logan):** one surface mine and two underground mines located in West Virginia that produced 1.7 Mt of High-Vol met coal, as well as 0.9 Mt of thermal coal, in 2017; and
- **Greenbrier mine complex (Greenbrier):** one underground bord and pillar mine and two contour/highwall mining operation mines located in West Virginia that produced 0.4 Mt of Mid-Vol met coal, as well as 0.1 Mt of thermal coal, in 2017.

Refer to Section 2.2.2 for an overview of the different types of met coal.

Coronado's three producing complexes at its US Operations are shown in Figure 30.

Figure 30: Coronado's three producing mining complexes at its US Operations



As at 31 December 2017, Coronado's US Operations had substantial Reserves of 783 Mt (with Marketable Reserves of 464 Mt) and Resources of 1,581 Mt.¹

Coal mined from the US Operations is typically exported to steelmakers (primarily in Europe, South America and Asia) and also consumed domestically by US steelmakers. The Company's producing complexes can access multiple transportation infrastructure options, including rail, road and river barge.

1. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

Sales to domestic steelmakers are primarily made pursuant to annual contracts with repeat customers. 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 the Company with visibility on its future revenues, as compared to spot sales or sales priced with reference to a benchmark index. Sales to export markets at Coronado's US Operations are typically priced with reference to a benchmark index.

The Company has flexibility to annually redirect sales from the US domestic market to export markets in order to capture higher realised prices in strong markets. More information on the Company's portfolio of contracts is contained in Section 3.6.

As shown in Figure 31, Coronado was a leading US met coal producer in 2017 by production volume. Figure 32 shows production from the Company's three producing complexes at its US Operations split by complex and by coal type.

Figure 31: 2017 top 10 US met coal producers by saleable met coal tonnes produced (Mt)¹

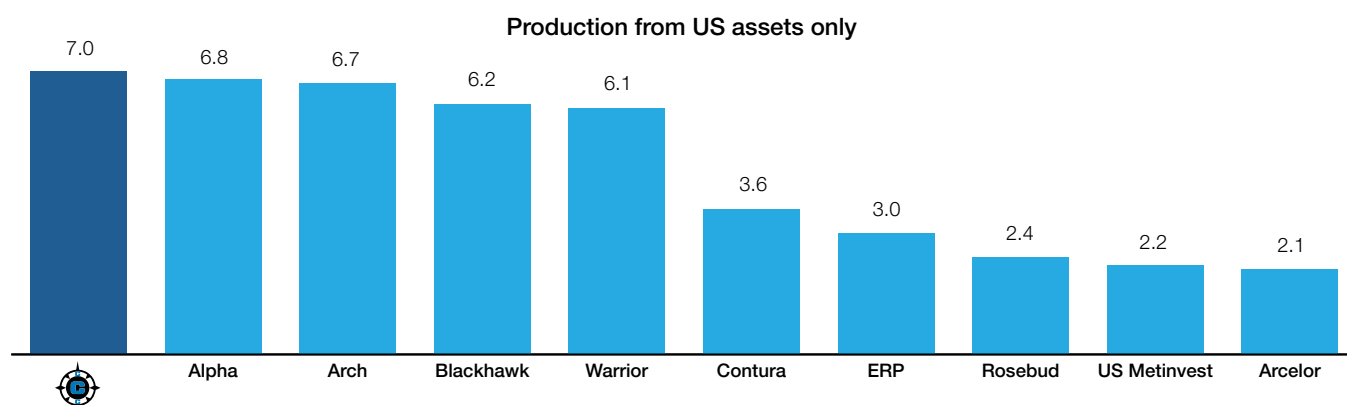
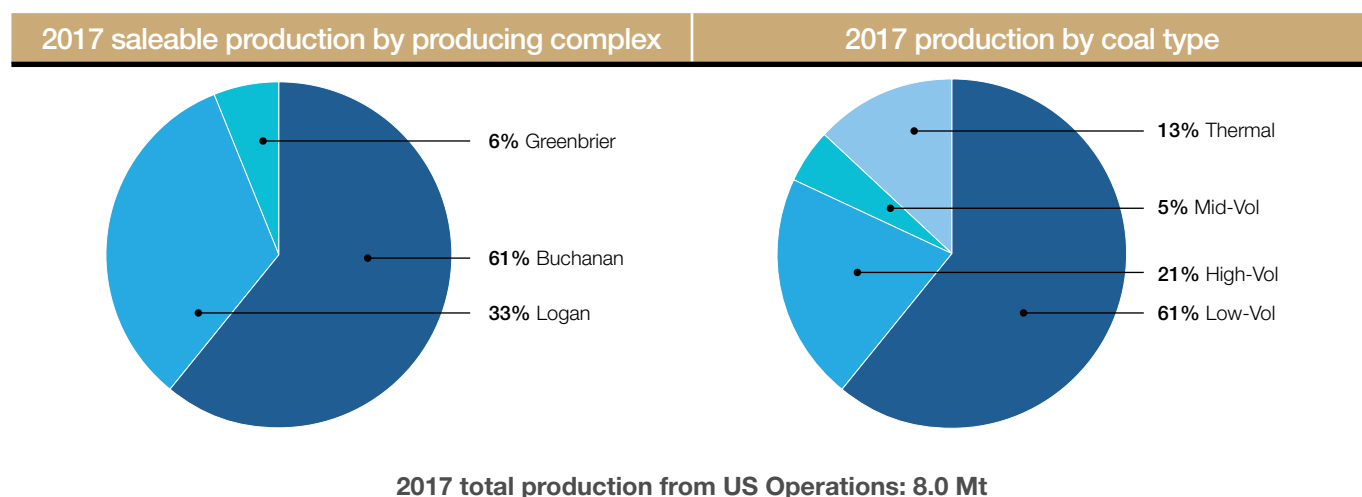


Figure 32: Coronado's three producing complexes at its US Operations are diversified by complex and product offering

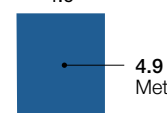
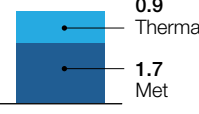
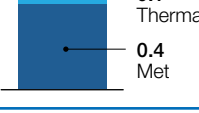
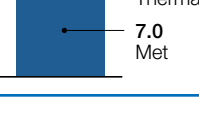


1. Management information; Energy Ventures Analysis Quarterly Coal Production Report – Q4 2017 (27 January 2018 Update). Coronado total represents 2017 actual tonnes produced.

3. Company Overview

Table 9 provides a snapshot of certain key operating data relating to Coronado's three producing complexes at its US Operations.

Table 9: Overview of Coronado's three producing complexes at its US Operations¹

Complex	2017 production (Mt)	2017 % Met production	Coal mine type	Transportation	Reserves	Resources
Buchanan	4.9 	100%	Underground	NS, Pier VI Truck, CNX	185 Mt (with Marketable Reserves of 117 Mt)	261 Mt
Logan	2.6 	65%	Underground, Surface	CSX, DTA, Kanawha, Pier IX, Truck	158 Mt (with Marketable Reserves of 89 Mt)	222 Mt
Greenbrier	0.5 	90%	Underground, Surface	CSX, DTA, Kanawha, Pier IX, CNX, Truck	61 Mt (with Marketable Reserves of 29 Mt)	92 Mt
Total	8.0 	88%			403 Mt (with Marketable Reserves of 234 Mt)	575 Mt

Further information on the transportation options for the US Operations is contained in Section 3.6.

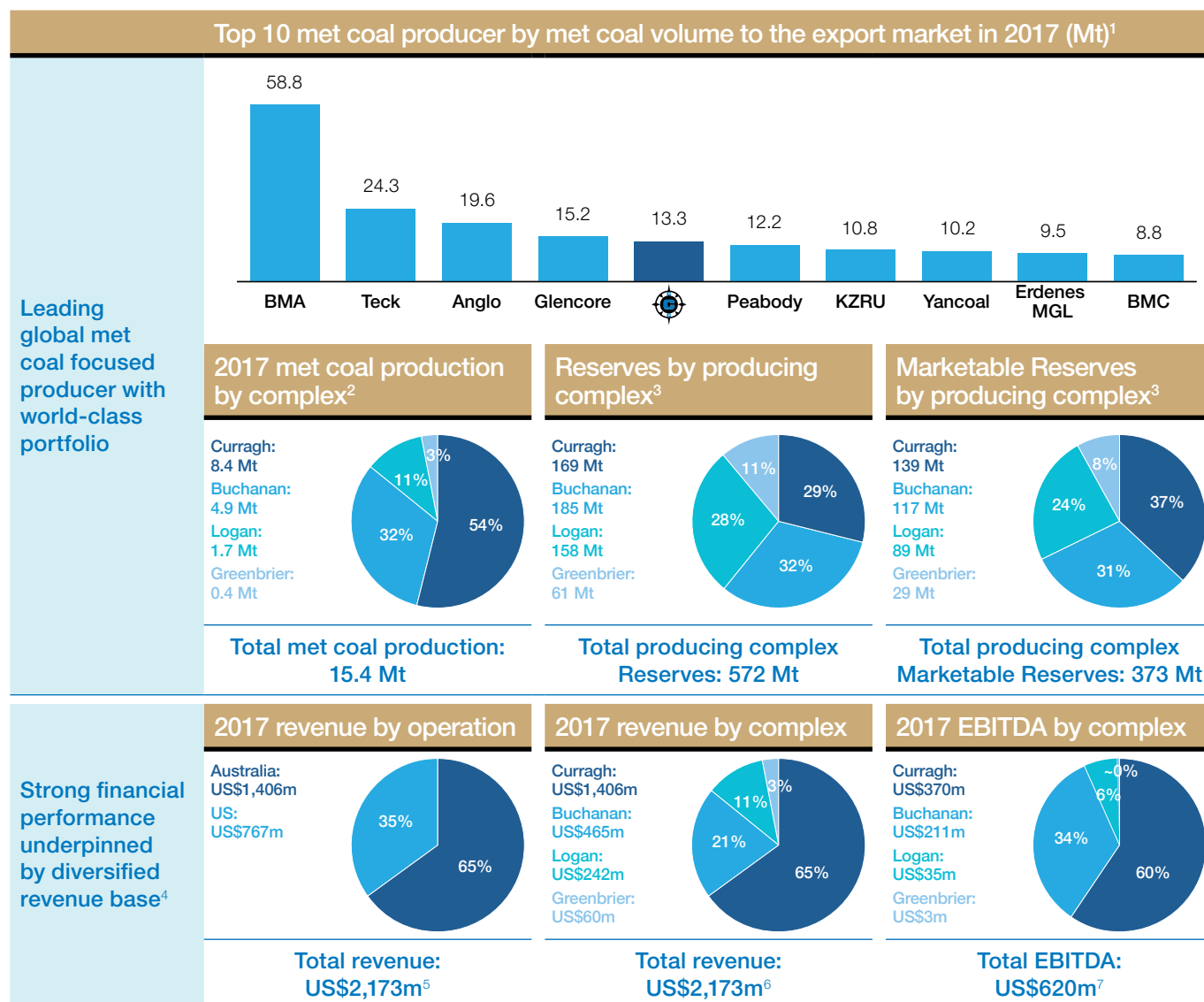
Excluded from Table 9 are Coronado's key development projects and idled asset at its US Operations, comprising additional Reserves of 380 Mt (with Marketable Reserves of 230 Mt) and Resources of 1,006 Mt.² Further detail on these development projects is provided in Sections 3.3.2.5, 3.3.2.6 and 3.3.2.7.

1. Management information and MM&A Report (2018). Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.
2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves. Note that the Resource and Reserve estimates for the Australian Operations and the US Operations have been prepared by different Competent Persons. For the Australian Operations, Reserves are reported on a 7.5% moisture basis. For the US Operations, Reserves are reported reflecting moisture of between 4.5 and 6%, depending upon mining method. For more detail on these and other differences between the operations, refer to the Xstract Report (2018) and MM&A Report (2018).

3.1.3 Snapshot of Coronado

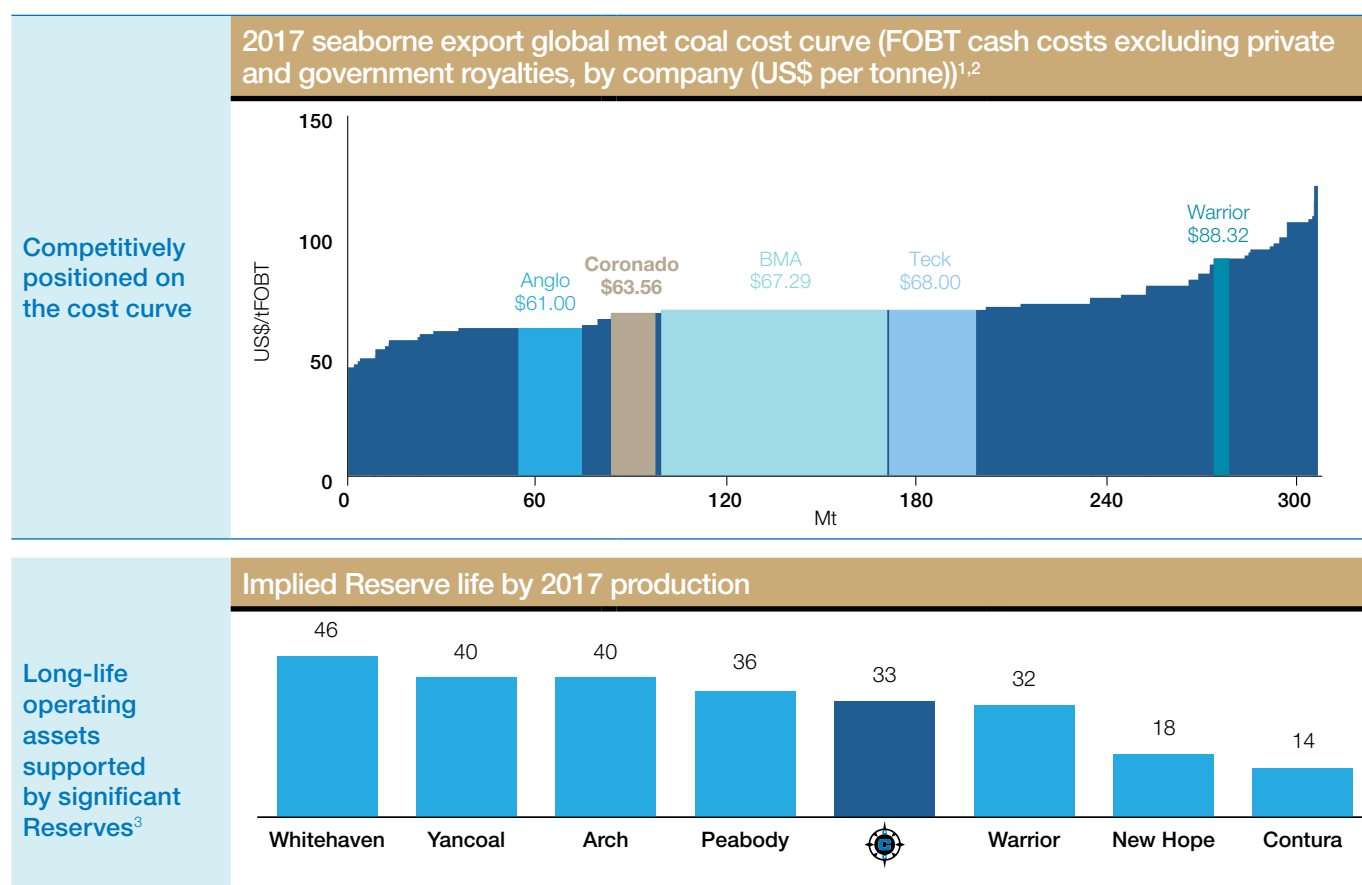
As shown in Figure 33, Coronado was the fifth largest met coal producer in 2017 by volume to the export market and was strongly positioned on the global seaborne met coal cost curve.

Figure 33: Snapshot of Coronado



1. Wood Mackenzie Coal Supply Service, Q2 2018 and management information; excludes Rio Tinto given coal asset divestments; Coronado pro forma for the acquisition of Curragh from Wesfarmers; Glencore's 2017 production is pro forma for the acquisition of an 82% interest in Hail Creek from Rio Tinto (August 2018) and a 49% interest in the Hunter Valley Operations from Yancoal Australia Limited (May 2018); Yancoal's FY2017 production is pro forma for the acquisition of Coal & Allied from Rio Tinto (September 2017).
2. Production is presented pro forma for the acquisition of Curragh and a 31 December 2017 calendar year basis.
3. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado US are quoted inclusive of Reserves, while Resources for Australia are quoted in addition to Reserves.
4. Financial data is presented pro forma for the acquisition of Curragh and a 31 December 2017 calendar year basis.
5. Total pro forma 2017 Revenue of US\$2,174.1m, net of US\$1.1m Corporate. Statutory 2017 Revenue amounted to US\$768.2m, net of US\$1.1m Corporate; also comprised of Australia: US\$0.0m and US: US\$767.1m. Amongst other adjustments, pro forma information assumes the acquisition date of Curragh was 1 January 2016; refer to Section 4.4.5 for further detail.
6. Total pro forma 2017 Revenue of US\$2,174.1m, net of US\$1.1m Corporate. Statutory 2017 Revenue amounted to US\$768.2m, net of US\$1.1m Corporate; also comprised of Curragh: US\$0.0m, Buchanan: US\$465.0m, Logan: US\$242.0m and Greenbrier: US\$60.1m. Amongst other adjustments pro forma information assumes the acquisition date of Curragh was 1 January 2016; refer to Section 4.4.5 for further detail.
7. Total pro forma 2017 EBITDA of US\$592.6m, net of US\$(26.9)m Corporate. Statutory 2017 EBITDA amounted to US\$227.9m, net of US\$(21.6)m Corporate; also comprised of Curragh: US\$0.0m, Buchanan: US\$211.2m, Logan: US\$34.9m and Greenbrier: US\$3.4m. Pro forma 2017 net income amounted to US\$286.3m. Statutory 2017 net income amounted to US\$142.4m, net of corporate US\$(31.2)m; also comprised of Curragh: US\$0.0m, Buchanan: US\$170.2m, Logan: US\$11.0m and Greenbrier: US\$(7.7)m. Amongst other adjustments pro forma information assumes the acquisition date of Curragh was 1 January 2016, refer to Section 4.4.5 for further details.

3. Company Overview



3.1.4. History and current ownership

Coronado was founded in 2011 by Garold Spindler, James Campbell and a fund affiliated with EMG, with Messrs Spindler and Campbell each having in excess of 30 years of experience in the coal industry. Coronado was founded with the intention to evaluate, acquire and develop coal properties.

Coronado's scale and platform has resulted from its acquisitions:

- **2013:** acquired Greenbrier from Lehman Brothers;
- **2014:** acquired Logan from Cliffs Natural Resources;
- **2016:** acquired Buchanan from CONSOL Energy; and
- **2018:** acquired Curragh from Wesfarmers.

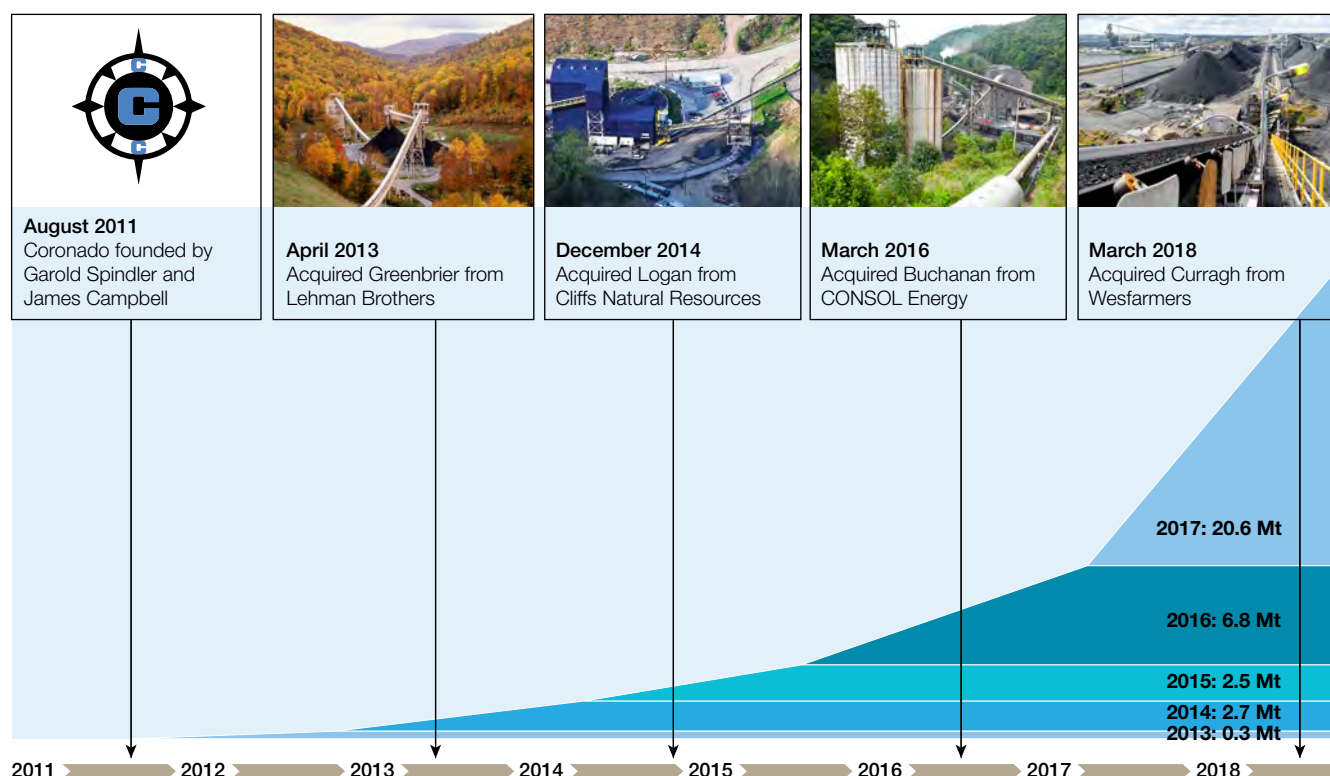
Through its acquisitions, Coronado has grown its coal sales from less than 0.5 Mt in 2013 to more than 20 Mt in 2017, as shown in Figure 34.

1. Wood Mackenzie Coal Supply Service, Q1 2018; FOB cash cost basis includes direct costs for mining, processing, SG&A and realisation costs, excluding royalties; for pro forma Coronado, FOB cash costs at the port include direct costs for mining, processing, SG&A, excluding all royalties (private, government and Stanwell) and sales related costs; pro forma Coronado includes only export focused mines and met coal tonnes produced, Curragh and Buchanan, which comprise 85% of Coronado's total production; BMA includes total export production volumes of the 50%/50% joint venture between BHP Billiton and Mitsubishi.

2. Coronado cash costs exclude royalties and the cost of Stanwell obligations, being US\$25.8/t in 2017. Further detail on the royalty payable to Stanwell is set out in Section 3.3.1.2.

3. Wood Mackenzie Coal Supply Service, Q2 2018. Coronado represents Marketable Reserves of 657 Mt divided by 2017 production of 20.2 Mt. Peer analysis represents reserves divided by 2017 production. Contura pro forma for the merger of Contura and Alpha Natural Resources.

Figure 34: Evolution of Coronado (Mt sold)¹



Coronado is currently owned by funds managed by EMG and members of Coronado's management.

EMG is the management company for a series of specialised private equity funds. The firm known today as EMG was founded in 2006 by John T. Raymond (Co-founding Partner and CEO) and John Calvert (Co-founding Partner and President). EMG focuses on investing across various facets of the global natural resource industry. As at 30 June 2018, EMG had approximately US\$15 billion of Regulatory Assets Under Management.²

EMG focuses on investing across various aspects of the global natural resource industry. EMG seeks to make acquisitions with the following characteristics:

- Low-cost sources of production.
- High quality commodity-based products.
- Strategically proximal locations, both in terms of transport infrastructure and end-markets.

EMG is committed to managing its portfolio companies with a conservative capital structure and modest debt levels in order to sustain its businesses throughout the commodity cycle.

Coronado's net debt as at 30 June 2018 was US\$535.4 million, with the business having acquired Curragh for aggregate consideration of US\$563.8 million in March 2018 including a fair value estimate of contingent consideration of US\$26.6 million, and Buchanan for an aggregate purchase price of US\$426.8 million in March 2016, and having previously paid distributions to the Seller of US\$452.2 million.

1. 2017 sales are shown pro forma for the acquisition of Curragh (which was announced in December 2017 and completed in March 2018); 2013 coal sales of 0.3 Mt represent Greenbrier 2013 total coal sales; 2014 coal sales of 2.7 Mt represent Greenbrier and Logan 2014 total coal sales; 2015 coal sales of 2.5 Mt represent Greenbrier and Logan 2015 total coal sales; 2016 coal sales of 6.8 Mt represent Greenbrier, Logan and Buchanan 2016 total coal sales; 2017 coal sales of 20.6 Mt represent Greenbrier, Logan, Buchanan and Curragh 2017 total coal sales. Pangburn-Shaner-Fallowfield, Russell County and Amonate acquired alongside Buchanan in 2016. All figures presented as at year end (31 December).

2. Measured in accordance with the SEC's definition of Regulatory Assets Under Management, which is 'securities portfolios for which you provide continuous and regular supervisory or management services'.

3. Company Overview

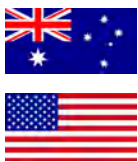
3.1.5 Highly experienced management team

Coronado's management team has over 100 years of combined experience in all aspects of the coal value chain, from the discovery of resources, through to development, production and marketing of coal.

The management team also has a successful track record building and operating coal mining operations in Australia, the US and globally. This operational experience is supplemented with a strong knowledge base of Australian and US domestic and international coal markets and their key drivers.

Table 10 provides an overview of the core management team of Coronado.

Table 10: Coronado's management team

	Executive	Location	Experience
	Garold Spindler Co-founder <i>Managing Director and Chief Executive Officer</i>		• 30+ years of experience in the coal industry • Held several leadership positions of various global coal companies, including UK Coal, Cyprus Amax Coal Company (USA), Pittston Coal Company and CONSOL
	James Campbell Co-founder <i>President and Chief Operating Officer</i>		• Extensive knowledge of met coal trade • Former President of Pittston Coal Sales and President/Chief Operating Officer of Imagin Natural Resources
	Ayten Saridas <i>Group Chief Financial Officer</i>		• 30 years' experience in corporate finance, M&A and financial management • Former CFO of AWE Ltd. and senior finance executive with Santos, Babcock & Brown, Woolworths and Ausgrid
	Richard Rose <i>Vice President, Chief Legal Officer & Secretary</i>		• 30+ years' experience as a corporate, M&A and securities lawyer • Former General Counsel of Meritor Inc. and Calgon, Inc.
	Johan Ballot <i>General Manager, Curragh Operations</i>		• 20+ years of mining experience in Australia and South Africa • Held various management positions with Wesfarmers at various locations
	Jeff Bitzer <i>Vice President of Operations – US</i>		• 40 years' of technical background specialising in safety management • Held various management positions at Arch Coal, Inc., Magnum Coal Company, and United Coal Company

3.2 CORONADO'S KEY FEATURES

3.2.1 Established and well defined set of principles

Coronado has been built on a number of key principles, which are set out in Figure 35.

Figure 35: Key principles

✓	High quality met coal opportunities
✓	Long-life operating assets with global supply diversity
✓	Low-cost operations that produce a broad range of high quality products
✓	Disciplined approach to capital allocation with a historical focus on distributing surplus cash flow to shareholders in a value-efficient way
✓	Expansion and optimisation upside potential
✓	Operations solely in low political and economic risk jurisdictions
✓	Balance sheet strength, with low leverage and positive operating free cash flow

These key principles have underpinned Coronado's acquisitions since the Company's inception.

3.2.2 Positively differentiated

Through the implementation of the key principles set out in Section 3.2.1, Coronado enjoys many competitive strengths as a met coal producer. Table 11 sets out Coronado's key points of differentiation compared to other listed coal producers in Australia and the US.

Table 11: Key points of differentiation for Coronado

Strong free cash flow generation	- Fully invested assets with no near-term material growth capital investment required to sustain existing production - Low leverage and disciplined approach to capital allocation - Track record of sustainable shareholder returns - Strong cash flow generation underpinned by low-cost operating model and strong global steel demand
Unique met coal exposure	20.2 Mt of saleable production in 2017, of which 76% was met coal¹ - Long-life mining complexes with an implied Marketable Reserve life of 33 years based on 2017 production² - Competitively positioned on global seaborne met coal cost curve³ - Well established products with good brand recognition - Predominantly met coal with diversification across geographies and mining complexes

1. 2017 production pro forma for the Curragh acquisition.

2. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017 and Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves, while Resources for Coronado's Australian Operations are quoted in addition to Reserves. Implied Reserve life calculated as total Marketable Reserves divided by 2017 calendar year production.

3. FOBT cash costs basis, excluding private and government royalties.

3. Company Overview

Diversification by country, asset, product and market	• Supports strong customer demand, global end-market flexibility and blending opportunities • Curragh and Buchanan provide direct linkage to continued strength in benchmark pricing through their export focus • Mitigates adverse weather, technical or infrastructure events • Exposure to global met coal benchmarks and contract positions provides diversified currency exposure and cash flow stability
Further optimisation and growth potential	• Highly experienced management team with track record of productivity and cost improvements • Potential to optimise Curragh further through operational, mine planning and marketing improvements • Several attractive existing brownfield expansion and greenfield development opportunities • Disciplined approach to selective acquisition opportunities

3.2.3 Management's focus on safety, efficiency and optimisation

Generating efficiencies and cost optimisation across the portfolio of complexes is a core focus of Coronado's management.

The Company's management has a history of implementing cost optimisation initiatives across its portfolio of mining complexes to increase production and reduce costs. These initiatives have included:

- mine optimisation and maximising equipment capacity;
- utilising infrastructure and logistics control to improve shipment scheduling, inventory control and coal turnover;
- implementing technology to improve productivity and safety;
- optimising coal quality and product sales mix; and
- improvement in continuous mining, advance rates.

Coronado has identified a number of improvement opportunities at Curragh that will aim to further optimise the mining complex's cash operating cost position. Further detail on these opportunities is set out in Section 3.7.2.2.

3.3 CORONADO'S COMPLEXES

Coronado's complexes at its Australian Operations and US Operations contain producing mines and development projects.

This Section sets out further details on each of Coronado's mining complexes at its Australian Operations and US Operations.

3.3.1 Australian Operations

3.3.1.1 Australian Operations overview

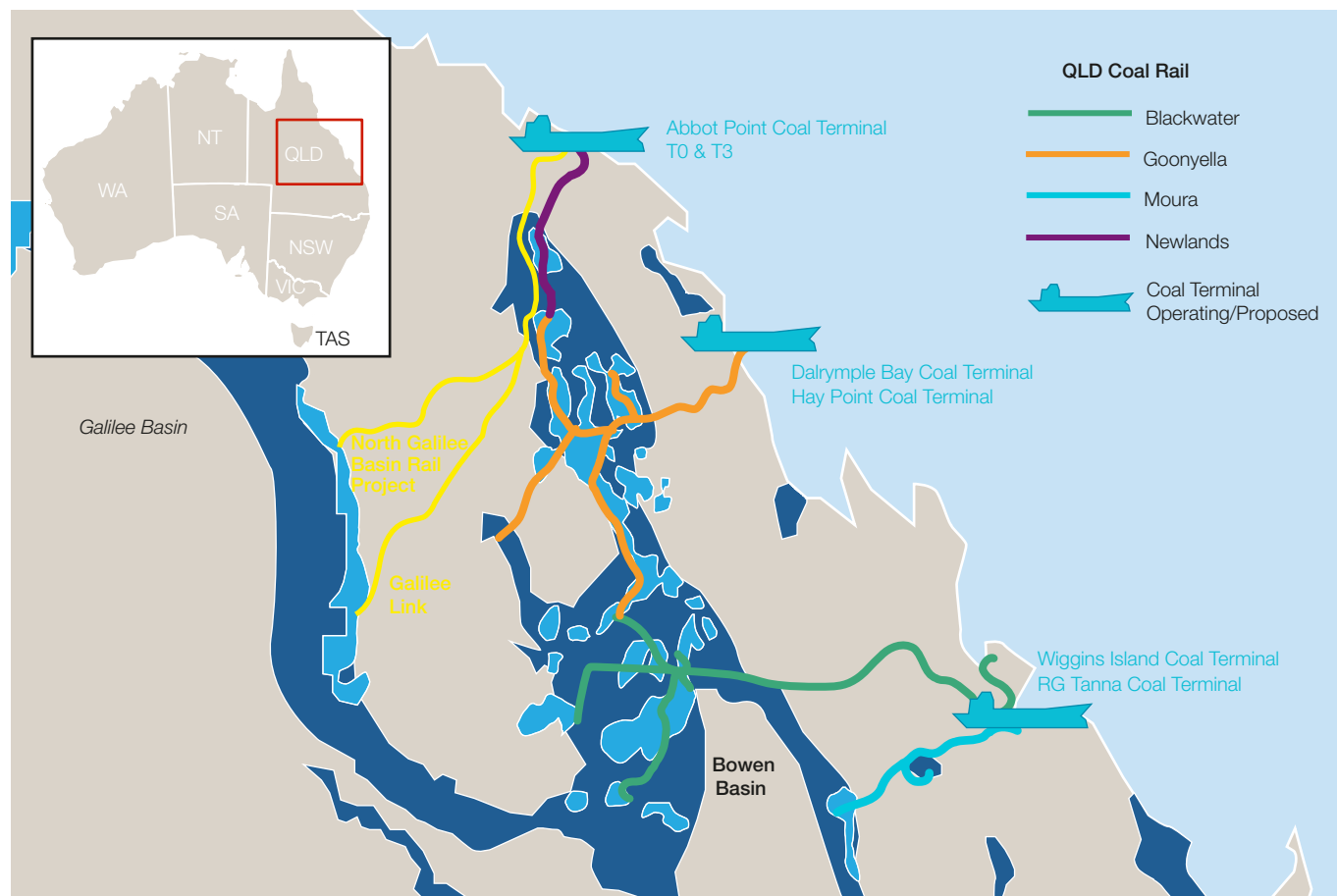
Coronado's Australian Operations principally comprise Curragh and MDL 162.

Table 12: Coronado's Australian Operations

Producing complexes	Curragh (comprising the Curragh East Mining Area and Curragh North Mining Area)
Development projects	MDL 162 (comprising Curragh Central, Curragh Central Extended, Curragh Extended and Curragh South)

Figure 36 shows Coronado's Australian Operations and their proximity to existing rail lines and coal export terminals at the Port of Gladstone. Coronado's Australian Operations enjoy a distinct advantage in serving the Asia-Pacific market due to its reduced shipping times compared to operations in North America.

Figure 36: Proximity of Australian Operations to Queensland's coal transport infrastructure



Scale is a competitive advantage in the global coal industry and Coronado's Australian Operations have substantial Resources and Reserves, as shown in Table 13.

3. Company Overview

Table 13: Resources and Reserves for the Australian Operations (Mt)¹

	Curragh	MDL 162
Reserves		
<i>Proved</i>	162	78
<i>Probable</i>	7	5
Total Reserves	169	83
Total Marketable Reserves	139	54
Resources		
<i>Measured</i>	190	115
<i>Indicated</i>	165	87
<i>Inferred</i>	103	36
Total Resources (exclusive of Reserves)	458	238

Curragh produces met coal products (HCC, SCC and PCI coal) with low levels of ash, volatile matter, phosphorous and sulphur and is globally recognised as a reliable and flexible independent supplier of consistent, high quality met coal.

Curragh produces brands of coal that have established a position as baseload components in the coke blends of major steel producers in Asia and Europe. Curragh met coals are technically known and accepted in all major import markets for met coal. The consistently high quality of Curragh's met coal output also attracts demand for these products from emerging steel markets in Asia.

Through Curragh's production of Low-Vol, low sulphur emitting coking coals and PCI coal, Coronado believes it is well placed to benefit from the future potential increase in demand from Asian steel markets for products that can comply with more stringent government environmental regulation and resulting coal quality requirements. Based on future planned sales qualities and brand reputation, Curragh is also ideally positioned in India to benefit from the expected growth in imported met coal demand (in line with increasing steel production) in that market.

Table 14 set outs the coal specifications for Coronado's Australian Operations.

Table 14: Coal quality specifications²

	HCC	SCC	PCI coal
Volatile matter (%) (adb)³	19.5 – 21.0	18.5 – 20.0	Approximately 18.0
Ash (%) (adb)	7.0 – 7.6	8.5 – 9.0	9.0 – 12.0
Sulphur (%) (adb)	0.48	0.45 – 0.55	0.45 – 0.50
Phosphorous (%) (in coal)	0.050	0.045 – 0.065	0.045 – 0.050
CSN (#)	7.0 – 8.0	5.0 – 6.0	Approximately 2.0
Fluidity (ddpm)⁴	20 – 100	5 – 15	–
Moisture (%) (adb)	1.5	1.5	1.5

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves. Note that totals may not sum due to rounding.

2. Xstract Report (2018) and management information.

3. Air dried basis (adb).

4. Dial divisions per minute (ddpm).

Coronado's Australian Operations are linked to an integrated coal haulage system managed and operated by Aurizon Network (with haulage provided by Aurizon Operations and other providers), with Coronado holding 8.5 Mtpa of contracted below rail capacity to RGTCT. The thermal coal produced at Curragh for domestic use is railed directly to the Stanwell Power Station (with Stanwell being responsible for transport of coal from the mine train load-out facility). Met and thermal coal for export is railed to the Port of Gladstone to RGTCT and WICET, providing secure access to seaborne markets.

In 2017, approximately 83% of Coronado's met production from its Australian Operations was railed to RGTCT and approximately 17% was railed to WICET. Coronado currently relies on ad hoc rail network capacity to match its WICET capacity (with such rail network capacity expected to become the subject of a long-term access agreement if and when a dispute between the Wiggins Island Rail Project (**WIRP**) customers and Aurizon Network regarding the 'Commitment Date' under the WIRP Deed is resolved). See Sections 5.1.18, 11.5.4.7 and 11.9 for more information on the WIRP Deed and this dispute.

Aurizon Operations is the predominant operator in the Blackwater network and is Curragh's primary rail operator. Curragh actively maintains its relationship with Aurizon Operations, as well as a presence in industry peak body infrastructure forums. Based on external benchmarking, management believes Curragh has secured a balance of competitive rates and reliable access to rail services in a manner that matches Curragh's production profile. Curragh also has a spot haulage agreement in place with Pacific National. See Section 11.5.4.7 for further details on the contract with Aurizon Operations.

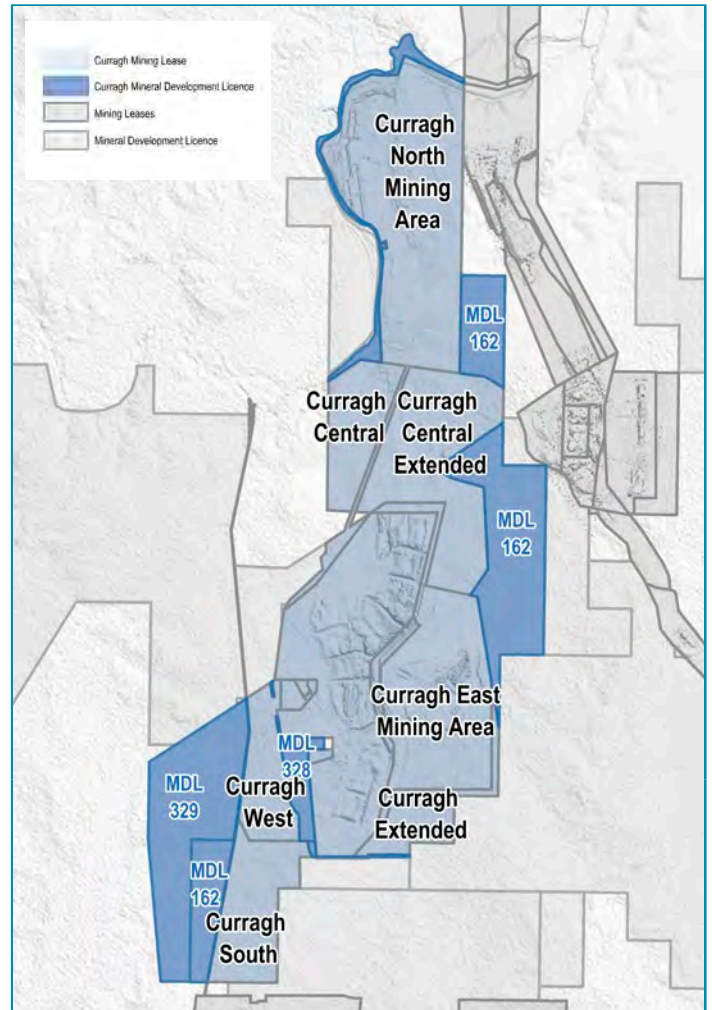
Table 15 sets out the above rail and transportation options available to Curragh.

Table 15: Curragh transportation access

	Above rail		Seaborne	
	Domestic and Export		Export	
Complex	Aurizon Operations	Pacific National	RGTCT	WICET
Curragh	✓	✓ (Spot haulage contracts)	✓	✓

3. Company Overview

3.3.1.2 Curragh



Key highlights

- One of the world's largest coking coal mines producing 8.4 Mt of high quality met coal in 2017, in addition to 3.8 Mt of thermal coal
- Produces HCC, SCC and PCI coal, recognised globally and with a loyal customer base
- The consistent low-volatile, low-ash characteristics of Curragh's coal mean it benefits from strong demand globally from steel mills, and particularly from steel mills located in Asia
- Substantial Reserves of 169 Mt (with Marketable Reserves of 139 Mt) and Resources of 458 Mt (as at 30 June 2017),¹ which is expected to provide multiple opportunities to extend mine life and/or increase production
- Globally competitive cash cost of approximately US\$56 per tonne² (FOB basis, excluding royalties and Stanwell obligations), with further productivity and cost improvement opportunities identified by Coronado
- Secured port and rail under long-term agreements with additional surge capacity

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves.

2. 2017 cash costs calculated on the basis of excluding Royalties and Stanwell obligations per the period ending December 2017.

Snapshot

Location	• Bowen Basin in central Queensland
Ownership	• 100% Coronado
Year opened	• 1983
Year acquired	• 2018
Reserves	• 169 Mt (with Marketable Reserves of 139 Mt)¹
Resources	• 458 Mt¹
Implied Reserve life	• Approximately 11 years (based on Marketable Reserves and 2017 production)
Operating mines/mining type	• Two open-pit mines (Curragh East Mining Area and Curragh North Mining Area)
Product coal	• High quality Low-Vol HCC, SCC, PCI coal and thermal coal
Key markets/customers	• Met coal: International steel mills in Asia and globally • Thermal coal: Australian domestic sold to Stanwell
2017 saleable production	• 12.2 Mt (comprising 8.4 Mt met coal and 3.8 Mt thermal coal)
2017 cash costs	• Approximately US\$56 per tonne (FOB basis, excluding government and private royalties)²
Royalties	• Coronado makes various payments to Stanwell, collectively referred to as the 'Stanwell Rebate', linked to the quantity of coal exported from the Curragh East Mining Area and the Curragh North Mining Area and the export contract price of a reference specification coking coal. More information on the Stanwell Rebate is found later in this Section and in Section 11.5.4.6 • Coronado's acquisition of Curragh included a Value Share Mechanism (VSM) whereby Wesfarmers is entitled (for a period of 24 months from 29 March 2018) to receive 25% of met coal revenue generated from Curragh sales above a realised met coal price of US\$145 per tonne. Refer to Section 11.5.4.4 for more information on the VSM arrangement with Wesfarmers • Where coal is produced from MDL 162, Coronado will be required to pay a private royalty calculated at A\$0.50 per tonne of coal product sold plus an additional A\$0.70 per tonne for SHCC product in excess of an agreed threshold (subject to CPI escalation). Refer to Section 11.5.4.5 for more information on the royalties associated with MDL 162

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves.

2. 2017 cash costs calculated on an FOB basis excluding royalties and Stanwell obligations.

3. Company Overview

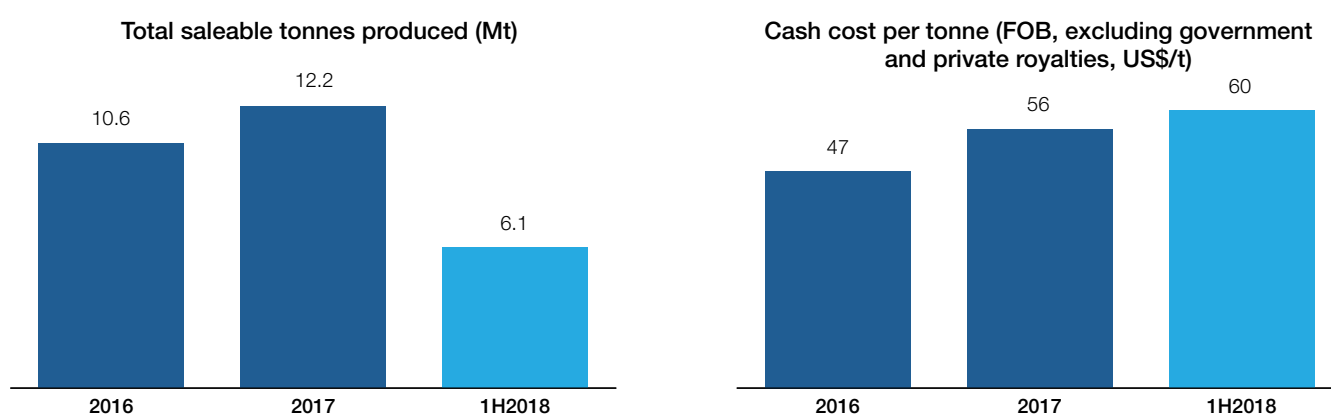
INTRODUCTION

Curragh's mining operations consist of two principal mining areas: (i) the Curragh East Mining Area and (ii) the Curragh North Mining Area, located in the Bowen Basin approximately 10 km north of the town of Blackwater and approximately 300 km by rail to the Port of Gladstone in Queensland, Australia.

The Curragh operations encompass an area of approximately 256 km², approximately 27 km² of which are in the SRA. Coal was first extracted from Curragh in 1983 and the complex has produced high quality met coal for use primarily by Asian steel mills and thermal coal for use primarily by Stanwell.

Figure 37 shows Curragh historical production and cash costs.

Figure 37: Curragh historical production and cash cost¹



Refer to Section 4.8 for a discussion on historical movements in saleable tonnes produced and cash cost per tonne.

Geology and mining

Coal currently mined at Curragh is located in the Rangal Coal Measures (a Permian coal-bearing formation). The average seam thickness for the main seams extracted ranges from 1.5 metres to more than 6.5 metres. This range of seam thickness combined with depth of the coal makes Curragh ideal for surface mining techniques.

Three main seams are typically mined at the Curragh East Mining Area: (i) Aries (raw ash 19.0% air dried basis (**adb**)); (ii) Castor Lower (raw ash 18.5% adb); and (iii) Pollux (raw ash 15.8% adb). Minor seams include Cancer, Castor Upper and Pollux Upper, Orion and Pisces. These minor seams generally have higher ash contents. Both the Aries and Castor seams split into upper and lower components in the Curragh East Mining Area.

The thickness of the seams varies throughout the mining area. Average thicknesses are 1 metre at Cancer, 2.5 metres at Aries, 2 metres at Castor and 3 metres at Pollux.

At the Curragh North Mining Area, the seams mined are Aries, Castor and the Pisces Working Section (**PWS**). The Pollux (raw ash 13.6% adb), Orion (raw ash 11.5% adb) and Pisces Upper (raw ash 18.9% adb) seams are coalesced above the Yarrabee Tuff to form the PWS. The thickness of the PWS range from 6 metres to up to 9 metres.

In the central part of the Curragh North Mining Area, the Castor seam (raw ash 16.2% adb) is 50 metres – 60 metres above the PWS and ranges in thickness from approximately 3 metres in the south to 1.5 metres in the north. Towards the north, the PWS/Castor interburden decreases rapidly while the Castor seam quality deteriorates to a high-ash (raw ash ~58% adb), low vitrinite, coal. In the south of the Curragh North Mining Area, the Aries seam (raw ash 14.5% adb and averaging 1.5 metres thick) and the Castor seam coalesced and split towards the north.

Coal seams are also known within the Burngrove and Fairhill Formations but these are not currently productive.

Coal is mined using draglines, a rope shovel and hydraulic excavators.

1. Cash costs calculated on an FOB basis excluding government and private royalties.

Operations

Table 16 sets out the key operational characteristics of its mining complex.

Table 16: Operational characteristics of Curragh

Size of project	Approximately 256 km² (approximately 27 km² of which are in the SRA)
Number of mines	Two surface mines at the Curragh East Mining Area and Curragh North Mining Area
Mining method	Open-pit utilising draglines, a rope shovel and hydraulic excavators
How coal is processed	High quality CHPP infrastructure (which includes ROM coal handling, raw coal handling, coal processing preparation, product coal handling and train loading) converts mined coal into a mix of met and thermal coal products
Types of coal products produced	- High quality low-volatile, low ash, low sulphur HCC, SCC and PCI coal - Thermal coal
Key markets/customers	Met coal: Asian and European steel mills Thermal coal: Stanwell Power Station
Transportation	- All coal is transported on CQCN, which is serviced and operated by Aurizon Network - Met coal to the Port of Gladstone for export from RGTCT and WICET, and thermal coal primarily railed directly to the Stanwell Power Station
Environmental management	- Curragh sources its water either through its own on-site water management systems or through a supply agreement with SunWater from Bedford Weir and Fairbairn Dam, where Curragh is a 'high priority' customer that receives certain preference in times of water shortages - In its review of Coronado's Australian Operations, Xstract has concluded that there are no material issues pertaining to the surface water, rehabilitation, cultural heritage and social aspects affecting Curragh that are expected to result in an increase of more than 10% to the cost of operations or financing of Curragh or be likely to create a material issue that had the potential to delay further approvals, temporarily stop operations or cause significant negative public perception about Curragh¹ - Financial assurance, relating to mine rehabilitation, currently held by the State of Queensland totals A\$279.7 million in the form of a bank guarantee

Infrastructure

Figure 38 shows the Curragh East Mining Area and the Curragh North Mining Area, including the SRA within the Curragh North Mining Area. Coal from the Curragh East Mining Area is transported to the Curragh Crusher located adjacent to the CHPPs, crushed and conveyed via the transfer tower to the CHPPs, while coal from Curragh North Mining Area is transported to the Curragh North Crusher, crushed and conveyed via a 22 km long overland conveyor to the CHPPs, which are situated in the Curragh East Mining Area. Crushed coal is processed at these CHPPs, after which it is stockpiled to await train loadout, as set out in Figure 39.

1. The Xstract Report (2018) can be found in Section 9.

3. Company Overview

Figure 38: Infrastructure of Curragh operations

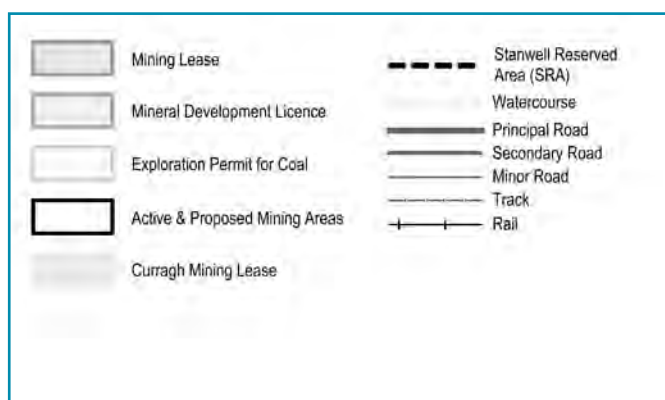
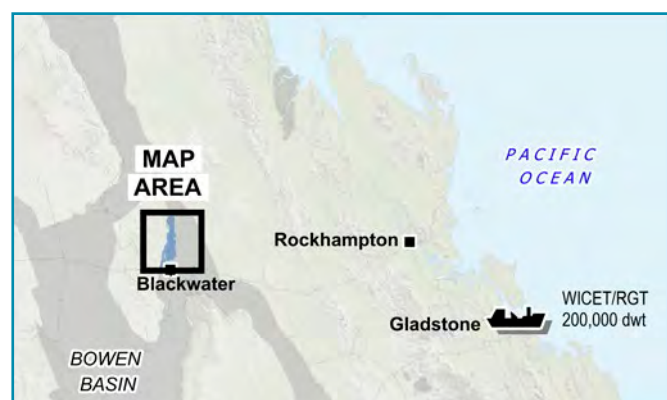
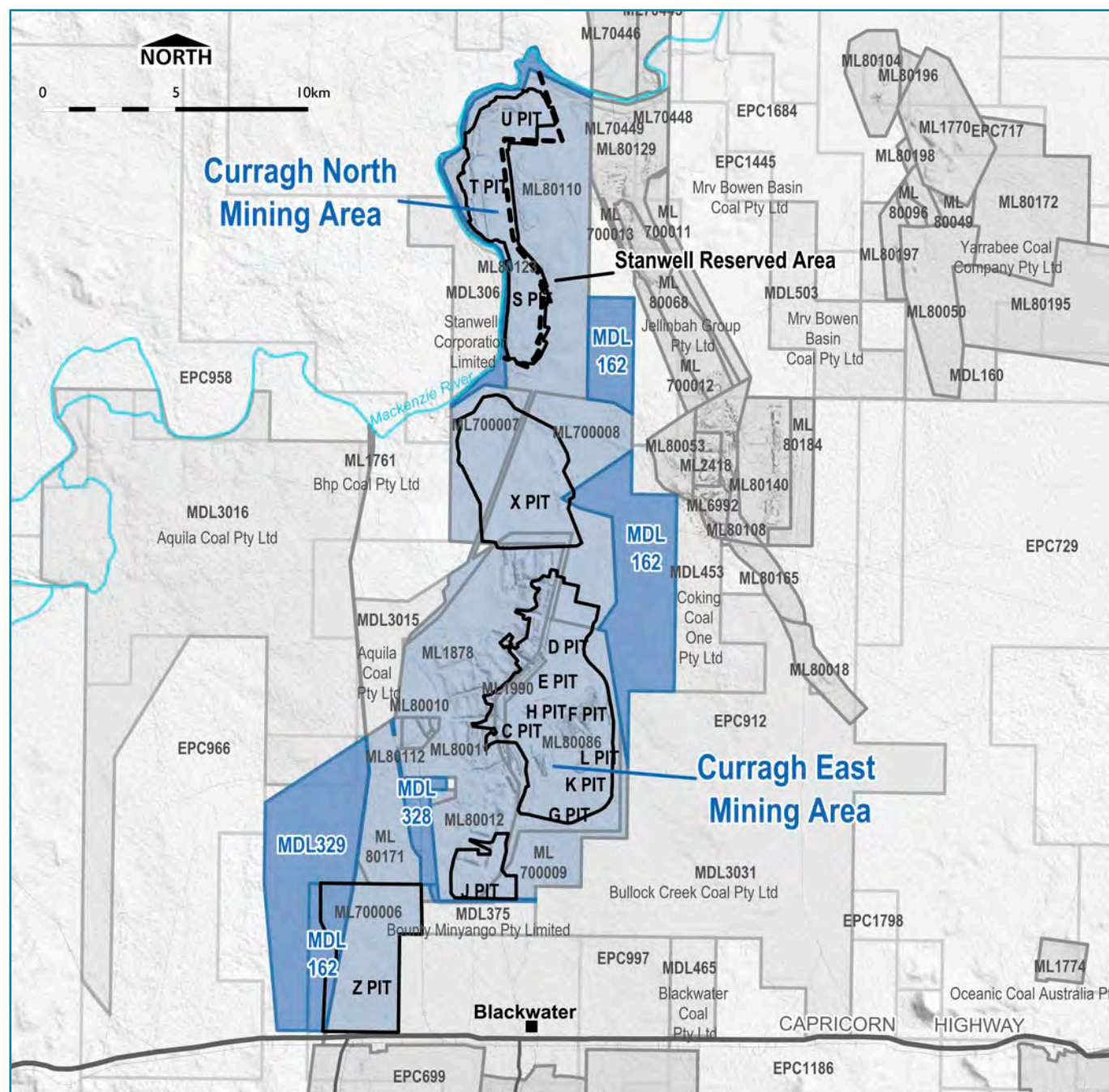
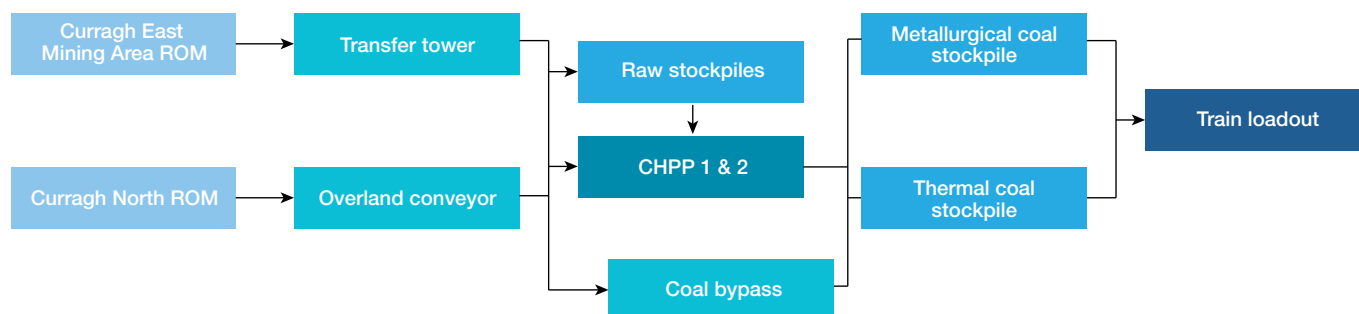


Figure 39: Operational flow of Curragh coal



Stanwell contracts and commitments

As part of Coronado's operations, Coronado has a Coal Supply Agreement (**CSA**) with Stanwell to supply thermal coal to the Stanwell Power Station. The CSA formed part of a larger transaction in connection with Coronado Curragh securing mining rights from Stanwell for part of the Curragh North Mining Lease (ML 80110). A proportion of the Curragh North Mining Lease, the SRA, was reserved for the benefit of Stanwell and could not be mined without Stanwell's consent. Under the CSA, Coronado pays certain rebates to Stanwell on met coal exported from the Curragh East Mining Area and the Curragh North Mining Area.

On 14 August 2018, Coronado entered into the Supply Deed with Stanwell.

The Supply Deed grants Coronado the right to mine the coal reserves contained in the SRA and in exchange for these rights Coronado 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. The Supply Deed contains a binding terms sheet agreed between the parties in relation to the terms of the NCSA (**Binding Terms Sheet**).

The immediate implication for Coronado is that Stanwell will terminate the Reversion Deed that reserves access to the SRA to Stanwell. This will give Coronado immediate access to the SRA which will enable expansion of mining of the Curragh North Mining Area. Coronado can immediately commence pre-stripping activities in the SRA; however, Coronado may not extract any coal from the SRA until it provides to Stanwell an enforceable security (ranking second behind Coronado's external financiers) in an agreed form to secure Coronado's performance under the NCSA and its obligation to mine certain ROM tonnages during the term of the CSA (which is currently expected to expire in 2027).

The expansion of mining to the SRA will provide Coronado with access to 318 Mt of Resources¹, which Coronado will now be able to evaluate and potentially develop, which is expected to extend the life of the Australian Operations until around 2038.²

The Supply Deed is expected to provide Coronado with additional incremental value through:

- further optimisation to reduce mine cash costs per tonne by displacing higher strip ratios;
- earlier extraction of coal from the SRA; and
- increase in incremental total volumes from the Curragh North Mining Area.

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. The NCSA is expected to commence in 2027, and in any event will not commence later than 1 January 2029. No export rebates are payable during the term of the NCSA. The net present value of the consideration is approximately US\$155.2 million, which will be recorded as a deferred consideration in the Coronado balance sheet.

1. Coronado has not reported any coal within the SRA in its current Reserves, although it is included in the reported Resources. The coal within the SRA is not included in the current mine plan but rather represents a potential future addition.

2. This represents the Company's current expectation of potential mine life extension and is not a production target. Further work will be undertaken on the mine plan for the SRA.

3. Company Overview

Arrangements under the current CSA

Coronado must provide Stanwell a minimum quantity of thermal coal (the 'Base Contract Tonnage') over the term of the CSA (and, subject to elections by Stanwell, certain option tonnage under an 'Option Tonnage Regime'). This delivery obligation is currently expected to be satisfied by FY2027. Coal is sold at an agreed contract price (escalated by 75% of CPI), which is currently less than Coronado's cost of supply. A majority of the thermal coal produced by Coronado is currently sold to Stanwell.

Coronado pays Stanwell the following rebates on coal that is exported from the Curragh East Mining Area and Curragh North Mining Area during the term of the CSA. Some of these rebates are linked to a rolling 12-month weighted average of the actual A\$ export price received by Coronado for met coal that meets the defined and agreed specification. The value that Coronado expects to realise for sales of coal meeting this specification is a discount of approximately 30% to the HCC benchmark price (being the Queensland LVCC coal benchmark for HCC as set out in Section 4.9.2.2). The applicable rebates are as follows:

- an export price rebate of:
 - **Tier 1 Rebate (capped at 7 Mtpa exports):** Payable on coal sold up to (and including) 7.0 Mtpa when the reference price >A\$68/t FOB (June 2018), escalated quarterly at 1% per annum. Rebate 25% of difference between the reference price and A\$68/t multiplied by export tonnes;¹ and
 - **Tier 2 Rebate (exports > 7 Mtpa):** Payable on coal sold above (and excluding) 7.0 Mtpa when the reference price >\$115/t FOB (June 2018), escalated quarterly at 100% CPI (using the applicable quarterly compounding factor). Rebate 10% of difference between the reference price and A\$115/t multiplied by export tonnes.¹
- A tonnage rebate of:
 - A\$0.70 per tonne (escalated at 1% per annum since 1 July 2002 (calculated quarterly)) for the first 7.0 Mtpa of exports; and
 - A\$0.70 per tonne (escalated at CPI since 1 July 2008 (calculated quarterly)) for any export tonnes in excess of 7.0 Mtpa; and
- a ROM rebate of A\$2.00 per tonne (escalated quarterly for CPI increases since 1 July 2008) for coal mined from the 'Pit U East Area' in the Curragh North Mining Area (which originally formed part of the SRA).

The rebates apply to all coal tonnage exported from the Curragh East Mining Area and the Curragh North Mining Area (subject to limited exceptions) but not to MDL 162.

To ensure that Stanwell continues to receive a minimum amount of export rebates under the CSA for its remaining term, Coronado undertakes to mine a minimum number of ROM tonnes per year (pro rata for any partial contract years) and a minimum number of ROM tonnes in aggregate from ML 80110 from 1 July 2018 until the final delivery date under the CSA. If these minimum tonnages are not mined, Coronado will be required to pay a 'top-up' export rebate amount calculated as if those minimum tonnages had in fact been mined and exported from ML 80110. Coronado currently expects to mine in excess of the required minimum tonnage from ML 80110 up to the final delivery date.

Arrangements under the NCSA

As set out in the Binding Terms Sheet, the NCSA will be broadly based on the terms of the CSA, except that:

- no export rebates are payable during the term of the NCSA;
- Coronado's coal supply obligation will commence on the earliest of:
 - the day after the final delivery date under the CSA;
 - the day after the CSA terminates, if it does so prior to the final delivery date; and
 - 1 January 2029;
- the parties currently expect that the NCSA will have a term of 10 years and Coronado will supply to Stanwell 2 million 'Tonnes Equivalent' of thermal coal per annum (based on a nominal GCV of 25.6 GJ) at a fixed contract price that varies in accordance with agreed formulae, inclusive of all statutory charges and royalties in respect of coal sold and delivered under the NCSA;

1. Subject to limited exceptions.

- each of the supply term, contract tonnage and contract price under the NCSA is subject to adjustment in accordance with a financial model agreed between the parties. In summary, the parties have agreed that the total value of the discount received by Stanwell on coal supplied to it under the NCSA should (by the expiry date of the NCSA) be equal to the net present value of the coal contained within the SRA at the date of the Binding Terms Sheet; and
- where the NCSA is terminated prior to final delivery, Coronado is required to pay to Stanwell a termination payment which:
 - if the termination is for any reason other than Coronado's default, will be calculated based on the agreed value of the SRA less the total value of the discount received by Stanwell on coal supplied to it up to the date of termination; and
 - if the termination is for Coronado's default, the termination payment will potentially include a top-up amount should the market price of coal at the time of termination be greater than the price included in the financial model.

Stanwell may elect:

- on a quarterly basis, to receive coal, and deal with it as it sees fit; or
- once per annum, to receive in lieu of coal the agreed value of the coal discount in cash, with such payment being made at the same time as the coal deliveries that Stanwell elected not to take. Coronado would be released from any obligation to supply that coal.

Section 11.5 on material contracts contains further details regarding the NCSA and Binding Terms Sheet.

3.3.1.3 MDL 162

MDL 162 is a 100%-owned development project situated between and adjacent to the Curragh East Mining Area and Curragh North Mining Area (refer to Figure 38).

MDL 162 (including those areas of MDL 162 which are now covered by mining leases (including ML 70006, ML 70007, ML 70008 and ML 70009)) has Reserves of 83 Mt (with Marketable Reserves of 54 Mt) and Resources of 238 Mt.¹ The project is expected to produce coal products suitable for export markets.

Coronado has undertaken a preliminary assessment of MDL 162, which has indicated the potential for synergies from integration with the existing Curragh operation, as well as product optimisation through sequencing into the mine plan.

3.3.2 US Operations

3.3.2.1 US Operations overview

Coronado's US Operations comprises three producing complexes, two development projects and one idled asset.

Table 17: Coronado's US Operations

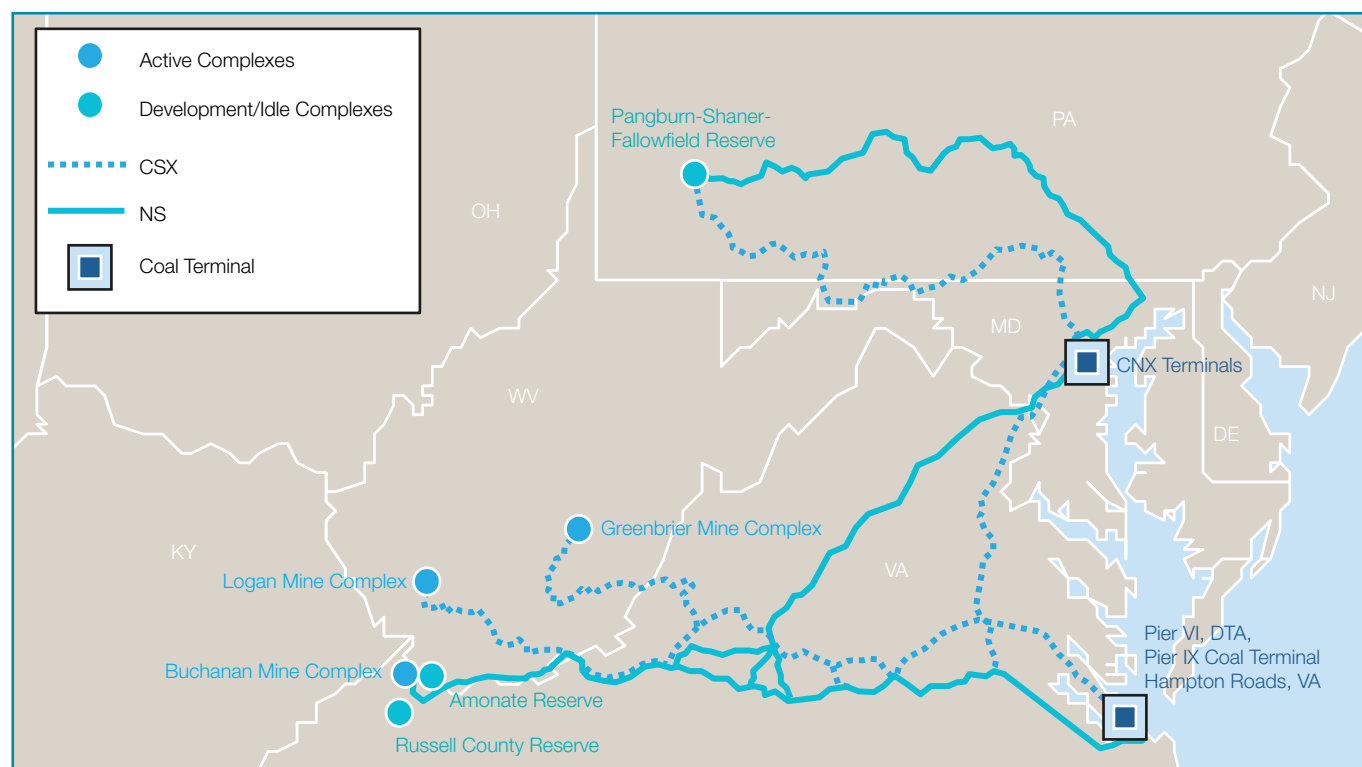
Producing complexes	• Buchanan – located in the state of Virginia • Logan – located in the state of West Virginia • Greenbrier – located in the state of West Virginia
Development projects	• Pangburn-Shaner-Fallowfield – located in the state of Pennsylvania • Russell County – located in the state of Virginia
Idled asset	• Amonate – located in the states of West Virginia and Virginia

1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves. Note that Figure 38 shows only those areas of MDL 162 which are not covered by a current mining lease.

3. Company Overview

Figure 40 shows Coronado's US Operations and their proximity to existing rail lines and coal export terminals.

Figure 40: Location of US Operations



Coronado's US Operations have substantial Resources and Reserves, as shown in Table 18.

Table 18: Resources and Reserves for Coronado's US Operations (Mt)¹

	Producing complexes			Development projects and idled asset		
	Buchanan	Logan	Greenbrier	Pangburn-Shaner-Fallowfield	Russell County	Amonate
Reserves						
<i>Proved</i>	173	103	28	120	37	53
<i>Probable</i>	11	55	32	80	10	80
Total Reserves	185	158	61	201	47	133
<i>Proved Marketable</i>	110	59	15	89	23	24
<i>Probable Marketable</i>	7	30	14	59	5	32
Total Marketable Reserves	117	89	29	147	27	56
Resources						
<i>Measured</i>	215	155	56	296	135	128
<i>Indicated</i>	46	66	34	194	22	194
<i>Inferred</i>	–	1	1	3	1	33
Total Resources (inclusive of Reserves)	261	222	92	493	157	356

1. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves. Note that totals may not sum due to rounding.

Coronado's US Operations offer a range of met coal products, with significant production of HCC, comprising Low-Vol, Mid-Vol and High-Vol (including HVA and HVB) products. This coal product mix provides customers with enhanced blending opportunities, which is valued by both US and international steelmakers. This blending potential also creates flexibility for Coronado to respond to changes in market demands. Table 19 shows the coal specifications for Coronado's US Operations.

Table 19: Coal quality specifications¹

Met coal specifications	Buchanan		Logan			Greenbrier		
	HCC	PCI coal	HVA	HVB	Thermal	Met	High-Ash Met	PCI coal
Volatile matter (%) (adb)	18.0	18.0	32.5	37.0	36.0	25.0	25.0	25.0
Ash (%) (adb)	5.50	6.00	7.50	8.00	12.50	7.50	13.00	10.00
Sulphur (%) (adb)	0.75	0.85	0.9	0.95	1.0	1.0	1.1	1.1
BTU	NA	NA	NA	NA	12,300	NA	NA	NA
CSN (FSI)	8.5	NA	8.0	8.0	NA	8.00	8.00	NA
Fluidity (ddpm)	130	NA	30,000	25,000	NA	2,000	2,000	NA
MMR (%) (adb)	1.69	NA	1.04	0.93	NA	1.25	1.25	NA
CSR (%) (adb)	40.00	NA	62.00	58.00	NA	68.00	65.00	NA
Moisture	7.50	7.50	7.50	8.00	7.50	8.00	8.00	8.00

Coronado's US Operations have a number of transport infrastructure options available to deliver coal to both domestic customers and export markets. As shown in Table 20, all three producing complexes have transportation access via rail, river barge and/or truck, which can help mitigate concerns over potential disruptions in transportation routes to Coronado's supply.

Table 20: Transportation access

	Rail		Port					Truck
	Domestic and Export		Export			Domestic	Domestic	Domestic
Complex	CSX	NS	DTA	CNX	Pier VI	Pier IX	Kanawha	
Buchanan		✓		✓	✓		✓	✓
Logan	✓		✓	✓		✓	✓	✓
Greenbrier	✓		✓	✓		✓	✓	✓

1. Management information based on Marketable Reserves.

3. Company Overview

3.3.2.2 Buchanan



Key highlights

- One of the lowest operating cost Low-Vol mines in the US as measured by cash cost per tonne¹
- One of the largest met coal producing mines in the CAPP based on 2017 production and accounting for 61% of Coronado's US production²
- Extensive met coal Reserves to supply domestic and international steel mills
- Produces a primarily low-ash, low-volatile, medium-sulphur high quality HCC

1. Wood Mackenzie Coal Supply Service, Q1 2018.

2. Based on Mine Safety and Health Administration (MSHA) Mine Data Retrieval System (Buchanan production based on management records) and Energy Venture Analysis data (February 2018).

Snapshot

Location	- Near the town of Oakwood in Buchanan County, Virginia within the CAPP geological province - Covers approximately 357 km²
Ownership	100% Coronado 24% of the land comprising Buchanan is owned by Coronado outright and 76% is under lease from private landholders under approximately 90 individual leases. All of the leases expire upon exhaustion of the relevant coal Reserves¹
Year opened	1983
Year acquired	2016
Reserves	185 Mt (with Marketable Reserves of 117 Mt)²
Resources	261 Mt²
Implied Reserve life	Approximately 24 years (based on Marketable Reserves and 2017 production)
Operating mines/ mining type	One underground mine using the longwall mining method
Product coal	- Primarily low-ash, low-volatile, medium-sulphur HCC - The coal is washed (to remove impurities) at a 65% – 70% yield (yield of coal post washing) to a 5.5% – 6.0% ash level, further increasing the quality
2017 key markets	27% US domestic market (Low-Vol met/Low-Vol PCI) 73% export market (Low-Vol met/Low-Vol PCI)
2017 saleable production	4.9 Mt (100% met coal)
2017 cash costs	Approximately US\$43 per tonne³
Royalties	- The tonnage royalties at Buchanan range from 3.5% to 6% - No 'wheelage fees' are applicable at Buchanan⁴ - An overriding royalty is payable to CONSOL Energy Inc., which is detailed further in Section 11.5.5.1
Excise, reclamation and severance taxes	- Buchanan is subject to a black lung excise tax of US\$1.10 per short ton for underground mining and an Office of Surface Mining (OSM) federal reclamation tax of US\$0.12 per short ton for underground mining. However, there is no federal tax (black lung) on exported tonnage or purchased tonnage (coal mined by another company and purchased by Coronado) at this complex - Additionally Buchanan is subject to a US\$0.045 per short ton bonding fee (which amount is contributed to a state funded bond pool) - Buchanan is subject to a state severance tax of 2% for all coal sold

1. Subject to Coronado exercising its renewal rights.

2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

3. Cash production cost per tonne includes division general & administration but excludes sale-related costs, freight cost and royalties.

4. 'Wheelage fees' are fees payable on coal mined and removed from properties other than the particular leasehold and hauled across the leasehold premises.

3. Company Overview

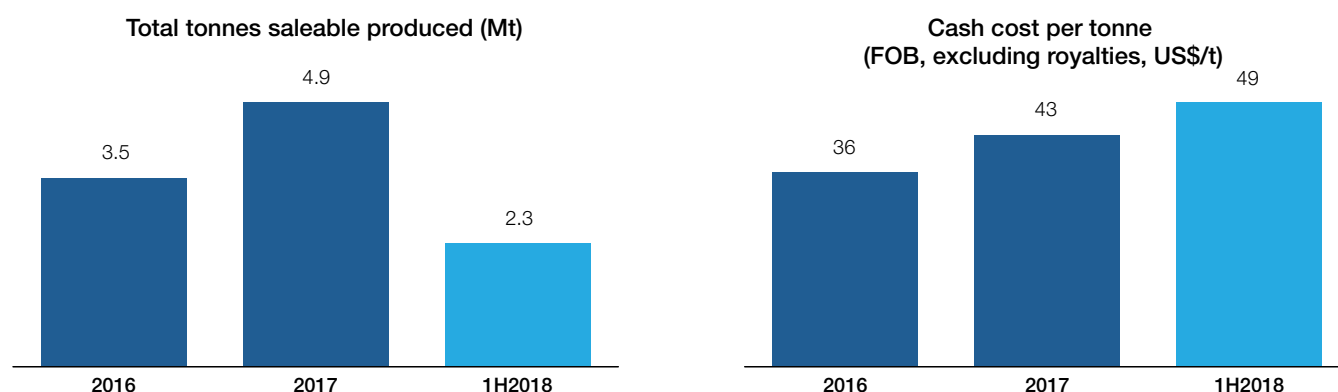
INTRODUCTION

Buchanan operates on owned or leased land spanning approximately 357 km² and there are approximately 90 individual leases granted by private entities to Coronado. The complex first commenced production in 1983 with longwall mining beginning in 1987. Refer to Section 2.2.4 for an overview of the different coal mining techniques.

In 2017, Buchanan was the largest met coal producing mine in the CAPP, surpassing its nearest competitor by 1.8 Mt.¹ Buchanan is one of the lowest operating cost Low-Vol mines in the US as measured by cash cost per tonne.²

Figure 41 shows Buchanan's historical production and cash costs.

Figure 41: Historical production³ and cash costs⁴



Refer to Section 4.8 for a discussion on historical movements in saleable tonnes produced and cash cost per tonne.

Geology and mining

Buchanan's Reserves consist of low-volatile, medium-sulphur, low-ash HCC. Typical characteristics of this coal include volatile matter content of 17% – 19%, total moisture of 7.5%, ash of 5.5% – 6.0%, sulphur content of 0.8% and a CSN of 8.5. These qualities are highly desirable in met coal and make it well suited to the global export market for high quality met coals.

Buchanan produces a Low-Vol HCC whose quality is sought by steelmakers worldwide. Buchanan's key markets globally include China, Europe, Brazil, India and North America (in both the HCC and PCI coal markets). Coal is mined from the Pocahontas #3 Seam (1.7 metres – 3.2 metres seam height) of the Lower Pennsylvanian Pocahontas Formation. The seam has an average thickness of 1.9 metres within the mining area. Due to the high value of this Low-Vol met coal, it has been extensively mined in the region. The seam is situated below drainage throughout the property and is accessed by vertical shafts. The seam thickness allows for efficient longwall mining where coal is sheared away from the seam in sheets. This method is noted to have a higher productivity and resource recovery rate than other underground methods, as well as enhanced safety through hydraulic roof supports that are a part of the longwall mining machinery which provides protection against roof collapse. The increased resource recovery rate contributes to Buchanan's low-cost profile.

1. Based on MSHA Mine Data Retrieval System (Buchanan production based on management records).

2. Wood Mackenzie Coal Supply Service, Q1 2018.

3. 2016 total tonnes produced captures 9 months of production.

4. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight costs and royalties.

Operations

The Buchanan mine extracts coal using a single longwall system supported by six continuous miner sections. The continuous miner sections are deployed to develop main entries and gate roads in preparation for the longwall. Each continuous miner section is equipped with two continuous miners, two roof bolters and three coal haulage units.

Production is scheduled for approximately 320 days each year, which represents production on Monday through Sunday with allowances for holidays, longwall moves and scheduled maintenance. Each day, the continuous miner sections and longwall produce coal on three shifts. Productivity is planned at the rate of 13.7 metres (mains) to 21.3 metres (gate) of advance per shift of operation for the continuous miner sections, and 8.2 metres per shift of longwall retreat. A total of 591 employees are assigned to the mine.

Buchanan ships coal to domestic and export customers by truck, barge and the NS. For the export customers, the NS railway transports coal to Pier VI at Lamberts Point Coal Terminal located in Norfolk, Virginia, for transloading onto ocean going vessels.

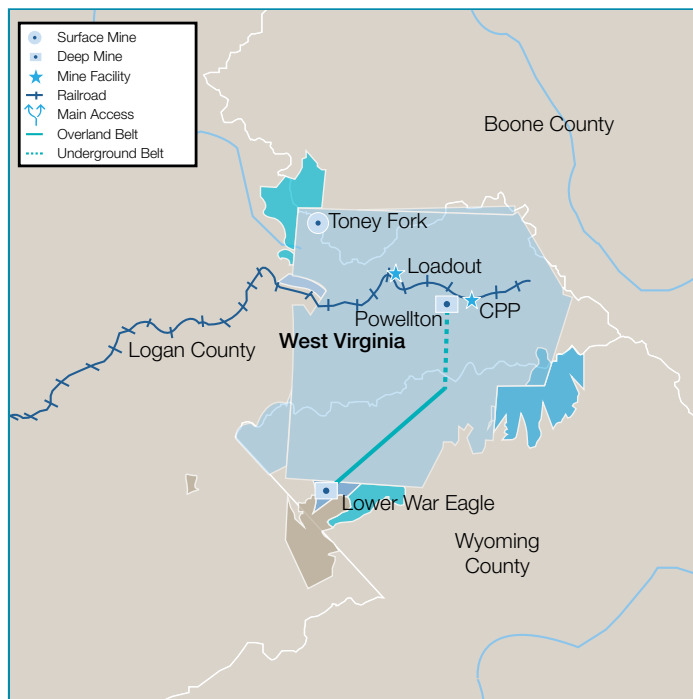
Table 21: Operational characteristics of Buchanan

Size of project	Approximately 357 km²
Number of mines	One underground mine
Mining method	Longwall
Coal processing	- Buchanan ROM coal is transported to a skip hoist by conveyor belts, where the coal is then lifted to the surface - Two bunkers allow storage of up to 5,400 tonnes of coal, managing the flow of coal both from the face and to the coal preparation plant (CPP) - Buchanan ROM coal is washed in a CPP that has a nameplate capacity of 1,270 raw tonnes per hour (TPH). The heavy medium coal CPP has an average yield of approximately 67% - Buchanan product coal is then sold on an FOR basis at loadout
Types of coal	- Low-Vol HCC met coal - Premium Low-Vol PCI coal
Key markets	- While coal is typically sold on a FOR basis, Coronado does have rail contracts to sell FOB (coal sold at port) on a spot basis - Since 2016, 26% of tonnes sold were to domestic customers on annualised contracts while 74% entered the spot market - In 2017, key export destinations included China 23%, North America 24%, Europe 34% and South America 17% - In 2017, 70% of sales were Low-Vol HCC and 30% Premium Low-Vol PCI coal
Transportation	- Transported via NS railway to domestic steel makers and Lamberts Point Coal Terminal Pier VI for export customers. Rail and barge access is also available for domestic customers - Buchanan has a 3,175 TPH flood load railcar loadout station connecting to the NS railway - The Buchanan mine complex also has alternate port access through CNX in Baltimore, Maryland
Environmental management	- Buchanan mine complex holds 16 state permits with associated National Pollutant Discharge Elimination System (NPDES) permits and received no violations in 2017.¹ Each complex manages water sampling and monitoring, reclamation, drainage compliance, hazardous waste and radioactive decay, and other pertinent environmental controls - Reclamation responsibilities at Buchanan include US\$43 million of expected expenditures between 2049 and 2053

1. Refer to Section 11.6.2.8 for more information on the MSHA.

3. Company Overview

3.3.2.3 Logan



Key highlights

- Long history of high quality production
- Large Reserve of premium quality High-Vol met coal
- The high-volatile, low-ash coal produced at the Logan mine complex expands the blending capabilities of Coronado, providing access to a more diverse customer base
- Logan has multiple transportation options, via rail and truck, reducing the risk of disruptions to supply for customers

Snapshot

Location	- Boone, Logan and Wyoming Counties in southern West Virginia, within the CAPP geological province - Covers a 104 km² area
Ownership¹	100% Coronado - Coronado accesses the Logan mine complex through six subleases making up 80% of the entire complex along with nine additional individual leases and subleases. All leases have expiry dates ranging from 2032 (at the earliest) to exhaustion of the coal mined (for the majority of the leases). For those leases expiring prior to exhaustion, the level of Reserves that would be impacted by non-renewal are not considered by Coronado to be material (approximately 0.2 Mt)
Year opened	2005
Year acquired	2014
Reserves	158 Mt (with Marketable Reserves of 89 Mt)²
Resources	222 Mt²
Implied Reserve life	Approximately 34 years (based on Marketable Reserves and 2017 production)
Operating mines/mining type	Three mines consisting of one surface mine (contour and highwall mining) and two underground mines (bord and pillar)
Product coal	HVA HCC, HVB HCC and thermal coal
2017 key markets	- Domestic – HVA: 26% (2017) - Domestic – HVB: 7% (2017) - Domestic – Thermal: 4% (2017) - Export – HVA: 30% (2017) - Export – HVB: 3% (2017) - Export – Thermal: 30% (2017)
2017 saleable production	2.6 Mt (comprising 1.7 Mt met coal and 0.9 Mt thermal coal)
2017 cash costs	Approximately US\$58 per tonne³
Royalties	- The tonnage royalty rates at the Logan mine complex vary by lease and mining method. Royalties range from 3.0% to 10% for underground production and from 6.5% to 12.5% for surface production, including auger and highwall mining.⁴ The leases controlling the majority of the Logan reserves have rates of 8% for underground mining, 8% for contour, auger or highwall mining and 9% for other types of surface mining.^{4,5} - A certain number of the leases at Logan are also subject to 'wheelage fees' specific to the major leaseholder and a select group of other leases from 0.25% to 1% for adverse coal (coal mined and removed from properties other than the particular leasehold and hauled across the leasehold premises)
Excise, reclamation and severance taxes	- Logan is subject to a black lung excise tax of US\$1.10 per short ton for underground mining and US\$0.55 per short ton for surface mining, an OSM federal reclamation tax of US\$0.12 per short ton for underground mining and US\$0.28 per short ton for surface mining and a state reclamation fee for total tons mined and clean tons sold with a combined total of US\$0.30 per short ton. There is no federal tax (black lung) on export tonnage or purchased tonnage (coal mined by another company and purchased by Coronado) - Logan is subject to a state severance tax of 5% for all underground coal mined and sold from seams greater than 1.1 metres, 2% for underground coal mined and sold from seams that are 0.9 metres – 1.1 metres and 1% for all underground coal mined and sold from seams less than 0.9 metres. All surface coal mined is subject to a state severance tax of 5%

1. See Section 5.1.7.2 for discussion on the change of control risk for Logan leases.

2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

3. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

4. Although one lease contains a 20% royalty for auger mining, no auger mining has occurred and Coronado has no current plans to auger mine.

5. One sublease requires an additional 1.5% royalty to the base lessor and a US\$0.10 per short ton rate payable to the sublessor.

6. Although one lease contains a 20% royalty for auger mining, no auger mining has occurred and Coronado has no current plans to auger mine.

3. Company Overview

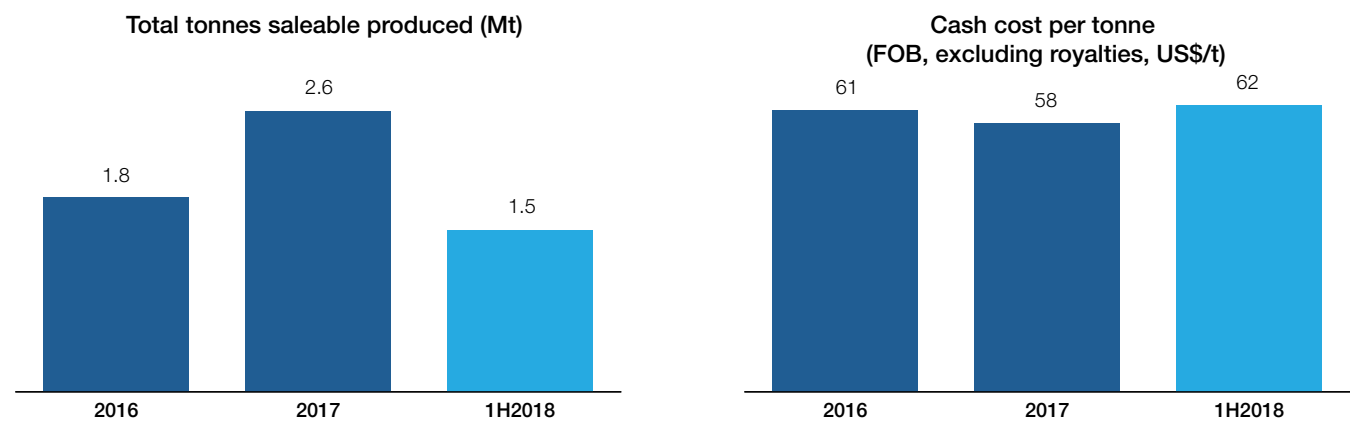
Introduction

Coronado leases land (for coal) within the Logan mine complex, which spans 104 km². Coronado has full control of the complex.

The Logan mine complex has a large reserve of premium quality High-Vol met coal, complemented by a long history of high quality production. Logan’s reserves are one of the largest contiguous blocks of premium, high quality, low-cost High-Vol coal in North America. The thermoplastic (fluidity) properties of the coal produced at Logan make it well suited for cokemaking and its coal has a well established reputation for quality in both the domestic and export marketplaces.

Figure 42 shows Logan historical production and cash costs.

Figure 42: Historical production and cash cost¹



Refer to Section 4.8 for a discussion on historical movements in saleable tonnes produced and cash cost per tonne.

Geology and mining

The two underground mines produce High-Vol met coal using bord and pillar retreat mining methods utilising continuous miner equipment. The Toney Fork Surface mine Reserves are located closer to the surface, allowing Coronado to take advantage of less costly surface mining techniques including contour mining methods.

The coal-bearing formations at Logan include the Allegheny Formation, which occurs near the ridge tops in the northern portion of the tenement and the upper section of the Kanawha Formation, which comprise the major portions of the exposed ridges. The Allegheny Formation is comprised of cyclic sequences of sandstone, shale, thin limestone, clay, and bituminous coal. The Kanawha Formation is a coal bearing sequence of sandstones, siltstones, shales, and mudstones with minor occurrences of siderite, limestone and flint clay.

The coal produced at Logan displays high-volatile coking characteristics, ranging from 31% to 37% volatile matter, less than 1% sulphur, as well as low ash.

1. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

Operations

The Lower War Eagle mine extracts coal from the Lower War Eagle Seam, the Powellton #1 mine extracts from the Powellton Seam, the Toney Fork #1 mine will extract from the Eagle (No. 2 Gas Lower) Seam and the Toney Fork Surface mine extracts multiple seams from the Clarion to the Lower Winifrede. A majority of the mineable seams are in the Kanawha Formation. The seams contain bituminous coal and average 0.9 metres – 2.1 metres in height.

Table 22 provides an overview of the different mines at Logan.

Table 22: Snapshot of current and near-term Logan operation mines

Project	Powellton #1	Lower War Eagle	Toney Fork Surface	Toney Fork #1 (Dingess)	Surface/G&A
Mine type	Underground	Underground	Surface	Underground	Plant/Loadout/Other
Mining method	Bord and pillar retreat mining	Bord and pillar retreat mining	Contour and highwall mining methods	Bord and pillar retreat mining	NA
Operating	Yes	Yes	Yes	Scheduled to open 2020	Yes
2017 met coal production	1.0 Mt	0.7 Mt	–	NA	NA
2017 thermal coal production	nil	nil	0.9 Mt	NA	NA
Employees	187	184	75	NA	108
Contractors	35	3	4	NA	11

MM&A has forecast that, over the life-of-complex, additional underground and surface mines will be scheduled for construction when additional reserves are scheduled to be mined. Further detail on the MM&A forecast can be found in Section 10.

3. Company Overview

Table 23 highlights the key operational characteristics of Logan.

Table 23: Operational characteristics of Logan

Size of project	• 104 km²
Number of mines	• Two underground mines (Powellton #1 and Lower War Eagle) • One surface mine (Toney Fork Surface)
Mining method	• Powellton #1 and Lower War Eagle utilise bord and pillar retreat mining using continuous miner equipment • Toney Fork Surface utilises a combination of contour and highwall mining methods (allows extraction of coal in terraced strips at targeted seams)
Coal processing	• The Logan mine complex contains a 950 tonnes per hour CPP with heavy medium and fine coal circuits on site • Logan coal is washed with an average yield of 32%
Types of coal	• High quality HVA HCC and HVB HCC met coals • 12,300 BTUs thermal coal
Key markets	• Logan's key domestic customers include all major US steelmakers • Logan's key export destinations in 2017 included Europe (35%), South America (15%) and India (5%) • Coal is primarily sold FOR at loadout
Transportation	• Domestic coal from Logan is transported via the CSX • International coal from Logan is transported on the CSX to Pier IX in Hampton Roads, Virginia, for export
Environmental management	• Logan holds 21 state permits with associated NPDES permits and received seven environmental violations in 2017,¹ and all incidents have since been addressed. Each complex manages water sampling and monitoring, reclamation, drainage compliance, hazardous waste and radioactive devices and other pertinent environmental controls • Reclamation responsibilities at Logan of US\$35 million of expected expenditures spend between 2027 and 2055

1. Please see Section 11.6.2.8 for more information on the MSHA.

3.3.2.4 Greenbrier



Key highlights

- Greenbrier has a large Reserve of premium quality Mid-Vol met coal
- Greenbrier produces a self-coking coal (a mix that does not require blending with other coals for use in the coking process) – however, it can also be used in a blend with other less attractive coals to create a high quality coke product, which expands Coronado's product offering

Snapshot

Location	• Greenbrier and Nicholas counties of West Virginia, within the CAPP geological province • Covers approximately 176 km²
Ownership	• 100% Coronado • Coronado leases the land comprising the Greenbrier mine complex under two leaseholds from two lessors with one major leasehold representing 72% of the complex's area. Expiry dates for these leases range from 2023 until exhaustion of the coal • Within the 176 km² area, approximately 50% of the Greenbrier Reserves to be mined could potentially be impacted by non-renewal of these leases prior to exhaustion of the coal. Such renewals and extensions are not unusual in the US and renewal of the leases is currently expected on the basis of Coronado's long-standing relationships with the relevant lessors and historical infrastructure investment in the area of the leases. In addition, Coronado owns the relevant land on which the CPP and refuse areas are situated, further reducing the risks associated with any non-renewal of the leases
Year opened	• 2008
Year acquired	• 2013
Reserves	• 61 Mt (with Marketable Reserves of 29 Mt)¹
Resources	• 92 Mt¹

1. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

3. Company Overview

Snapshot	
Implied Reserve life	Approximately 57 years (based on Marketable Reserves and 2017 production)
Operating mines/mining type	One underground bord and pillar mine and two surface contour and highwall mining operations
Product coal	Premium quality Mid-Vol met coal, PCI coal and thermal coal (including activated carbon specialty markets)
Key markets	- Domestic – Mid Vol: 10% (2017) - Domestic – Thermal: 5% (2017) - Export – Mid Vol: 75% (2017) - Export – PCI: 2% (2017) - Export – Thermal: 9% (2017)
2017 saleable production	0.5 Mt (comprising 0.4 Mt met coal and 0.1 Mt thermal coal)
2017 cash costs	Approximately US\$88 per tonne¹
Royalties	- The tonnage royalty rates for the Greenbrier mine complex vary by lease and mining method. Royalties range from 4% to 8% for underground mining and from 4% to 10% for surface mining generally (and up to 10% for auger and highwall mining specifically). There is an additional US\$0.50 per short ton overriding royalty payable to the major lessor - The major lessor receives ‘wheelage fees’ from the greater of 0.5% or US\$0.15 per short ton to 1.5% or US\$1.00 per short ton for adverse coal (coal mined and removed from properties other than the particular leasehold and hauled across the leasehold premises)
Excise, reclamation and severance taxes	- Greenbrier is subject to a black lung excise tax of US\$1.10 per short ton for underground mining and US\$0.55 per short ton for surface mining, an OSM federal reclamation tax of US\$0.12 per short ton for underground mining and US\$0.28 per short ton for surface mining and a state reclamation fee of US\$0.30 per short ton. There is no federal tax (black lung) on export tonnage or purchased tonnage (coal mined by another company and purchased by Coronado) - Greenbrier is subject to a state severance tax of 5% for all underground coal mined and sold from seams greater than 1.1 metres, 2% for underground coal mined and sold from seams that are 0.9 metres – 1.1 metres and 1% for all underground coal mined and sold from seams less than 0.9 metres. All surface coal mined is subject to a state severance tax of 5%

Introduction

Coronado leases 176 km² for Greenbrier and owns the CHPP and coal refuse area. Greenbrier extracts coal from leases spanning the 176 km² from two private landholders.

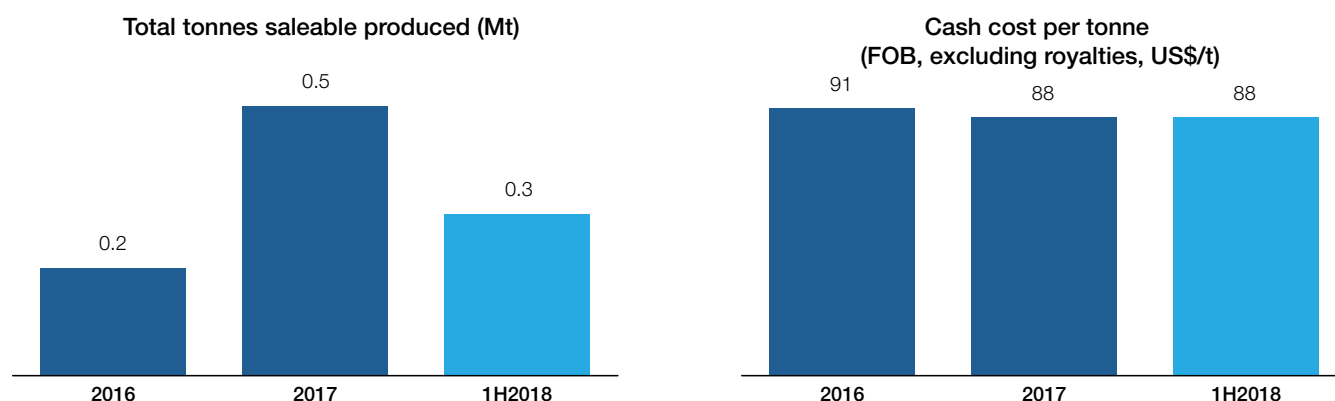
Greenbrier has a large Reserve of high quality Mid-Vol HCC. Its Reserve area has a long history of producing high quality Mid-Vol met coal with very low ash and mid sulphur.

Greenbrier produces a self-coking coal (a property mix that does not require blending with other coals for use in a blast furnace), but it is not economical as a standalone product. However, it can also be used in a blend with other less attractive coals to create a high quality coke product.

Table 25 shows Greenbrier’s historical production and cash costs.

1. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

Figure 43: Historical production and cash cost¹



Refer to Section 4.8 for a discussion on historical movements in saleable tonnes produced and cash cost per tonne.

Geology and mining

Greenbrier mines five coal seams, with Reserves located in the Sewell, Beckley and Fire Creek seams of the New River Formation and the Pocahontas No. 7 and Pocahontas No. 6 seams of the Pocahontas Formation. The seam height averages 0.6 metres – 2.1 metres, allowing for underground and surface mining. The Mid-Vol met coal characteristics of Greenbrier include 8% total moisture, 25% volatile matter, 3.0% – 13.0% ash, 1% sulphur and a FSI of 8. These qualities make Greenbrier's coal an ideal blending coal for the coking process, enhancing the ability of Coronado to serve a wide variety of steel mills with different coking requirements.

Due to the high value of these Mid-Vol coking coals, all of the seams have been extensively mined in the region. The rock formations between the coal seams are characterised by large proportions of sandstone interspersed with shale units. The coal seams reach the highest structural elevations along the south eastern margin of the property, generally dipping towards the northwest.

Operations

Mid-Vol met coal from Greenbrier is extracted through both underground (bord and pillar) and surface mining (contour and highwall) methods to take advantage of the varying depths of coal Reserves. The underground mine is Mountaineer Pocahontas Mine No. 1 and the surface mining operations are Pollock Knob CTR and Kuhn Ridge. The underground mine was idled in March 2016 and restarted in 2017.

Table 24 provides a snapshot of the different mines at Greenbrier.

Table 24: Snapshot of current and near-term Greenbrier operating mines

Project	Mountaineer Pocahontas No. 1	Pollock Knob CTR	Kuhn Ridge	Surface/G&A
Mine type	Underground	Surface	Surface	Plant/Loadout/Other
Mining method	Bord and pillar retreat mining	Contour and highwall mining	Contour and highwall mining	NA
Operating	Yes	Yes	Yes	Yes
2017 met coal production	0.1 Mt	0.1 Mt	0.2 Mt	NA
2017 thermal coal production	0.004 Mt	0.045 Mt	0.006 Mt	NA
Employees	12	25	47	26
Contractors	52	–	8	NA

1. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

3. Company Overview

MM&A has forecast that, over the life-of-complex, additional underground and surface mines will be planned for construction when additional reserves are scheduled to be mined. Further detail on the MM&A forecast can be found in Section 10.

Greenbrier offers multiple transportation options with rail access provided by the CSX. Like the other Coronado mines, rail access to Pier IX Terminal in Norfolk, Virginia, and alternate port access through the CNX in Baltimore, Maryland, allows coal to reach export markets around the world. Coal from Greenbrier is also transported via truck to the Kanawha River, where it is taken by barge to customers and ports.

Table 25 highlights the key operational characteristics of Greenbrier.

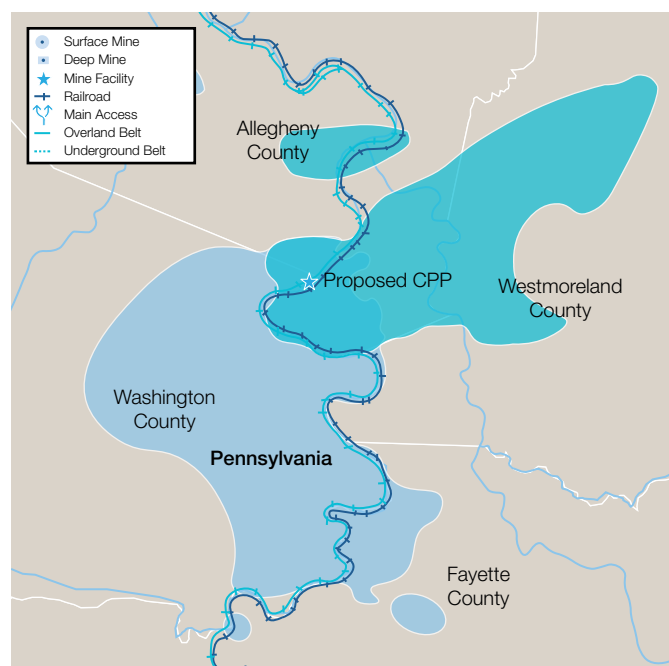
Table 25: Operational characteristics of Greenbrier

Project Size	• 176 km²
Number of mines	• One underground mine (Mountaineer Pocahontas No. 1) • Two surface mines (Pollock Knob and Kuhn Ridge)
Mining method	• Underground mine: bord and pillar • Surface mines: contour and highwall
Coal processing	• The Mountaineer Pocahontas No. 1 CPP with heavy, medium and fine coal circuits (including secondary heavy media circuit) is a 544 TPH facility • Greenbrier also has ROM infrastructure to enable direct shipment without processing • Coal mined at Greenbrier is both direct shipped and processed before it is sent to the rail loadout facility via overland belt for transport
Types of coal	• High quality Mid-Vol HCC met coal • PCI coal • Low-ash specialty coal • Thermal coal
Key markets	• Greenbrier's key markets domestically include all major US steelmakers, as well as specialty markets • Key export destinations in 2017 were Europe (38%), Asia (20%) and South America (20%)
Transportation	• Transportation of coal is via CSX, barge, or truck • Export coal is shipped at the Pier IX in Hampton Roads, Virginia
Environmental management	• Greenbrier holds 23 state permits with associated NPDES permits and received 12 environmental violations in 2017, and all incidents have since been addressed. Each complex manages water sampling and monitoring, reclamation, drainage compliance, hazardous waste and radioactive devices, and other pertinent environmental control • Reclamation responsibilities at Greenbrier of US\$7 million of expected spend between 2020 and 2033 and US\$5 million of expected expenditures between 2060 and 2069

3.3.2.5 Pangburn-Shaner-Fallowfield

The Pangburn-Shaner-Fallowfield Resources and Reserves are located in Southwest Pennsylvania in an established coal region. The Reserves include mineral deed ownership of 665 km² (approximately 95% of the Reserves area, with the remaining 5% leased) with 4 km² surface ownership.

Figure 44: Map of Pangburn-Shaner-Fallowfield project



Pangburn-Shaner-Fallowfield consists of 201 Mt of Reserves (with Marketable Reserves of 147 Mt)¹ and Resources of 493 Mt of High-Vol met coal and thermal coal located in the Upper Freeport Seam in an established coal region with existing rail and river access. There exists the potential to develop two-to-three separate mining complexes. Greenfield plans exist for the Pangburn-Shaner complexes with the owned surface for proposed infrastructure capable of producing over 2.5 Mtpa.² Coronado acquired the Pangburn-Shaner-Fallowfield asset through its acquisition of Buchanan in March 2016.

Table 26 and Table 27 highlight key characteristics of Pangburn-Shaner-Fallowfield.

Table 26: Met coal specifications of Pangburn-Shaner-Fallowfield³

Volatile matter (%) (d)	35
Ash (%) (d)	7.5
Sulphur (%) (d)	1.10
Btu/lb (d)	12,500
MMR	0.98
Fluidity (ddpm)	26,000+
Phosphorous (%)	0.014
CSR (%)	55
Moisture (%)	7.5

Table 27: Resources and Reserves for Pangburn-Shaner-Fallowfield (Mt)⁴

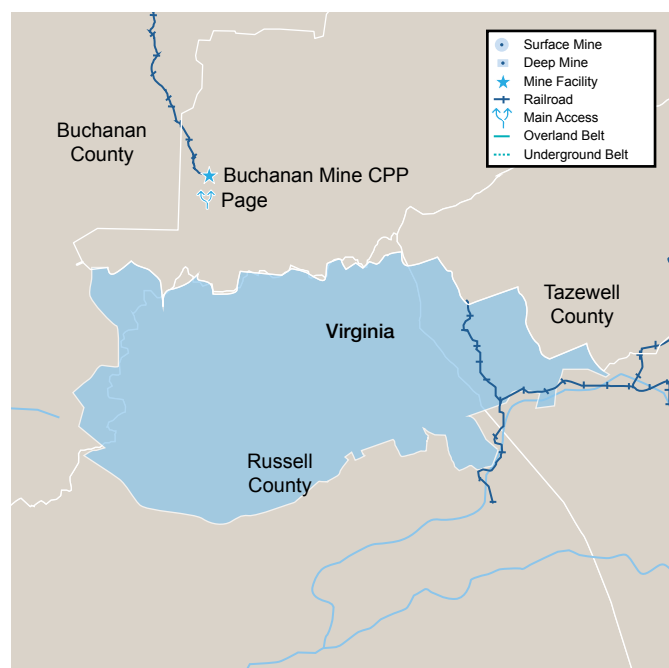
Reserves	
<i>Proved</i>	120
<i>Probable</i>	80
Total Reserves	201
<i>Proved Marketable</i>	89
<i>Probable Marketable</i>	59
Total Marketable Reserves	147
Resources	
<i>Measured</i>	296
<i>Indicated</i>	194
<i>Inferred</i>	3
Total Resources (inclusive of Reserves)	493

1. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.
2. This represents a potential production capacity for Pangburn-Shaner-Fallowfield and is not a production target. Further studies are required assess the feasibility and capital and operating costs associated with any potential development of Pangburn-Shaner-Fallowfield.
3. Management information based on Marketable Reserves.
4. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves. Note that totals may not sum due to rounding.

3. Company Overview

3.3.2.6 Russell County

Figure 45: Map of Russell County project



Russell County is a greenfield project located near Buchanan. The land comprising Russell County is 11% owned and 89% leased. Russell County is capable of potentially producing over 1.5 Mtpa¹ of high quality Mid-Vol met coal with Reserves at 47 Mt (with Marketable Reserves of 27 Mt) and Resources of 157 Mt.² The Resources and Reserves at Russell County are in the Upper Horsepen and Lower Castle coal seams. Coronado acquired the Russell County asset through its acquisition of Buchanan in March 2016. Were Coronado to begin mining the Russell County Reserves, there is a tonnage royalty rate ranging from US\$0.50 per short ton to 5.0% for all leased property.

Table 28 and Table 29 highlight key characteristics of the Russell County complex.

Table 28: Met coal specifications of Russell County³

Volatile matter (%) (d)	30.0
Ash (%) (d)	8.0
Sulphur (%) (d)	0.9
MMR	1.17

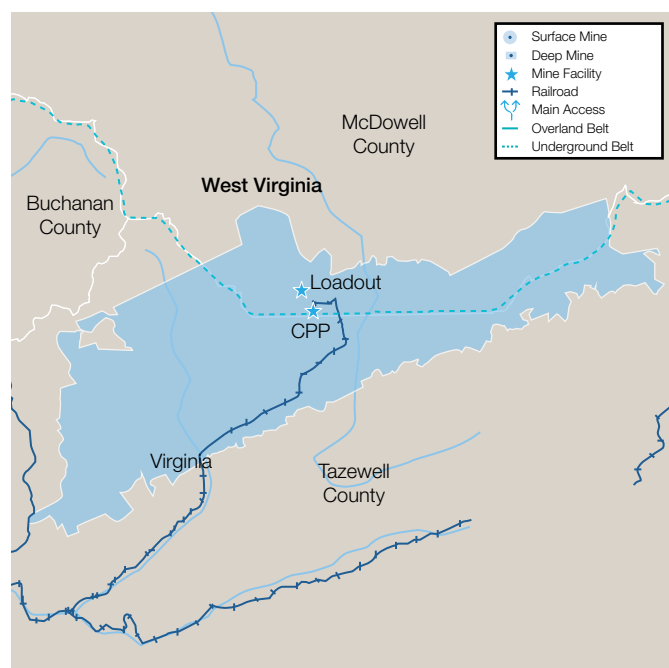
Table 29: Resources and Reserves for Russell County (Mt)⁴

Reserves	
<i>Proved</i>	37
<i>Probable</i>	10
Total Reserves	47
<i>Proved Marketable</i>	23
<i>Probable Marketable</i>	5
Total Marketable Reserves	27
Resources	
<i>Measured</i>	135
<i>Indicated</i>	22
<i>Inferred</i>	1
Total Resources (inclusive of Reserves)	157

1. This represents a potential production capacity for Russell County and is not a production target. Further studies are required assess the feasibility and capital and operating costs associated with any potential development of Russell County.
2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.
3. Management information based on Marketable Reserves.
4. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves. Note that totals may not sum due to rounding.

3.3.2.7 Amonate

Figure 46: Map of Amonate project



The Amonate complex is an idled established permitted complex with infrastructure capable of producing over 2.0 Mtpa. Coronado controls four coal seams, of which 98% are owned and 2% leased. There are high quality Mid-Vol met coal Reserves of 133 Mt (with Marketable Reserves of 56 Mt)¹ with an implied Marketable Reserve life of 28 years assuming a production rate of 2.0 Mtpa² and Resources of 356 Mt.³ The coal in these Reserves is classified as Mid-Vol with mid-sulphur and high heat content. Amonate has a production capacity of 0.8 Mtpa – 2.0 Mtpa.⁴ The tonnage royalty rates for the Amonate mining complex vary by lease and mining method. Royalties range from US\$0.10 per short ton to 8% (based on coal sales price) for deep mining and from US\$0.35 per short ton to 5% for strip or auger mining.

Coronado acquired the Amonate complex from CONSOL Energy Inc. as part of the Buchanan acquisition in March 2016. After CONSOL Energy Inc. re-opened the complex in 2011, it placed the complex under care and maintenance in 2013 due to poor market conditions. The plant at Amonate is in generally good mechanical condition and positioned to be restarted within a matter of months, although at present Coronado has no plans to restart production at the mining complex.

1. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.
2. This represents a potential production capacity for Amonate and is not a production target. At present, Coronado has no plans to restart production at Amonate.
3. Management statement based on Marketable Reserves.
4. Refers to potential production rate and is not a production target.

3. Company Overview

3.4 CORONADO'S OPERATING ESTIMATES

This Section sets out Coronado's operating estimates for its producing complexes at its Australian Operations and US Operations. Figures in this Section are presented on a real 2018 basis, which does not reflect the impact of expected future inflation, and is different to the Financial Information presented in Section 4, which is presented on a nominal basis. Although Coronado's management is not currently aware of any factors that it would expect to materially impact its operational estimates beyond the period presented below, Coronado expects to conduct periodic reviews of its operations going forward and, as a public company following the Offer, will provide updates to the market as required under its ASX-listed continuous disclosure obligations. Investors should be aware that Coronado's operational estimates presented below are based upon various assumptions, and are subject to a number of uncertainties, contingencies and risks, that could cause actual performance and results to differ, perhaps materially, from the performance and results anticipated in these estimates. In addition, many of the uncertainties, contingencies and risks are beyond the control of the Company, the Directors and management. Coronado's plans, including its mine plans, are also subject to change. Accordingly, no assurances can be given that these operational estimates will be achieved. These operational estimates should be read in conjunction with, and are qualified by reference to, the general and specific assumptions relating to the Forecast Financial Information included in Section 4.9, the risk factors set out in Section 5 and other information set out in this Prospectus.

The estimated Reserves underpinning the operating estimates for the Company's Australian Operations and US Operations contained in this Section have been prepared by a Competent Person in accordance with the JORC Code. Investors should note that Reserve estimates are regularly revised based on actual production experience or new information and could therefore be expected to change. In addition, there are risks associated with such Reserve estimates, including that coal mined may be of a different quality, tonnage or strip ratio from those in the estimates and the ability to economically extract and process the coal may not eventuate. Reserve estimates are necessarily imprecise and depend on interpretations and geological assumptions, coal prices, cost assumptions and statistical inferences which may ultimately prove to be incorrect or unreliable. There are inherent uncertainties in estimating Reserves, which require the consideration of a number of factors, assumptions and variables, many of which may be beyond Coronado's control and cannot be ascertained despite investigation. Further details on the estimation of Resources and Reserves are set out in Sections 9 and 10.

In this Section, operating estimates for the Australian Operations and US Operations have been presented on an Australian dollar and US dollar basis, respectively, consistent with the basis on which they have been prepared.

3.4.1 Approach to business planning

Coronado undertakes a rigorous approach to business planning, which includes the production of:

- an 18-month business plan (**18-month Plan**) that includes operating estimates of production, costs and capital expenditures for its producing complexes; and
- a five-year business plan (**Five-year Plan**) that includes operating estimates of production, costs and capital expenditures for its producing complexes and development projects.

Coronado updates its 18-month Plan on a quarterly basis and its Five-year Plan annually in order to optimise mine plans, coal quality, product sales mix, productivity and maintain cost discipline.

The operating estimates provided in this Section have been prepared in accordance with Coronado's 18-month Plan and Five-year Plan as at July 2018. While these operating estimates represent management's best estimate of production, costs and capital expenditures for the Australian Operations and US Operations, such information by its nature is subject to significant uncertainties and contingencies, many of which are outside the control of Coronado's management and the Directors. Accordingly, no assurance can be given that any operating estimates contained in this Section will be achieved.

3.4.2 Review of Coronado's operating estimates

Coronado engaged Xstract and MM&A to undertake reviews of Coronado's operating estimates for its Australian Operations and US Operations, respectively.

3.4.2.1 Review of Coronado's operating estimates for its Australian Operations

Xstract was engaged to prepare a Technical Assessment Report (the Xstract Report (2018)) for Curragh in accordance with the 2015 Edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) (**VALMIN Code**). In preparing its report, Xstract reviewed the 18-month Plan and Five-year Plan and held meetings with Coronado's management and technical teams to understand the assets at Curragh and associated operating estimates. Xstract also carried out an inspection of the Curragh site and examined historical information and results in respect of the technical aspects of Curragh.

As at 10 August 2018, Xstract concluded that:

- Coronado's Resources and Reserves for Curragh have been estimated and reported in accordance with the JORC Code.
- Coronado's 18-month Plan and Five-year Plan for Curragh have been effectively prepared, are comparable with similar operations elsewhere in the Bowen Basin and provide a reasonable foundation for ongoing mining operations and development; and
- Coronado's operating costs and capital expenditures for Curragh are appropriate for the mining methodology and are practically achievable.

Since 10 August 2018, Coronado has updated its operating estimates for its Australian Operations to reflect more recent macroeconomic impacts (coal prices and foreign exchange), as well as higher fuel costs. This resulted in a small increase in the estimated cash operating costs payable per saleable tonnes for the Australian Operations relative to the estimate reviewed by Xstract.

The Xstract Report (2018) is contained in Section 9.

Coronado is in the process of re-estimating Reserves for the Australian Operations. With possible changes to mine plans and coal prices, the estimation of Reserves at the Australian Operations may change in the future. It is currently expected that the Resources and Reserves estimates for both the US Operations and Australian Operations will be updated effective 31 December 2018.

3.4.2.2 Review of Coronado's operating estimates for its US Operations

MM&A was engaged to prepare an estimate of Resources and Reserves for Coronado's US Operations. In preparing its report (the **MM&A Report (2018)**), MM&A reviewed Coronado's 18-month Plan and held multiple meetings with the Coronado engineering and management team in order to review the current and proposed operations. Because employees of MM&A were the Competent Persons for the US Operations and prepared the Resources and Reserves estimates for the US Operations, MM&A was unable to review Coronado's Five-year Plan and instead developed its own life-of-complex production, cost and capital expenditure estimates for Coronado's US Operations as part of the MM&A Report (2018).

MM&A concluded that Coronado's 18-month Plan:

- represented a similar and slightly more conservative plan to the one modelled by MM&A in respect of coal production rates, operating costs and capital expenditures. Variations between the MM&A modelled plan and the 18-month Plan were attributable to minor differences in production and cost assumptions; and
- was reasonable and achievable and only included those mines that are currently actively coal producing, thereby providing additional confidence in the ability to execute.

Coronado notes that its Five-year Plan for its US Operations as set out in this Section is more conservative than the MM&A modelled plan over the same period in respect of production estimates, which results in certain variations in cash operating costs and capital expenditures over the same period as a result of the differences in Coronado's mine plan.

The MM&A Report (2018), including the key assumptions upon which MM&A relied, is contained in Section 10.

3.4.3 Coronado's Five-year Plan

3.4.3.1 Curragh

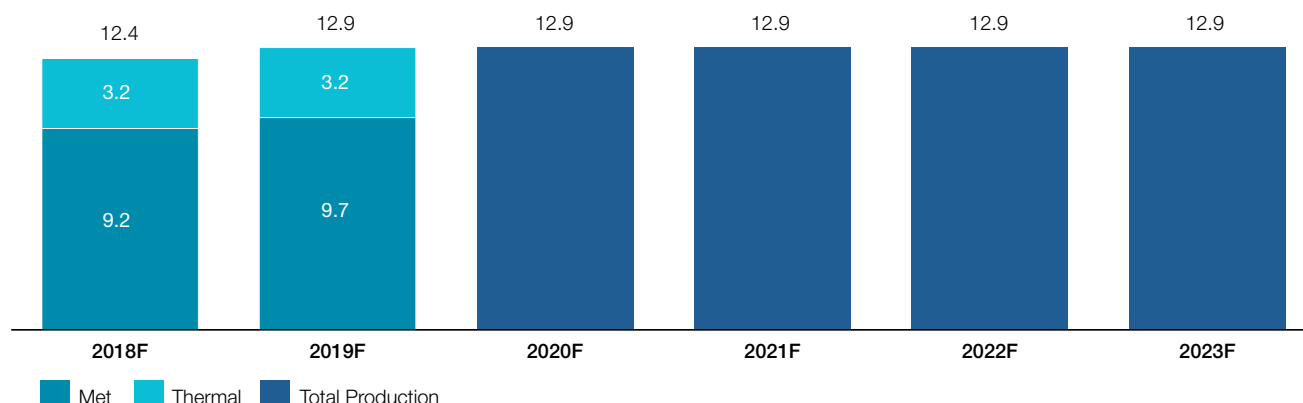
Saleable production

Figure 47 shows Coronado's estimated production for Curragh over the 2018 to 2023 period, 97% based on Proved Reserves and 3% based on Probable Reserves.

Coronado estimates that it will increase production at Curragh from an estimated 12.4 Mt in 2018 to a steady-state level of 12.9 Mt from 2019 to 2023.

3. Company Overview

Figure 47: Curragh estimated coal saleable production (Mt)



Xstract considers the production estimates over the 2020 to 2022 period (which assume 16.2 Mt of annual ROM production) to represent an achievable target, whereas the production estimate for 2023 (which assumes 16.7 Mt of annual ROM production) to be a stretch target and will require close management guidance and effective mine planning to ensure this level of production is achieved.

Additional notes regarding the estimates:

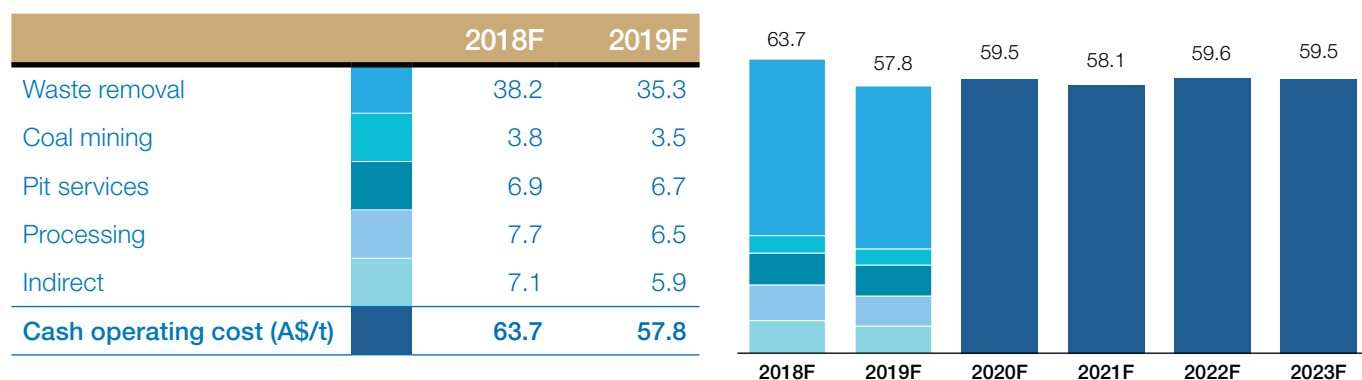
- The proportions of met and thermal production across 2020-2023F are estimated to remain broadly consistent with 2019F, which follows from targeted stable thermal production as a result of the Stanwell arrangements. Waste excavation is forecast to gradually increase by 14% from 2019F until 2023F, as strip ratio increases. Combined strip ratios for Curragh North and Curragh East between 2019-2020F are forecast at around 8.9 bcm (prime)/t ROM.
- The estimates assume that Coronado Curragh continues to mine in accordance with the existing mine plan that has been reviewed by Xstract and that the box cut area development planned for 2019F and 2023F (to allow for extensions to current mining areas) is completed.
- Please refer to Section 10.1 of the Xstract Report (2018) for further discussion.

Cash operating costs

Figure 48 shows Coronado's estimated cash operating costs for Curragh over the 2018 to 2023 period.

Coronado expects that cash operating costs for Curragh will decrease from 2018 to 2019 due to a decrease in waste removal costs as part of the mine plan. Cash operating costs for Curragh are estimated to remain relatively steady from 2020 to 2023 and approximately in-line with historical costs.

Figure 48: Curragh estimated cash operating costs per saleable tonne (A\$/t)¹



1. Curragh's operating cost per tonne is exclusive of downstream costs (including port, rail and royalties).

Coronado sees potential opportunities to lower the cash operating cost estimates shown in Figure 48 through reductions in equipment downtime. Historical dragline annual operating hours at Curragh between mid-2014 through mid-2017 were approximately 5,800 annual operating hours, which is below the utilisation of many Bowen Basin mines that successfully operate draglines at over 6,400 operating hours annually.

Further detail on cost optimisation opportunities at Curragh is contained in Section 3.7.2.2.

Additional notes regarding the estimates:

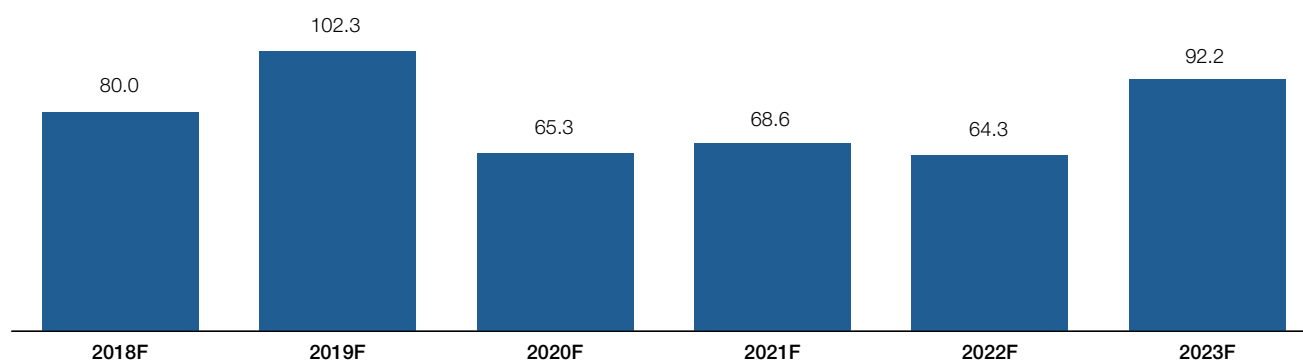
- The estimated cash operating cost per tonne breakdown for each year across 2020-2023F is forecast to remain broadly consistent with 2019F. Waste removal costs are forecast to remain the largest component of total cash operating cost, accounting for an average of 66% of total cash operating cost (across 2018F through 2023F), whilst pit services (support contractors, pumping and support maintenance labour) and indirect costs (overheads – management, supervision, commercial, human resources, health, safety and environment and technical services) account for approximately 20%.
- Please refer to Section 17 of the Xstract Report (2018) for further discussion.

Capital expenditures

Figure 49 shows Coronado's estimated capital expenditures for Curragh over the 2018 to 2023 period.

Coronado estimates that capital expenditures at Curragh will comprise costs that are solely related to stay-in-business (SIB) capital expenditure. These SIB capital expenditures include costs associated with developing box cut areas in 2019 and 2023 at the Curragh North Mining Area (which are excluded from cash operating costs), which are intended to allow Coronado to access new Reserves.

Figure 49: Curragh estimated capital expenditures (A\$m)



Additional notes regarding the estimates:

- Capital expenditure is estimated to average A\$67.7m per year across 2019-2023F (excluding incremental capital costs associated with developing box cut areas). These costs mainly comprise refurbishment of plant and mining equipment (includes expenditure on dragline overhauls, refurbishment of earth moving and ancillary equipment, CHPP).
- Please refer to Section 17 of the Xstract Report (2018) for further discussion.

3.4.3.2 Buchanan

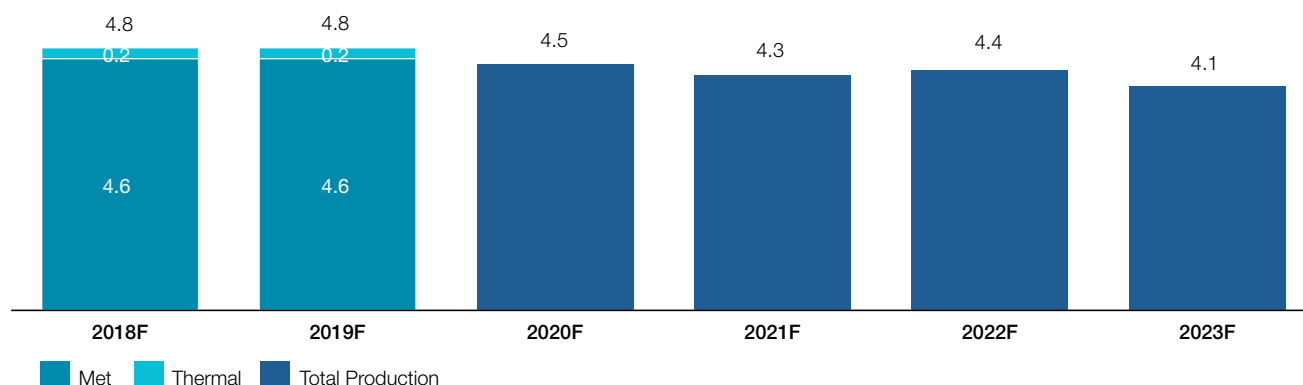
Saleable production

Figure 50 shows Coronado's estimated production for Buchanan over the 2018 to 2023 period, which is 92% based on Proved Reserves and 8% based on Probable Reserves.

Coronado estimates that production at Buchanan will decrease slightly from 4.8 Mt in 2018 and 2019 to 4.1 Mt by 2023. This reduction is primarily driven by variations in longwall clean tons per foot, which varies from 174 net tons to 120 net tons over the 2018 to 2023 period.

3. Company Overview

Figure 50: Buchanan estimated saleable coal production (Mt)¹

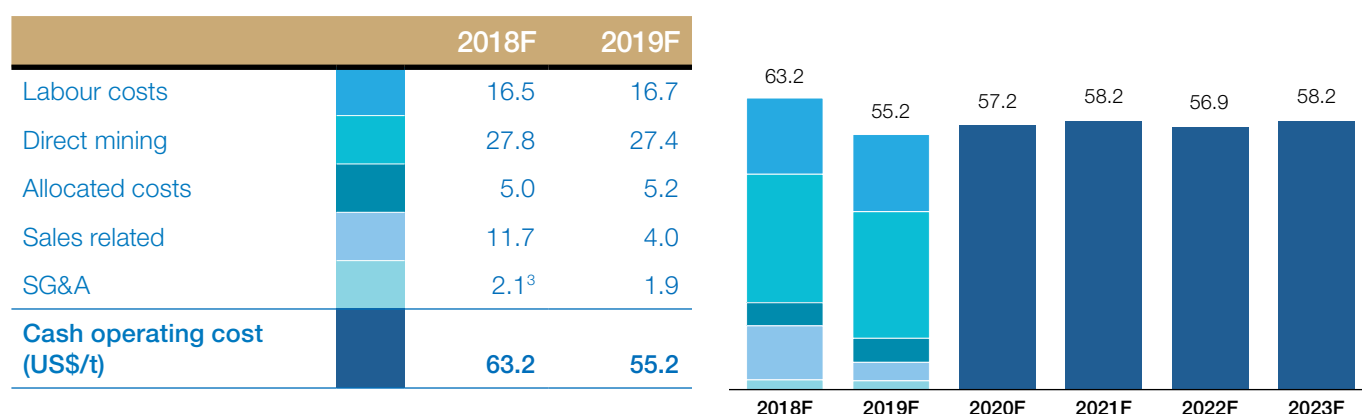


Cash operating costs

Figure 51 shows Coronado's estimated cash operating costs for Buchanan over the 2018 to 2023 period.

Coronado estimates that cash operating costs for Buchanan will reduce slightly from 2018 to 2019 due primarily to a reduction in sales-related expenses on account of changes in the provision for the CONSOL Energy Inc. royalty, but will remain relatively steady over the 2020 to 2023 period due to consistency in mining conditions.

Figure 51: Buchanan estimated cash operating costs per saleable tonne (US\$/t)²



1. Saleable coal production split based on estimated sale markets for 2018 and 2019.

2. Cash costs include all costs incurred by a mining operation excluding costs associated with the purchasing of major mining equipment, capitalised expenses and projects and development-associated capital. Cash costs include direct mining costs, encompassing labour components, fuel, lube, power, general repair and maintenance and supplies. Cash costs also include indirect components which cover SG&A, royalties, production taxes, and environmental-related costs. Coal processing and transportation costs are also included as cash cost components. Allocated costs include costs related to load out, refuge and the CPP and sales-related costs include private royalties, severance taxes, excise taxes and wheelage.

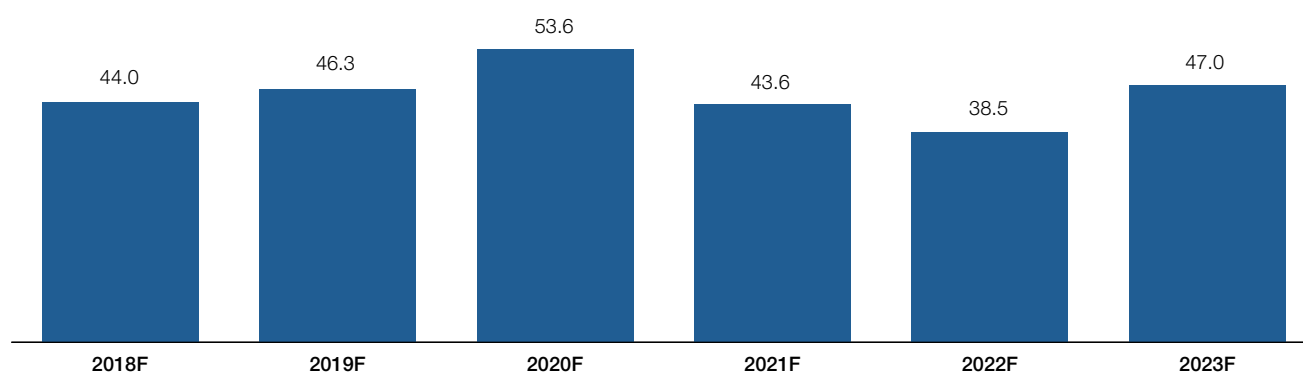
3. 2018F SG&A includes US\$1.10/t adjustment for inventory changes.

Capital expenditures

Figure 52 shows Coronado's estimated capital expenditures for Buchanan over the 2018 to 2023 period.

Coronado estimates that capital expenditures at Buchanan will comprise SIB capital expenditure only. These costs are estimated to increase slightly in each of 2020 and 2023 due to the construction of ventilation shafts under the mine plan in those years.

Figure 52: Buchanan estimated capital expenditures (US\$m)



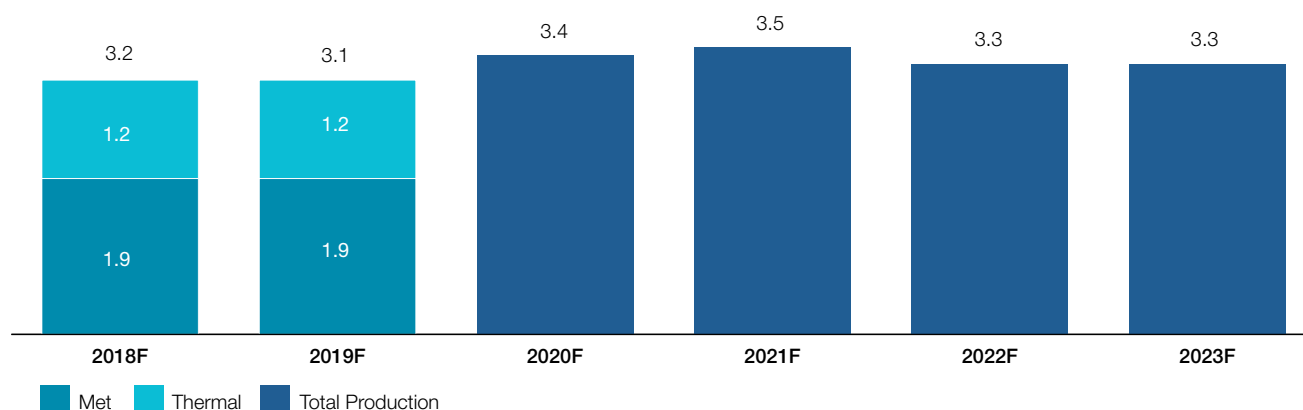
3.4.3.3 Logan

Saleable production

Figure 53 shows Coronado's estimated production for Logan over the 2018 to 2023 period, 73% based on Proved Reserves and 27% based on Probable Reserves.

Coronado estimates that production at Logan will decrease slightly from 2018 to 2019, but is expected to increase in 2020 as production from the underground mines is replaced with production from the Toney Fork #1 surface mine.

Figure 53: Logan estimated saleable coal production (Mt)¹



1. Saleable production split based on estimated sale markets for 2018 and 2019.

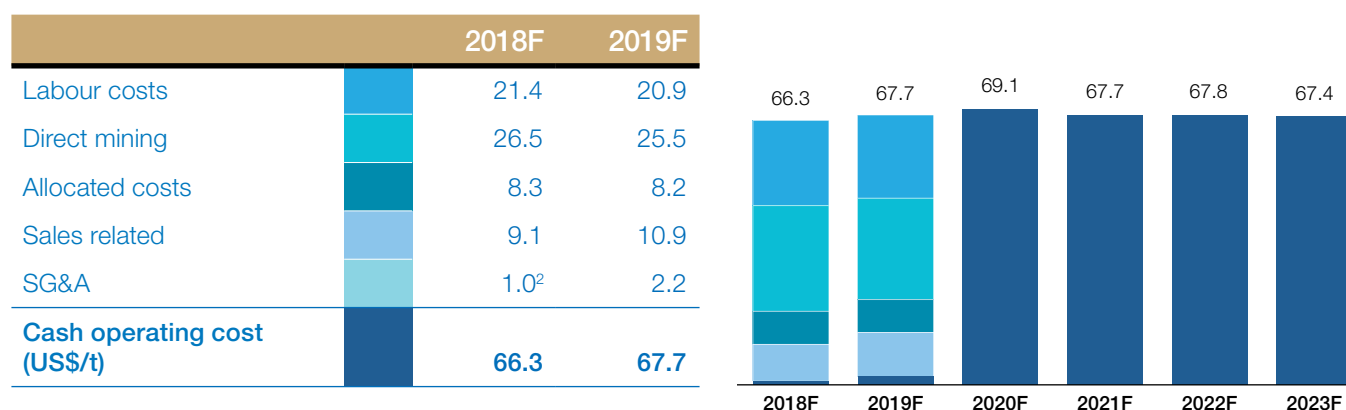
3. Company Overview

Cash operating costs

Figure 54 shows Coronado's estimated cash operating costs for Logan over the 2018 to 2023 period.

Coronado expects that cash operating costs for Logan will increase from 2018 to 2019 due primarily to higher sales-related and SG&A costs driven by increased price realisations. From 2020 onwards, cash operating costs are expected to be stable due to consistency in mining conditions.

Figure 54: Logan estimated cash operating costs per saleable tonne (US\$/t)¹

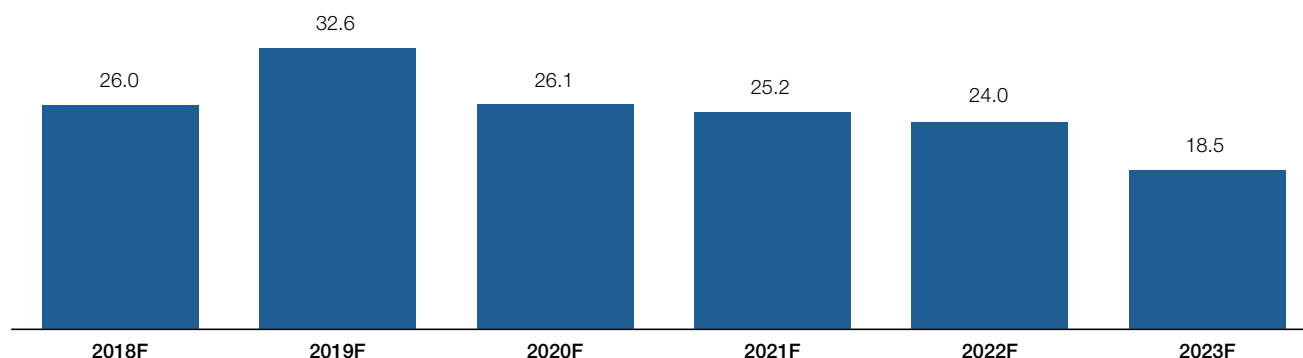


Capital expenditures

Figure 55 shows Coronado's estimated capital expenditures for Logan over the 2018 to 2023 period.

Coronado estimates that capital expenditures at Logan will comprise SIB capital expenditure only. SIB capital expenditures are estimated to increase from 2018 to 2019 due primarily to a US\$8 million production facility and equipment replacement program related to Toney Fork #1 and are expected to decrease thereafter as development of this surface mine is completed.

Figure 55: Logan estimated capital expenditures (US\$m)



1. Cash costs include all costs incurred by a mining operation excluding costs associated with the purchasing of major mining equipment, capitalised expenses and projects and development-associated capital. Cash costs include direct mining costs, encompassing labour components, fuel, lube, power, general repair and maintenance and supplies. Cash costs also include indirect components which cover SG&A, royalties, production taxes, and environmental-related costs. Coal processing and transportation costs are also included as cash components. Allocated costs include costs related to load out, refuge and the CPP and sales-related costs include private royalties, severance taxes, excise taxes and wheelage.

2. 2018F SG&A includes US\$1.10/t adjustment for inventory changes.

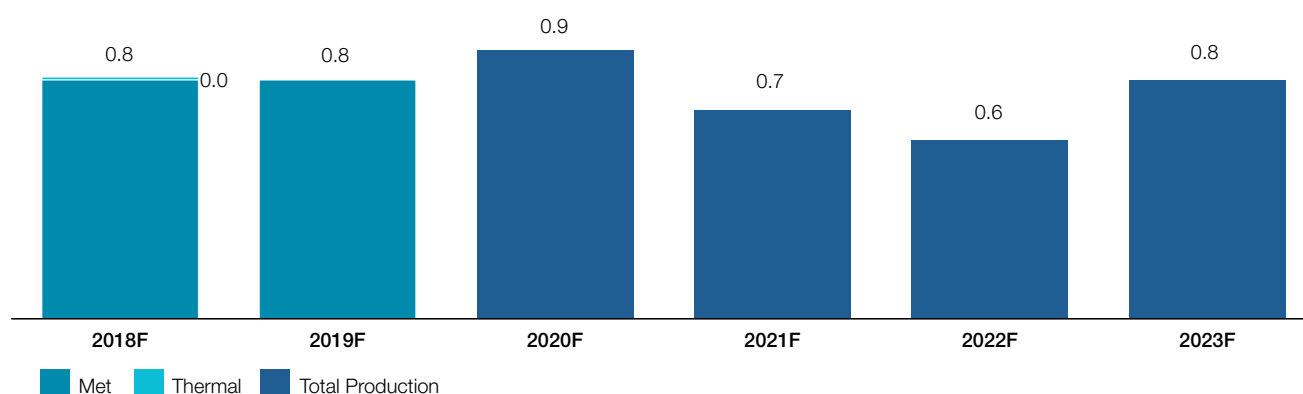
3.4.3.4 Greenbrier

Saleable production

Figure 56 shows Coronado's estimated production for Greenbrier over the 2018 to 2023 period, 70% based on Proved Reserves and 30% based on Probable Reserves.

While production at Greenbrier is expected to remain relatively stable over the 2018 to 2020 period, production is expected to decline slightly from 2020 as there are less highwall miner tons available on account of the surface operations depleting reserves. Underground production over this period is also variable, with continuous miner clean tons per foot varying from 2.2 net tons to 3.0 net tons per foot.

Figure 56: Greenbrier estimated saleable coal production (Mt)¹

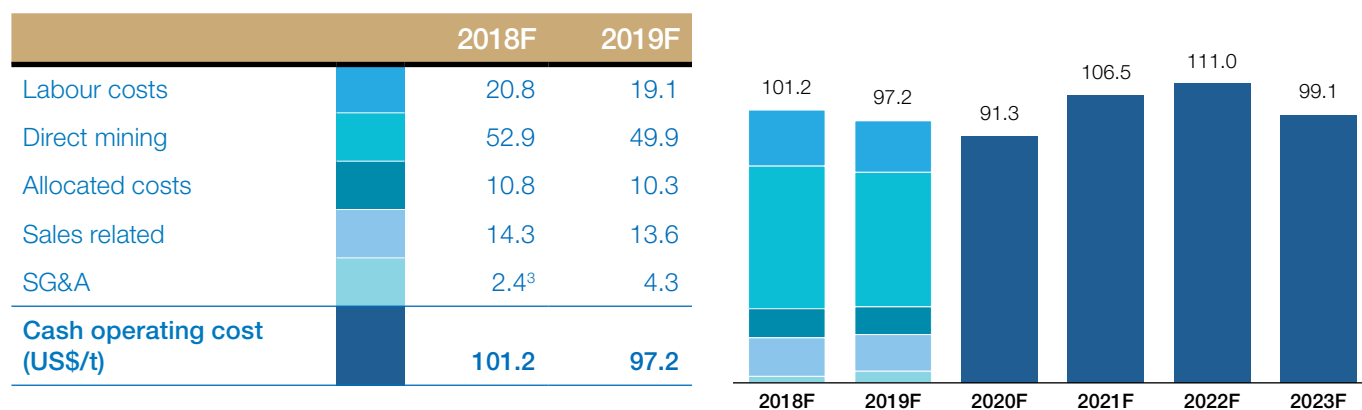


Cash operating costs

Figure 57 shows Coronado's estimated cash operating costs for Greenbrier over the 2018 to 2023 period.

Coronado estimates that cash operating costs for Greenbrier will fluctuate over the 2018 to 2023 period due primarily to a combination of reduced highwall miner tonnes available for the surface mines and variable continuous miner clean tonnes per foot for the underground mines.

Figure 57: Greenbrier estimated cash operating costs per saleable tonne (US\$/t)²



1. Saleable production split based on estimated sale markets for 2018 and 2019.

2. Cash costs include all costs incurred by a mining operation excluding costs associated with the purchasing of major mining equipment, capitalised expenses and projects and development-associated capital. Cash costs include direct mining costs, encompassing labour components, fuel, lube, power, general repair and maintenance and supplies. Cash costs also include indirect components which cover SG&A, royalties, production taxes, and environmental-related costs. Coal processing and transportation costs are also included as cash components. Allocated costs include costs related to load out, refuge and the coal preparation plant and sales-related costs include private royalties, severance taxes, excise taxes and wheelage.

3. 2018F SG&A includes US\$1.21/t adjustment for inventory change.

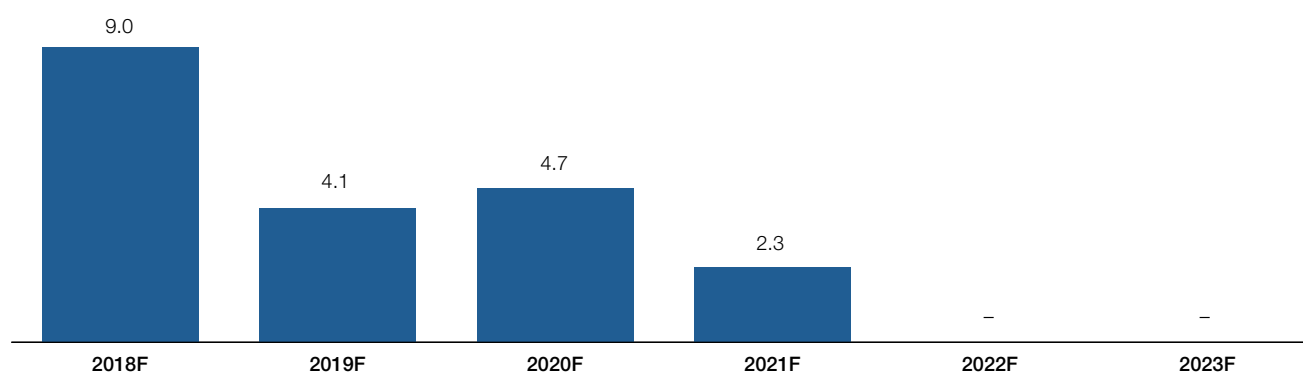
3. Company Overview

Capital expenditures

Figure 58 shows Coronado's estimated capital expenditures for Greenbrier over the 2018 to 2023 period.

Capital expenditures over the 2018 to 2023 period vary and primarily consist of SIB capital expenditure for equipment rebuilds over the 2018 to 2020 period in order to carry production through the 2020 to 2023 period. No SIB capital expenditure is expected in 2022 and 2023.

Figure 58: Greenbrier estimated capital expenditures (US\$m)



3.4.3.5 Additional notes regarding the estimates for the US Operations

Saleable production

- The production estimates assume that mining continues in accordance with the current mine plan. MM&A modelled total production to be 9% higher from 2019F through to 2023 due to added mining units.
- At Buchanan, the lower production is driven by the longwall clean tonnes per foot resulting from lower seam thickness throughout the forecast period.
- Production at Logan remains stable throughout the five-year period, with the proportion of met to thermal production across 2020-2023F expected to increase on surface operations.
- Greenbrier's production is expected to decline in 2021F as less highwall miner tonnes are expected to be available as the surface operations progress through the current Reserve.
- Please refer to Section 11.11 of the MM&A Report (2018) and Appendix B to the MM&A Report (2018) for further discussion.

Cash operating costs

- The estimated cash operating cost per tonne breakdown for each year across 2020-2023F is forecast to remain broadly consistent with historic results as well as 2019F. Coronado's estimates are more conservative than those modelled by MM&A, reflecting an on average higher cash cost than MM&A through to 2021.
- Please refer to Section 11.11 of the MM&A Report (2018) and Appendix B to the MM&A Report (2018) for further discussion.

Capital expenditures

- Capital expenditure is estimated to average \$73.3m per year across 2019-2023F. While this is lower than the MM&A projected average capital expenditure of \$83.5m for the same period, this reflects the fact that MM&A has forecast expansion capital to support their higher modelled production levels. As noted above, Coronado has estimated total production from 2019F to 2023F to be 9% lower than MM&A and this more conservative estimate results in capital expenditure being limited to SIB capital expenditure.
- Please refer to Appendix B of the MM&A Report (2018) for further discussion.

3.5 COAL MARKETING

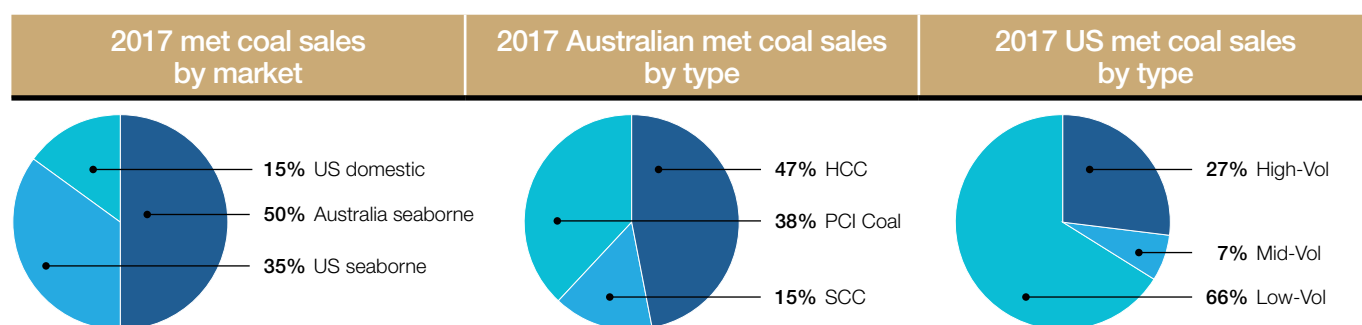
Coronado has a diverse, high quality customer base with customers across a range of global markets. The Company's management team has strong relationships with key customers, some of which span over decades. Coronado's top 10 customers comprised 88% of its overall revenue in 2017.

As met coal is a required input for the blast furnace steelmaking process (refer to Section 2.2.2.2 for further information on the steelmaking process), major steel manufacturers and large coking companies rely on the met quality of coal produced by Coronado. Coronado's coal has been shipped to many of the same steel plants and coke batteries for extended periods of time, despite changes in customer ownership and ownership changes in Coronado's mines.

Coronado's US Operations work diligently to maintain relationships with a multitude of customers throughout the world and generally renew business with all key customers year after year. Contract flexibility and spot sales allow Coronado the ability to choose whether to export or deliver domestically to the US based on where it can achieve favourable pricing terms. Given the high barriers to entry in the steel and coking industries, Coronado expects to maintain strong relationships with these customers by continuing to meet each customer's needs. Coronado's coal qualities exist as key components for blends for other producers and traders.

Coronado's Curragh and Buchanan mine complexes export products to the global seaborne met market. Major consumers of seaborne met coal in 2017 included Japan, China, India, Brazil, Europe and South Korea, which are all major global steel producers.¹ Coronado believes that it is well placed to continue to supply to these countries due to its high quality export product from its Australian Operations and US Operations and geographic proximity to these markets.

Figure 59: Snapshot of Coronado's key met markets and met products



3.5.1 Australian Operations

Curragh's Australian sales force has forged a strong reputation from over 30 years of supplying high and consistent quality met coal products. Curragh's reputation as a reliable and flexible coal supplier has seen Curragh build a portfolio of high quality international steel mill customers in key steelmaking regions. Curragh met coal is sold almost exclusively direct to end users, ensuring a high degree of control over commercial terms, as well as confidence of underlying technical demand for Curragh coal. Most customers purchase multiple grades, and have purchased Curragh coal continuously through all stages of the coal/commodity pricing cycle.

Curragh met coal sales have typically been entered into on a term basis negotiated by Curragh-employed sales managers with pricing negotiated against a portfolio of benchmark grade export prices, including bilaterally negotiated term prices and spot indices. Curragh has maintained a high level of contract coverage against planned production, representing approximately 85% of met coal export sales in 2017 (with the balance sold on framework contracts that do not involve a binding commitment to supply, or in the spot market).

In consideration for the rights to mine at Curragh, Curragh entered into certain contractual arrangements with Stanwell. The volumes of thermal coal that Curragh must deliver to the Stanwell Power Station under the CSA typically represent a majority of Curragh's thermal production. Stanwell has rights under the CSA to vary its intake of thermal coal each year, and as such, the total to be delivered to Stanwell cannot be precisely forecast. The CSA is currently expected to expire in 2027 and be replaced with the NCSA.

Under the CSA, Stanwell shares in value from Curragh in two key ways: (i) the volumes of thermal coal that Curragh must deliver to the Stanwell Power Station under the CSA typically represent a majority of Curragh's thermal production, with the cost of providing that coal currently greater than the price paid by Stanwell; and (ii) Curragh is required to share a portion of revenue earned from its export coal (from the Curragh East Mining Area and Curragh North Mining Areas) with Stanwell determined by various rebates. The most material of these rebates is the 'Export Price Rebate' (as set out in Section 3.3.1.2) and is linked to the export coal price achieved for a defined coking coal product. The arrangement with Stanwell excludes the MDL 162 area (a development project) and the Company has no third party supply obligations with respect to this potential development area.²

1. Wood Mackenzie Coal Markets Service, H2 2017. Wood Mackenzie Global Steel Long-Term Outlook, Q1 2018.

2. Note the existence of a private royalty with respect to coal produced from MDL 162 as summarised in Section 3.3.1.2.

3. Company Overview

Figure 60: Snapshot of Coronado's Australian Operations marketing

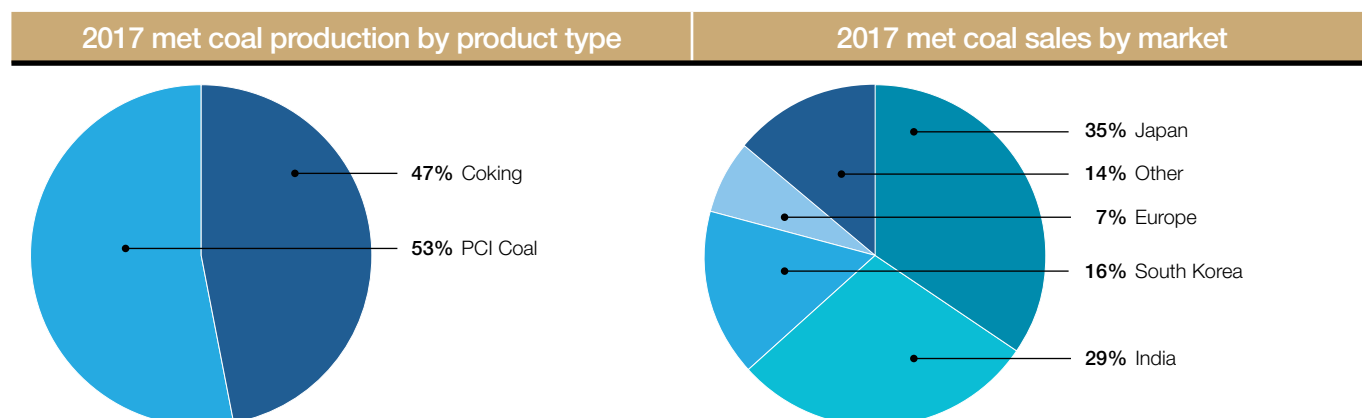


Table 30: Typical export contract for Coronado's Australian Operations

Contract type	Volume	Nature	Duration	Price reset	Price reference
Seaborne	Fixed	Term	Variable up to five years	Predominantly quarterly	Negotiated against benchmark brand prices (bilateral or index)

3.5.2 US Operations

Coronado's US Operations sales force directly markets the Company's full spectrum of met coal products to domestic customers in North America and predominantly accesses the export market through sales to Xcoal (on a FOR basis), other intermediaries and end-users. In most instances, customers take ownership of the coal in the rail car and are responsible for handling transportation logistics to the port and beyond. On occasion, Coronado sells to export customers at the port and is responsible for rail and port costs.

Coronado focuses on long-term customer relationships and sells its products from its US Operations both in the export and domestic spot market and through annual contracts to domestic steelmakers and coke producers.

Several legacy contracts were assumed upon the Buchanan acquisition. These contracts have various prices and contract lengths. Domestic contracts, other than legacy contracts, are typically negotiated on an annual basis for price and volume.

During periods of stable and rising prices, Coronado strives to take advantage of the spot market. Spot domestic and export contracts are negotiated throughout the year. Market sales are pursued depending on available supply and market demand. As a result of having a wide range of met coal qualities available to the market, Coronado has coal supply agreements with a wide range of steel producers, coke producers, intermediaries and industrial customers. Coronado's diverse coal qualities are blended and sold into blends with other producers as a key component to maximise revenue for each coal type.

Internationally, Coronado's products from its US Operations are marketed through Xcoal, other intermediaries and Coronado's sales team. Xcoal has a worldwide sales organisation with agents in all major steel producing countries. This global organisation, along with Coronado's sales team, provides valuable real-time economic and market intelligence for the decision-making process within Coronado. This relationship provides Coronado with options to sell coal as single product or as a blended product with other coals to improve revenue.

Figure 61: Snapshot of Coronado's US Operations marketing

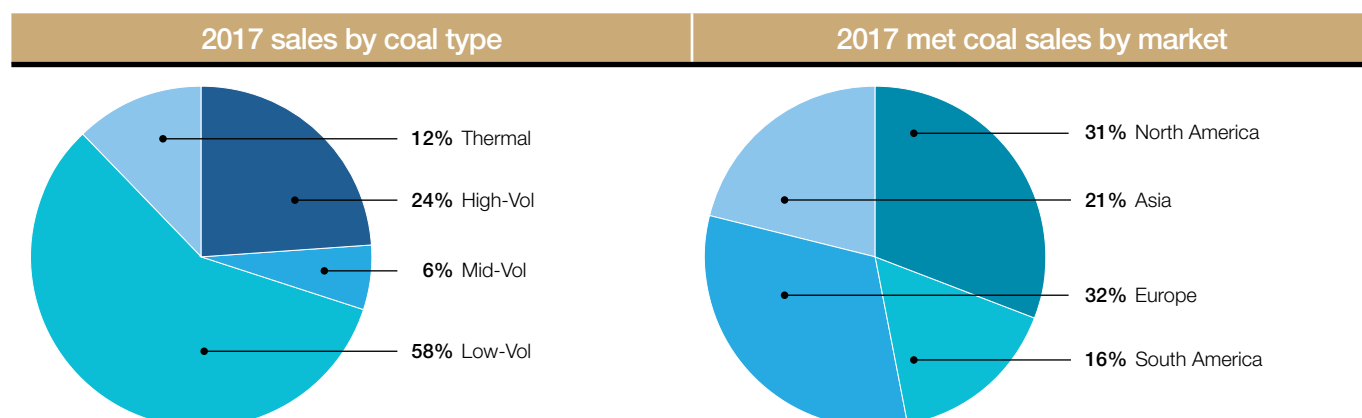


Table 31: Typical contract for Coronado US Operations

Contract type	Volume	Nature	Duration	Price reset	Price reference	Comment
Seaborne	Fixed	Spot/ term	Single shipment/ annual	By cargo/ annual	Indexed, adjusted for quality premiums/ penalties, negotiated	Typically sold through Xcoal and other intermediaries
Domestic	Fixed	Term	One year	Annual	Negotiated	Fixed pricing

3.6 OVERVIEW OF KEY RAIL AND PORT CONTRACTS

3.6.1 Rail contracts

At Coronado's Australian Operations, Curragh is linked to the CQCN, an integrated coal haulage rail system owned and operated by Aurizon Network. Curragh achieved an average payload of approximately 8,350 tonnes in 2017 and Curragh has an entitlement for export train services of 22 trains per week. Curragh's export coal is railed 300 km to the Port of Gladstone for export. Thermal coal delivered to the Stanwell Power Station is railed 170 km directly to Stanwell Power Station, with Stanwell responsible for the transport.¹ The CQCN has recently experienced some disruption and capacity constraints as a result of the conduct related to maintenance practices by the network operator, Aurizon Network, which are further outlined in Section 5.1.5.

At Coronado's US Operations, transportation of coal from Buchanan is primarily via NS, to Lamberts Point Coal Terminal, Pier VI for export customers. In the case of domestic customers, coal is primarily shipped via NS either directly to the customers or to barge loading docks. Coal from Buchanan is also trucked to domestic steel customers. The Buchanan loadout is capable of loading two trains per day, up to 10,900 tonnes per unit train. Coal from Logan and Greenbrier is transported via CSX, barge and truck. Both operations have batch weigh systems at the loadout and are capable of producing complex and accurate blends on-site to meet contract specifications up to 11,800 tonnes per unit train. The CSX provides transportation to domestic steel customers and to the CNX Marine Terminal and Kinder Morgan Coal Terminal Pier IX export facility. Rail shipments were involved in approximately 99% of total shipments from Coronado's mines in 2017.

3.6.1.1 Overview of relevant rail services

Rail services relevant to Coronado include:

- **Aurizon Network:** The CQCN is serviced and operated by Aurizon Network. The CQCN comprises the Blackwater and Moura lines (which have direct connections to the Port of Gladstone), the Goonyella line (which connects directly to Hay Point and DBCT port) as well as the Newlands line (which together with Goonyella, provides direct access to Abbot Point);
- **CSX:** CSX is a 'Class I' railroad operating in the eastern US and the Canadian provinces of Ontario and Quebec. CSX Corporation owns the railroad, which operates 21,000 route miles of track; and
- **NS:** A 'Class I' railroad in the US where Norfolk Southern Corporation owns the NS railway subsidiary, which operates 19,500 route miles in 22 states and serves every major container port in the eastern US.

1. Curragh may have some responsibility for transportation (and costs) if it supplies Stanwell with 'Substitute Coal' from a source other than Curragh in accordance with the CSA.

3. Company Overview

Table 32: Common term below rail contracts

Arrangement	Operations	Nature of capacity	Nature of payment	Duration
Aurizon Network	Australia	Fixed	Take or pay	Usually 10 years
Norfolk Southern railway	US	Variable	Volume based	Quarterly/spot
CSX railway	US	Variable	Volume based	Quarterly/spot

3.6.2 Port contracts

At Coronado's Australian Operations, Coronado Curragh exports met coal through two terminals at the Port of Gladstone: (i) RGTCT (approximately 83% in 2017); and (ii) WICET (approximately 17% in 2017). Coronado Curragh has up to approximately 700,000 tonnes in the stockpile area at the Port of Gladstone.

At Coronado's US Operations, in addition to dedicated inventory capacity at the Kinder Morgan Coal Terminal Pier IX and throughput capacity at Lamberts Point Coal Terminal Pier VI located at Norfolk, Virginia. Coronado's US Operations also have alternate port access through the CNX in Baltimore, Maryland.

3.6.2.1 Overview of relevant port services

Port services relevant to Coronado include:

- **RGTCT:** RGTCT is owned by GPC, a Queensland Government-owned corporation. The terminal is located in Gladstone, Australia and is large with four berths and nominal contracted capacity of 80 Mtpa. Curragh currently has the right to nominate its annual volume requirement for coal handling and port services at RGTCT within the range of 7.67 Mt to 8.67 Mt. Once the annual nomination is made, this capacity must either be fully utilised or paid for on a take-or-pay basis;
- **WICET:** WICET is an industry-owned and privately funded terminal, operated by shareholders and appointed management. Shareholders currently comprise Glencore (through its Rolleston Joint Venture), Aquila Resources, Coronado Curragh, Yancoal Australia Limited and New Hope Coal Corporation. It is located to the west of the RGTCT and has a nameplate capacity of 27 Mtpa. The terminal began shipping export tonnages in April 2015 with total throughput capacity of 27 Mtpa. Coronado Curragh is a founding shareholder of WICET and Coronado Curragh has a contracted take-or-pay entitlement to export 1.5 Mt at the terminal. In addition to its coal handling and shipping service entitlements, Coronado Curragh, as a shareholder, has various obligations under the relevant project documents which underpin the WICET structure and its governance and operating arrangements;
- **Pier IX:** Pier IX is a coal terminal operated by Kinder Morgan Energy Partners in Newport News, Virginia. The terminal has annual export capacity of 14.5 Mt;
- **CNX:** CNX is a transshipping terminal at the Port of Baltimore in the US. Owned by CONSOL Energy, the facility serves as a transload facility for the export of utility and met coals with annual throughput capacity of 14.5 Mt;
- **DTA:** DTA is a coal export terminal in the Port of Hampton Roads at Newport News, Virginia. DTA is owned 65% by Contura Energy and 35% by Arch Coal, with annual export capacity of 22 Mtpa;
- **Kanawha River Terminal (Kanawha):** Kanawha is an NS/CSXT-serviced coal terminal located on the Ohio River at Mile Marker 314.5 Ceredo, West Virginia. It has annual throughput capacity of 16.3 Mt; and
- **Pier VI:** Norfolk Southern's Pier VI is the main terminal at the Lamberts Point Coal Terminal located in Norfolk, Virginia. The terminal has two shiploaders to load two vessels simultaneously, with combined dumping capacity of approximately 7,250 tonnes per hour.

Figure 62: Common term port contracts

Arrangement	Operations	Nature of capacity	Nature of payment	Duration
RGTCT	Australia	Firm	Take or pay	Expires 2030 with five year option
WICET	Australia	Firm	Take or pay	Evergreen 10-year term
Pier IX	US	Firm	Take or pay	Expires in 2024
CNX	US	Variable	Volume based	Spot

3.6.2.2 Strategic position for the Australian Operations

Coronado enjoys a number of advantages at the Port of Gladstone. The stockpile area at this port operates largely on a dedicated stockpile basis, allowing Curragh to control pile qualities at port. Both RGTCT and WICET operate using dozer reclaim into underground conveyors for shiploading operations. This provides Coronado a number of key operational benefits, including:

- accurate stockpile blending capabilities for quality control – Gladstone has a strong history as a blending port;
- ability to optimise product specifications for customers;
- ability to accommodate production variability at port;
- ability to better utilise contracted above and below rail efficiently;
- ability to minimise demurrage charges; and
- ability to smooth sales profile.

Even though Curragh is a single mine operation, the ‘dilution’ benefits of the approximately 85% weighting of Curragh’s export capacity portfolio towards the lower cost RGTCT results in a competitive weighted average port charge.

3.7 STRATEGY FOR LONG-TERM VALUE CREATION

Coronado believes it is well placed to take advantage of the continued strong global demand for steel production worldwide.

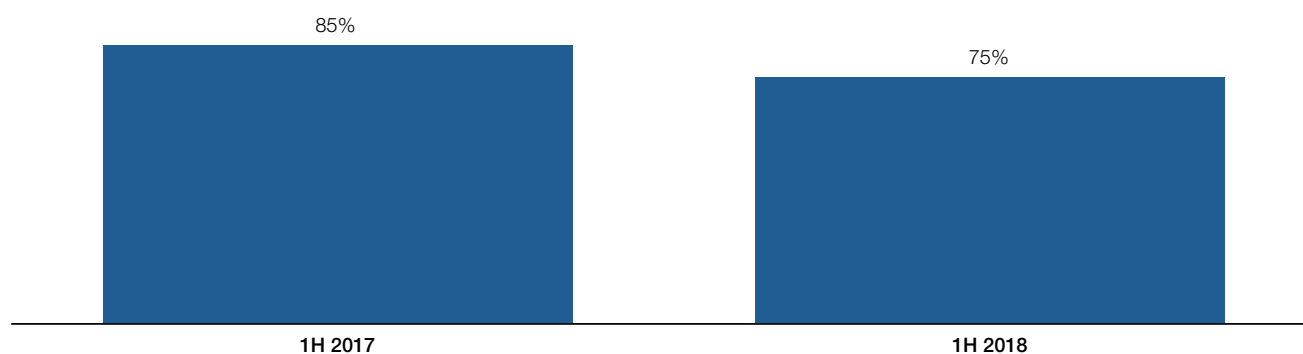
With operations in both Australia and the US, Coronado believes it is strategically placed to supply different qualities of met coal to the global steel industry and is differentiated from other met coal producers in having a geographically diversified production base. Coronado has a multifaceted strategy to drive business performance and long-term growth, which is set out in this Section.

3.7.1 Focus on shareholder returns

3.7.1.1 History of generating strong free cash flow and EMG’s continued focus on shareholder returns

As shown in Figure 63, Coronado has a strong history of generating positive Operating Free Cash Flow (FCF) and high Operating FCF conversion.

Figure 63: Historical pro forma Operating FCF conversion (%)¹



Coronado has a disciplined approach to driving efficiencies within its operations to drive sustainable and strong operating cash flows and shareholder returns within a prudent balance sheet management framework.

The Company has what it believes to be is a disciplined approach to capital allocation of these cash flows, with a history of distributing surplus cash to shareholders in a value-efficient way.

1. Historical pro forma Operating FCF conversion calculated as the Operating Free Cash Flow divided by net cash provided by operating activities (Historical statutory Operating FCF conversion for 1H2017 and 1H2018 amounted to 82% and 67%).

3. Company Overview

3.7.2 Asset improvement

3.7.2.1 History of asset improvement

The Company's management has a history of implementing successful initiatives across its portfolio of complexes to improve safety, increase production and maximise profits. These initiatives include:

- prioritising safety performance and improving injury rates, consistent with its core values;
- optimising coal quality and product sales mix, including development of software to quickly iterate large numbers of potential sales scenarios, to generate improved revenue;
- maximising productivity to increase production, allowing more tonnes to be sold in the spot market to take advantage of attractive pricing;
- continued cost discipline at mining complexes to maintain a globally competitive portfolio; and
- tendering and renegotiating contracts to reduce contract spend.

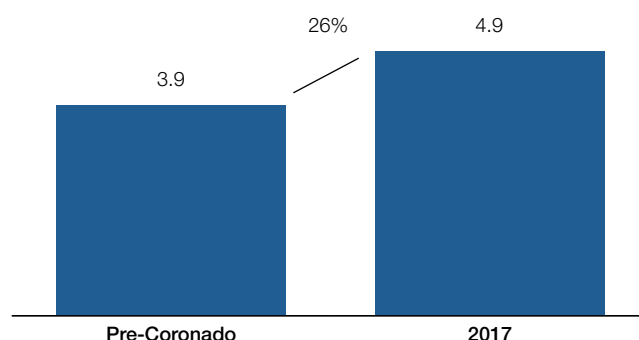
Since acquiring its US Operations, the Company has increased production, lowered costs and improved margins. This track record of acquiring and optimising assets is set out further in this Section, with a focus on Coronado's achievements at its US Operations. Figure 64, Figure 65 and Figure 66 provide further detail on Coronado's implementation of operating efficiencies at Buchanan, Logan and Greenbrier, respectively.

Figure 64: Track record of generating operational efficiencies – Buchanan¹

Growth in production:

- Prior to Coronado's ownership, Buchanan produced 3.9 Mt in 2015
- Since then, Coronado has achieved a 26% increase in production, with Buchanan producing 4.9 Mt in 2017
- Coronado was able to achieve this by maximising longwall runtime, improving the underground coal haulage system, improving hoisting utilisation and adding an additional development unit that set the foundation for an efficient long-term development

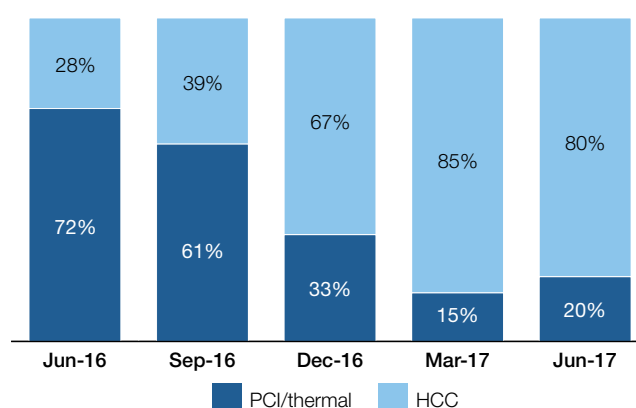
Buchanan saleable coal production (Mt)



Change in sales mix:

- Prior to Coronado's ownership, Buchanan was a predominantly PCI/thermal coal producing complex and in the quarter ended June 2016, 72% of sales were PCI/thermal coal and only 28% of sales were HCC
- Coronado deliberately sought to change the sales mix to a greater weighting towards HCC in order to capture attractive market conditions for that product
- By the quarter ended June 2017, only 20% of sales were PCI/thermal coal and 80% of sales were HCC

Buchanan sales mix (quarterly data)



1. Pre-Coronado represents calendar year immediately prior to the date of Coronado acquisition (CY2015).

2. Revenue per tonne is FOR and cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

Margin expansion:

- The combination of production growth and changing the sales mix at Buchanan has resulted in margin expansion
- Coronado achieved a US\$6/t increase in margin (defined as revenue less operating cash costs) between 2016 and 2017

Buchanan cash cost/revenue/margin²

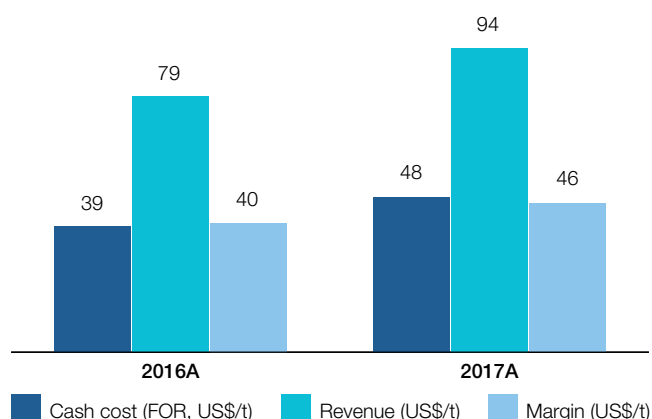
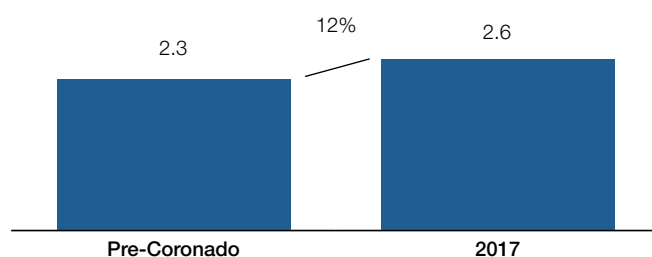


Figure 65: Track record of generating operational efficiencies – Logan¹

Growth in production:

- Prior to Coronado's ownership, Logan produced 2.3 Mt in 2014
- Since then, Coronado has achieved a 12% increase in production, with Logan producing 2.6 Mt in 2017
- Coronado was able to achieve this by:
 - implementing extended cuts at all underground mines, allowing the continuous miner to mine longer in one location; and
 - redesigning the Powellton mine plan to maximise mining on this reserve

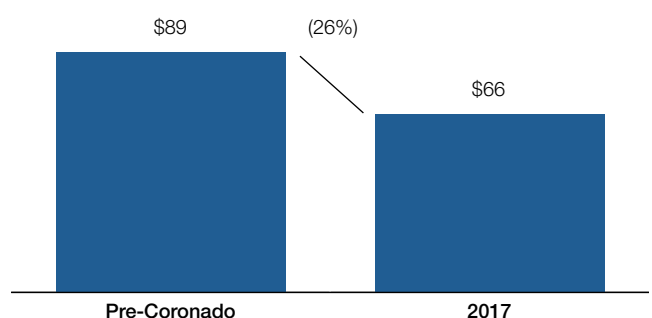
Logan saleable coal production (Mt)²



Cost discipline:

- In order to reduce costs, Coronado proactively redesigned the mine plan at the Toney Fork Surface mine by changing the overburden removal methods from a truck and shovel plan to a plan that utilises lower-cost bulk dozers and highwall miners
- This change has resulted in a 26% reduction in cash costs since Coronado's acquisition

Logan cash cost (US\$/t, FOR)³



Change in sales mix:

- In order to improve profitability, Coronado has planned and started implementation to transition the sales mix at the Toney Fork Surface mine from a 100% thermal coal product to a mix of thermal and met coal products

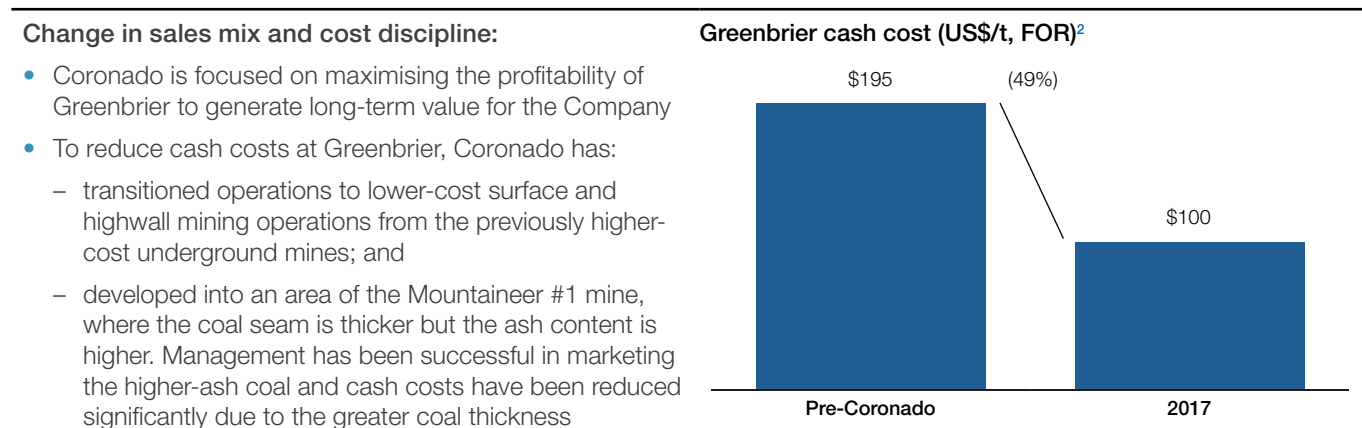
1. Pre-Coronado represents calendar year immediately prior to the date of Coronado acquisition (CY2014).

2. Based on MSHA mine data retrieval system.

3. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties. Pre-Coronado cash cost per tonne is for January to September 2014.

3. Company Overview

Figure 66: Track record of generating operational efficiencies – Greenbrier¹



3.7.2.2 Optimisation of Curragh to drive further value

Coronado has been proactive in seeking certain optimisation opportunities at Curragh as described in Table 33 and has identified a number of initiatives that it believes could enhance the value of the complex.

These initiatives are spread across various aspects of the mining complex, but have been grouped into either 'Operational' initiatives or 'Mine Planning and Marketing' initiatives. Although these opportunities are currently being evaluated in more detail by management, all areas of the Curragh mine complex are considered on an ongoing basis and frequently reviewed for potential improvement opportunities.

Table 33: Curragh optimisation initiatives

Operational initiatives	
Contract optimisation	• Renegotiation and/or retendering of contracts to reduce input cost • Closely managing contracts in order to reduce contractor costs • Optimising the contract model for the mining contract at the Curragh North Mining Area to drive better productivity and lower cost from contractor
Supply chain optimisation	• Execute a global sourcing project in order to reduce procurement costs
Maximum coal exposure from low-cost overburden equipment	• Maximise coal exposure from lower-cost overburden movement methods, including optimising the bulk dozer push and increasing dragline availability, utilisation and productivity
Mine plan maximisation	• Optimise the mine plan to maximise the strike length available for draglines, which will assist with increasing the dragline utilisation
Product mix optimisation	• Optimise the product mix produced to ensure maximum value is derived from the coal reserve
Incremental low-cost coal	• Investigate opportunities to extract coal not recovered over the last 35 years due to CHPP inefficiencies prior to upgrades to the CHPP

1. Pre-Coronado represents calendar year immediately prior to the date of Coronado acquisition (CY2012).

2. Cash production cost per tonne includes division general and administration but excludes sales-related costs, freight cost and royalties.

Mine Planning and Marketing initiatives

Incorporating the SRA	• Incorporate the SRA at the Curragh North Mining Area into the mine plan and optimise the plan • This has the potential to lead to lower strip ratio Reserves • Incorporating the SRA into the mine plan would continue to leverage the existing infrastructure at the Curragh North Mining Area
Introduce highwall mining and underground mining	• Investigate and introduce highwall mining and underground mining as ways to extract higher ratio reserves (not economic for open cut extraction) at a lower economic cost
Product mix optimisation	• Determine the optimal product mix from MDL 162 and Curragh West and investigate incorporating these areas into the mine plan, subject to necessary approvals
Burngrove Measures	• Conduct further exploration and studies into the exploitation of the Burngrove Measures building on work already conducted indicating potential future development potential
Coal seam gas extraction	• Investigate if coal seam gas can be extracted for economic benefit and utilise these opportunities where feasible, subject to necessary regulatory approvals
Property portfolio	• Find ways to derive economic benefit from the mine's large rural and residential property portfolio

Mine Planning and Marketing initiatives *continued*

Product blending	• During certain market environments in recent years, traders have been able to capture a portion of export business at the Port of Gladstone, built on the range of Gladstone coals available and the nature of stocking and loading facilities at Gladstone that allow for controlled, homogenous blending on a repeatable basis. There is a demonstrated track record of blended coals being accepted in the market from the Port of Gladstone. • Due to Curragh's large existing infrastructure footprint at both Gladstone terminals, opportunities may exist to: – combine coals with complementary properties to Curragh (such as, but not limited to, Mid-Vol coking coals) to increase market value of the blended product. Curragh is investigating if potential exists via washing changes and blending, to reposition coals currently sold as PCI into coking coal market segments; – create additional flexibility and value to customers for tailored grades of met coal (coking and PCI); and – create additional flexibility for the Curragh mine to optimise its coal resource

Post acquisition, management has proactively examined optimisation strategies to exploit near-term opportunities, including changes to improve the dragline efficiency in Curragh. Improvements in the range of 10% have already been realised with more expected in the future. As the Company continues to optimise the mine plan to accommodate redesigned pits and the SRA, Coronado expects to be able to convert this efficiency improvement into additional tonnes or lower costs, to realise untapped value potential at Curragh. There are additional measures available to produce incremental tonnes that include coal recovery projects from old tailings facilities and enhanced pit recovery. Combined with cost reduction measures, including the restructuring of contractor arrangements and improved maintenance arrangements across the portfolio, Coronado expects to drive further value from this asset. Further details on the optimisation initiatives contemplated at Curragh are set out in Section 3.7.2.2.

3. Company Overview

3.7.3 Organic growth in production

Coronado has identified options within its current portfolio to generate organic growth, including MDL 162 at its Australian Operations and its two large-scale development projects at its US Operations.

At the Company's Australian Operations, Coronado's key development project is MDL 162. This project has economic Reserves of 83 Mt (with Marketable Reserves of 54 Mt)¹ and Resources of 238 Mt¹ and has the potential to increase production capacity at Curragh and/or extend the Reserve life (as described in Section 3.3.1.3).

In addition to MDL 162, Curragh has an additional brownfield expansion opportunity through its ownership of Curragh West. Curragh West is an exploration stage property located adjacent to the Curragh East Mining Area. Coronado is planning further assessment of Curragh West to delineate the potential resources.

At the Company's US Operations, Coronado's development projects as discussed in Sections 3.3.2.5, 3.3.2.6 and 3.3.2.7 include:

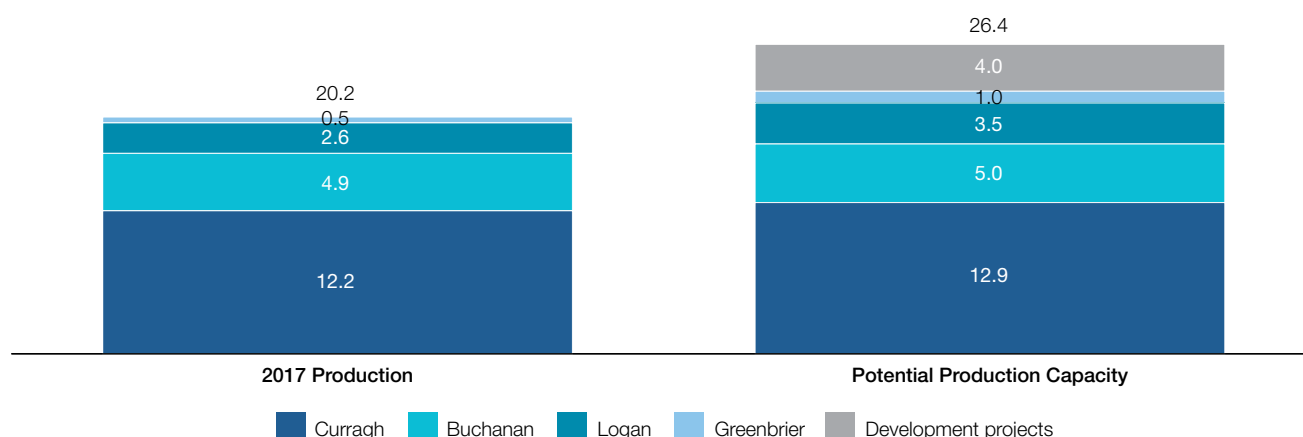
- **Pangburn-Shaner-Fallowfield:** Located in Pennsylvania, with Reserves of 201 Mt (with Marketable Reserves of 147 Mt)² and the potential to produce High-Vol met coal; and
- **Russell County:** Located in Virginia, with Reserves of 47 Mt (with Marketable Reserves of 27 Mt)² and the potential to produce Mid-Vol met coal.

Coronado also owns the Amonate asset located in the states of West Virginia and Virginia with Reserves of 133 Mt (with Marketable Reserves of 56 Mt)² and the potential to produce high quality Mid-Vol met coal. Amonate was idled in 2012.

Coronado believes that these development projects have the capacity to significantly enhance the Company's production capacity and implied reserve life. Pangburn-Shaner-Fallowfield, in particular, offers High-Vol met coal production capabilities and due to its location has a potential river transportation cost advantage of at least US\$12 per tonne relative to rail transportation. Coronado is anticipating potentially sanctioning development of Pangburn-Shaner-Fallowfield over the next decade with a preliminary capital cost estimate of US\$257 million (in 2017 US dollars).

Figure 67 sets out the potential production capacity from these development projects. Coronado estimates that these assets, if developed, could add in excess of 6 Mtpa of production.³

Figure 67: 2017 production and potential production capacity (Mt)⁴



1. Resources and Reserves for Coronado's Australian Operations are as at 30 June 2017. Resources for Coronado's Australian Operations are quoted in addition to Reserves.

2. Resources and Reserves for Coronado's US Operations are as at 31 December 2017. Resources for Coronado's US Operations are quoted inclusive of Reserves.

3. This represents a maximum potential production capacity if all of the development projects are either developed or restarted (as applicable). It is not a production target. Further studies are required to assess the feasibility and capital and operating costs associated with these expansion opportunities.

4. Based on additional Reserves. Note that Reserves for Coronado's US Operations are as at 31 December 2017 and Reserves for Coronado's Australian Operations are as at 30 June 2017.

3.7.4 Inorganic growth

Coronado has a strong track record of identifying and executing value accretive and opportunistic acquisitions to achieve its objective to establish scale and diversity of products and operating geographies. Certain ASX coal comparables have increased materially since the announcement of Coronado's acquisition of Curragh.¹ Coronado focuses primarily on mature, producing assets, with low operating risk, which have opportunities to drive operating efficiencies. Coronado intends to remain focused on being a prudently capitalised company and preserve its low leverage position in order to ensure continued financial flexibility and liquidity. Coronado believes that its strong financial position and low cost operating model will support its strategic objectives and ensure it maintains a sustainable and strong cash flow profile.

Coronado will remain open to explore additional value accretive acquisitions should the opportunity present itself. However, the Company can achieve its growth objectives within its strong portfolio of organic growth opportunities, with any potential new acquisitions to be focused on complementing the existing portfolio.

3.8 HEALTH, SAFETY AND ENVIRONMENT

3.8.1 Health and safety

3.8.1.1 Australian Operations

Curragh has an excellent health and safety record, which it believes is a competitive advantage in attracting and retaining staff. There has been strong safety performance at Curragh over the past three years with positive trends in Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR).

Figure 68: LTIFR performance^a

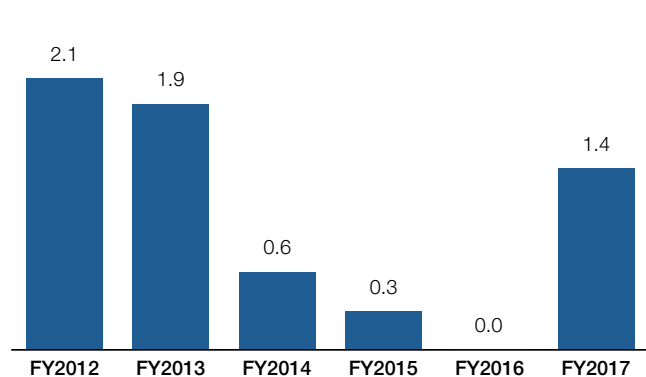
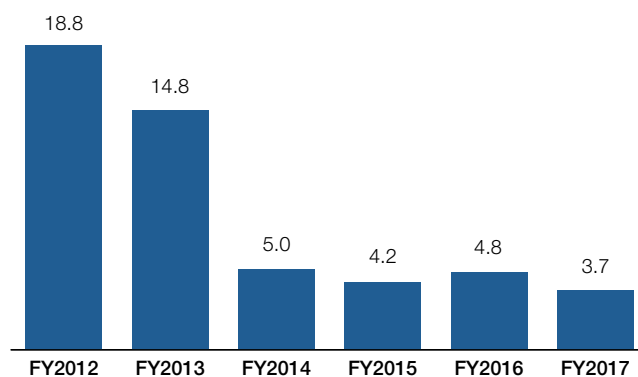


Figure 69: TRIFR performance^b



a. LTIFR. Lost time in hours per 1 million hours worked.

b. TRIFR. Lost time and medical treatment injuries per 1 million hours worked.

Source: Wesfarmers Sustainability Reports

Safety and health is managed through the Safety and Health Management System (SHMS). The SHMS is guided by the mine's vision and values, legislation, relevant standards and stakeholder requirements and is made up of interconnected and standardised systems, procedures and guidelines. Curragh has a fully-equipped 24 hour full-time contract emergency services team which is augmented by its own emergency response team, consisting of Curragh and contractor employees. All members of the Curragh emergency response team are trained extensively in fire and rescue operations, enabling the team to respond with efficiency to any on or off-site emergency.

3.8.1.2 US Operations

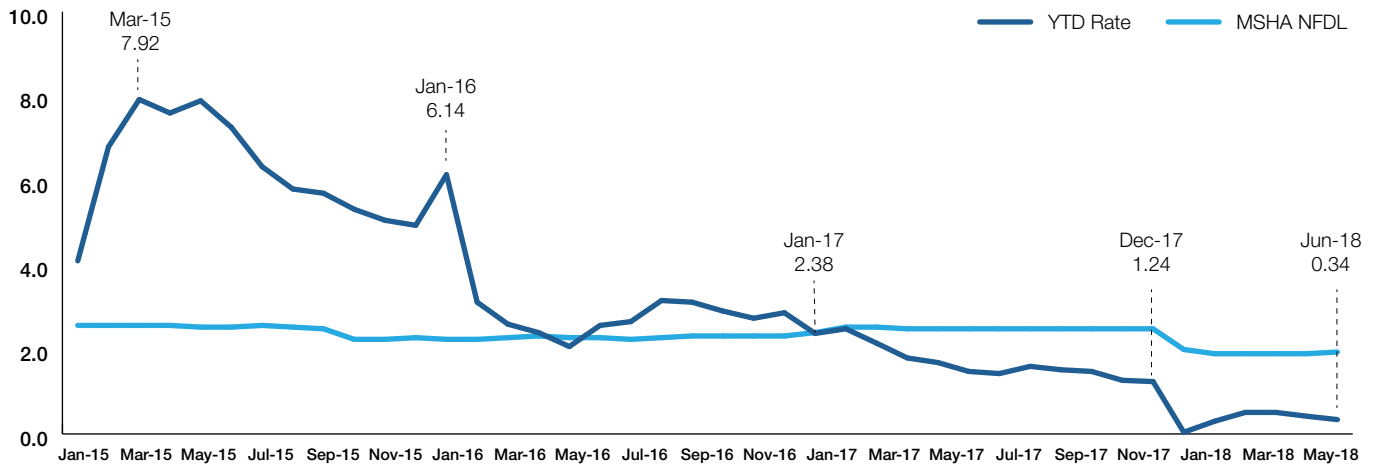
Coronado's emphasis on safety standards contributes to the high efficiency levels at Coronado's US Operations. Coronado US Operations Total Reportable Incident Rate (TRIR) (all occupational injuries reportable to the MSHA) was 2.55 in 2017, which is below the MSHA national average of 3.61. Buchanan has historically maintained a high level safety standard and in 2017 the TRIR incident rate was 1.07, which was well below peer mines and the industry national average of 3.61 as reported by the MSHA. Greenbrier's result for 2017 was 0.00. Coronado is proud of these safety results and is committed to reducing its TRIR further across its portfolio.

The Company utilises a behaviour-based safety program to focus all employees on safe work practices. This is a peer-to-peer process in which all employees are empowered and encouraged to identify at-risk behaviours and conditions, and are expected to take responsibility to correct and address the same. Due to its relatively low Non-Fatal Days Lost (NFDL) rate, Coronado is able to consistently have employees on shift, which enhances the mine's productivity and efficiency.

1. The average of key ASX peers, Whitehaven and New Hope share prices have increased over 37% since announcement of the Coronado Curragh acquisition.

3. Company Overview

Figure 70: Coronado NFDL rate in its US Operations¹



3.8.2 Community relations

3.8.2.1 Australian Operations

Curragh is proud of its long association with the Blackwater community. Since the mine opened in 1983, many employees and their families have lived in Blackwater, and through this connection Curragh has been a major supporter of the Blackwater community. Curragh has made significant investments to build new accommodation and upgrade existing housing for Curragh employees and their families.

Curragh's community engagement includes providing support across community organisations, healthcare, education, sport, culture, Indigenous communities and local tourism. Curragh's community contributions for the FY2017 were A\$170,342, comprising A\$129,342 of direct donations and A\$40,455 of value of time and in-kind donations. Curragh is proud to support the development of a strong, healthy and vibrant Blackwater community.

Relationship with Indigenous communities

Curragh has developed and continues to foster strong relationships with local Indigenous communities, evidenced by the success realised with the following programs:

- Curragh runs the Oothungs (Sisters) in Mining Program (**Oothungs**), which is in its fourth cohort in 2018. The Oothungs program assists local disadvantaged Indigenous women to enter Queensland's mining industry. Five trainee employees currently work at Curragh as a result of the Oothungs program; and
- Curragh has a partnership with the Wadja Wadja High School in the Aboriginal community of Woorabinda. Each month during the school year, a cohort of tradespeople travel to the high school and work with the students to teach basic trade skills and share information about different trade careers and pathways into the mining industry. Curragh is also actively supporting the school with the development of their masterplan for a new high school facility for the community which will focus on vocational and agricultural education.

Respecting and preserving Indigenous cultural heritage are important to Curragh. Curragh holds regular co-ordination meetings with representatives of the local Indigenous communities and educates its employees and contractors on the importance and significance of Aboriginal heritage and culture in the area.

Neighbouring landholder relations

Neighbouring landholder relationships are generally positive, as shown by the low complaint record that has been received to date. Land use on land surrounding the Curragh East Mining Area includes grazing and limited cropping. Coal mines and hard rock quarries are also prominent in the broader region. Within a 3 km radius of the Curragh East Mining Area, sensitive places include private dwellings and the Blackwater Sewage Treatment Plant. The Blackwater township and other rural dwellings are within a 6 km radius of these mining areas. Within a 6 km radius of the Curragh North Mining Area, the sensitive places are rural dwellings.

¹. MSHA data as of June 2018, Company information.

3.8.2.2 US Operations

Coronado believes in the importance of enriching the communities in which it operates. It not only aims to be a safe, reliable, environmentally conscious employer of choice in each of these communities, but also seeks to give back in meaningful ways, from ongoing support of local charities and environmental projects to sponsoring and conducting educational programs. Coronado encourages its employees and executives to regularly participate in local activities and events to ensure that a continued focus on giving back extends throughout the organisation.

Recent examples of Coronado's partnership with its local communities include:

- donating equipment to local schools;
- conducting and sponsoring educational programs for local school children;
- providing internships for college students from local communities;
- assisting with rebuilding efforts following natural disasters/floods, including repaving roads and repairing buildings and homes;
- donating a portion of site profits to local charities and causes, including local environmental and stream restoration organisations;
- contributing food and relief funds to communities in need;
- sponsoring local Boy Scout troops; and
- participating in the National Boy Scout Jamboree and teaching mining merit badge classes.

3.8.3 Environment

3.8.3.1 Australian Operations

Coronado is committed to managing its environmental performance to ensure that it complies with its obligations under both state and Commonwealth legislation and is at the forefront of environmental management in the mining industry. This includes an operational focus on managing natural resources, such as water and significant vegetation.

Curragh has established an Environmental Management System (**EMS**), which is in full compliance with legislative requirements and covers all aspects of environmental management including water, biodiversity, rehabilitation, cultural heritage, greenhouse gas, energy and waste management. The EMS documents detail the environmental controls employed at the site, assist with communication and implementation, and facilitate auditing and review of environmental performance.

Curragh is a participant in the Australian Coal Associations COAL21 Program, which supports the pre-commercial demonstration of low emissions technologies (including carbon capture and storage) to enhance the environmental performance of coal and reduce fugitive emissions associated with coal mining. The COAL21 Fund is funded from a voluntary levy on coal production.

3.8.3.2 US Operations

The Buchanan mine complex, consisting of 16 state permits and associated NPDES permits, received no violations in 2017. Logan, which holds 21 state permits with associated NPDES permits, received seven environmental violations in 2017. The Greenbrier mine complex, which holds 23 state permits with associated NPDES permits, received 12 environmental violations in 2017. These violations are minor in nature and have been abated without significant cost and remediation.

Through prudent diligence, selective placement of overburden, water handling management and daily monitoring and sampling, Coronado successfully manages environmental matters. Each of Coronado's mining complexes at its US Operations has at least two environmental engineers on site.

3.8.3.3 Commitment to support new technology

Coronado recognises that the production of met and thermal coal, as well as coal-fired generation using thermal coal, is associated with greenhouse gas emissions. Coronado is committed to working with other industry participants to support, develop and introduce new coal production and energy generation technologies to help reduce the environmental impact of its operations while continuing to meet global energy and steel demands.

3. Company Overview

3.9 PEOPLE

3.9.1 Employees

3.9.1.1 Australian Operations

As of 30 June 2018, approximately 425 people were employed at the Curragh mine site. In addition to Curragh's employees, there are approximately 1,505 contractors supplementing the permanent workforce, all based at Curragh. The majority of Curragh's employees live in accommodation provided by the Company in the nearby town of Blackwater, Queensland, a regional township with a population of approximately 5,500. The Company owns approximately 360 houses in Blackwater and operates a number of villages with over 1,100 beds.

There are two primary types of employment contracts currently in force covering all of Curragh's employees:

- **Enterprise bargaining agreement:** A single, federally-certified collective enterprise agreement for mining and maintenance employees. This collective agreement binds Curragh; the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (**AMWU**); the Construction, Forestry, Maritime, Mining and Energy Union (**CFMMEU**)¹; the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (**CEPU**); and Curragh employees performing mining and operational functions; and
- Staff salaried contracts.

Curragh has enjoyed a sustained period of stable industrial relations with its workforce. The majority of the wages workforce is unionised, belonging to one of three of the major Australian unions (the AMWU, CEPU or CFMMEU). The majority of disputes are resolved at the site level, with only three disputes referred to the Fair Work Commission over the past three years. The current key agreement is the Curragh Mine Operations Enterprise Bargaining Agreement 2015, which passed its nominal expiry date in July 2018. The current agreement will remain in place until replaced or terminated by the Fair Work Commission (which could only occur once the Fair Work Commission has consulted with the affected employees and their unions). The agreement covers work carried out by approximately 215 permanent, full-time, temporary, permanent part-time and casual coal mining employees engaged in production, maintenance and processing activities at Curragh.

3.9.1.2 US Operations

Coronado's US Operations employed 1,289 people as at 31 December 2017. Coronado employs a 100% non-union labour force that is composed of highly skilled and efficient workers. Coronado believes that the high quality and dedication of its labour force at its US Operations allow for flexibility to maintain appropriate staffing levels in alignment with production. Coronado employs a highly knowledgeable, efficient and driven labour force which it believes gives a strong competitive advantage.

3.10 INFORMATION TECHNOLOGY AND INSURANCE

3.10.1 Information technology

Technology services are provided with disaster recovery and back up protocols in place via use of a Wide Area Network (WAN), which operates in a Production/Disaster Recovery configuration with automated replication (in real time).

Cybersecurity is managed through a number of technological and organisational mechanisms, including:

- **Technology:** Perimeter network protection technologies (firewalls) are utilised to protect Coronado's WAN. Technologies and third parties are utilised to scan incoming and outgoing emails to reduce and eliminate spam and malware. User device protection technologies are utilised to protect user computing assets.
- **Domain controllers:** Using a variety of domain and policy-driven scripts, users follow a password policy that requires they keep complex passwords that sync with Microsoft Active Sync service to provide a single sign-on to services within the organisation; and
- **Partnerships:** Partnership with consulting firms, as required, provides cybersecurity assessment and incident investigation services. Curragh is a member of the Brisbane Joint Cybersecurity Centre which provides services to assist with managing cybersecurity and investigation of incidents. Technology system audits are performed on annual basis by external auditors.

1. Previously the Construction, Forestry, Mining and Energy Union (CFMEU).

3.10.2 Insurance

Coronado carries insurance of types and in amounts customary for a company of its type and size. This includes coverage for:

- General Liability;
- Automobile Liability;
- Public and Products Liability;
- Property Loss and Business interruption Loss;
- Employment Practices Liability;
- Fiduciary Liability and Directors and Officers Liability;
- Excess Liability and Umbrella coverage and Exporter Insurance;
- Commercial Crime Coverage; and
- Workers' Compensation Insurance.



SECTION 4

Financial Information

4.1 INTRODUCTION

4.1.1 Background

Prior to the Prospectus Date, a restructure of the Seller group was undertaken under which the Company, a subsidiary of the Seller and the holding company of the Australian Operations (formerly Coronado Group HoldCo LLC), was converted to a Delaware corporation and renamed Coronado Global Resources Inc., a company incorporated in Delaware, United States, and all of the equity ownership of the subsidiaries pertaining to the United States Operations was contributed from the Seller to the Company (**Restructure**). Following the Restructure, the Company is the parent of the US and Australian entities and is 100%-owned by the Seller immediately prior to the Offer. The Restructure will be accounted for as a combination of entities under common control.

The statutory historical financial information relevant to Coronado in this Prospectus has been extracted from the historical financial statements of the Seller.

4.1.2 Financial Information

The financial information of Coronado contained in this Section 4 includes the pro forma and statutory historical financial information for the years ended 31 December 2016 (**FY2016**) and 31 December 2017 (**FY2017**) and for the six months ended 30 June 2017 (**1H2017**) and for the six months ended 30 June 2018 (**1H2018**), as well as statutory and pro forma forecast financial information for the year ending 31 December 2018 (**FY2018**) and statutory forecast financial information for the year ending 31 December 2019 (**FY2019**), as follows:

- pro forma historical financial information for Coronado, comprising the:
 - pro forma historical statements of operations for FY2016, FY2017, 1H2017 and 1H2018 (**Pro Forma Historical Results**);
 - pro forma historical cash flow information for FY2016, FY2017, 1H2017 and 1H2018 (**Pro Forma Historical Cash Flow Information**); and
 - pro forma historical balance sheet as at 30 June 2018 (**Pro Forma Historical Balance Sheet**),

(together, the **Pro Forma Historical Financial Information**);

- statutory historical financial information for the Seller comprising the:
 - statutory historical statements of operations for FY2016, FY2017, 1H2017 and 1H2018 (**Statutory Historical Results**);
 - statutory historical cash flow information for FY2016, FY2017, 1H2017 and 1H2018 (**Statutory Historical Cash Flow Information**); and
 - statutory historical balance sheet as at 30 June 2018 (**Statutory Historical Balance Sheet**),

(together, the **Statutory Historical Financial Information**).

The Pro Forma Historical Financial Information and the Statutory Historical Financial Information together form the **Historical Financial Information**.

- pro forma forecast financial information for Coronado, comprising the:
 - pro forma forecast statement of operations for FY2018 (**Pro Forma Forecast Results**); and
 - pro forma forecast cash flow information for FY2018 (**Pro Forma Forecast Cash Flow Information**),

(together the **Pro Forma Forecast Financial Information**);

- statutory forecast financial information for Coronado, comprising the:
 - statutory forecast statements of operations for FY2018 and FY2019 (**Statutory Forecast Results**); and
 - statutory forecast cash flow information for FY2018 and FY2019 (**Statutory Forecast Cash Flow Information**),

(together, the **Statutory Forecast Financial Information**).

The Pro Forma Forecast Financial Information and the Statutory Forecast Financial Information together form the **Forecast Financial Information**.

The Historical Financial Information and the Forecast Financial Information together form the **Financial Information**.

The basis of preparation and presentation of the Financial Information is described in Section 4.2.

4. Financial Information

The Financial Information in this Section 4 should also be read in conjunction with this Prospectus as a whole, including (without limitation) the risk factors set out in Section 5.

Investors should note that past results are not a guarantee of future performance.

Unless otherwise stated, all amounts in this Section 4 are presented in USD and are rounded to the nearest appropriate number or decimal. All tonnes are metric tonnes, unless otherwise stated. Percentage movements have been calculated from underlying source information and therefore may not reconcile with rounded calculations.

4.1.3 Additional information

The following items are also summarised in this Section 4:

- basis of preparation and presentation of the Financial Information (see Section 4.2);
- explanation of certain Non-US GAAP Financial Information (see Section 4.3);
- pro forma adjustments and reconciliations of the Statutory Historical Financial Information to the Pro Forma Historical Financial Information and the Statutory Forecast Financial Information to the Pro Forma Forecast Financial Information (see Section 4.4);
- selected reconciliations of the Statutory Historical Results to the Pro Forma Historical Results and Statutory Historical Cash Flow Information to the Pro Forma Historical Cash Flow Information (see Section 4.4 and Appendix B);
- summary of key operating measures (see Section 4.4);
- segment information (see Section 4.5);
- historical and forecast cash flow information (see Section 4.6);
- Statutory Historical Balance Sheet and Pro Forma Historical Balance Sheet (see Section 4.7);
- details of Coronado's indebtedness (see Section 4.7.3) and a description of the Refinancing and new Syndicated Facility Agreement (see Section 4.7.4);
- information regarding liquidity and capital resources (see Section 4.7.5);
- information regarding Coronado's commitments and contingencies and off-balance sheet arrangements (see Section 4.7.6);
- management's discussion and analysis of the Historical Financial Information (see Section 4.8) and Forecast Financial Information (see Section 4.9);
- the general assumptions and the specific assumptions underlying the Forecast Financial Information (see Sections 4.9.1 and 4.9.2);
- an analysis of the sensitivity of the Forecast Financial Information to changes in certain key assumptions (see Section 4.10);
- a discussion of Coronado's financial risk management framework (see Section 4.11);
- Coronado's capital management and proposed dividend policy (see Section 4.12); and
- critical accounting estimates and judgements (see Section 4.13) and significant accounting policies (see Appendix A).

4.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of US Generally Accepted Accounting Principles (**US GAAP**) and is presented in US dollars. A reconciliation between US GAAP and Australian Accounting Standards (**AAS**) of select items which are considered to be significant is contained in Sections 4.4.6, 4.4.7, 4.5.4 and 4.7.2. AAS, issued by the Australian Accounting Standards Board, are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board.

This reconciliation has been prepared for informational purposes only and has not been subject to audit or review. Going forward, the Financial Information of Coronado will continue to be prepared and presented in accordance with US GAAP.

The Financial Information is presented in an abbreviated form and does not include all the presentation and disclosures, statements or comparative information required by US GAAP. Coronado's accounting policies have been consistently applied throughout the periods presented in the Financial Information. Coronado's significant accounting policies are set out in Appendix A and its critical accounting estimates and judgements are set out in Section 4.18.

4.2.1 Overview

The Financial Information in this Section 4 has been presented on a consolidated basis. The Seller acquired Buchanan and the Amonate asset from CONSOL Energy through the acquisition of Buchanan Mining Company LLC, formerly CONSOL Buchanan Mining Company LLC, as of 31 March 2016. Coronado Curragh Pty Ltd (**Coronado Curragh**), formerly Wesfarmers Curragh Pty Ltd, was acquired by the Seller (through Coronado Australia Holdings Pty Ltd, a wholly owned subsidiary) on 29 March 2018.

The Pro Forma Historical Results, Pro Forma Forecast Results, Pro Forma Historical Cash Flow Information and Pro Forma Forecast Cash Flow Information have been prepared as if the acquisitions of Coronado Curragh and Buchanan were made and the Restructure, the Refinancing and the Offer had occurred on 1 January 2016.

The Restructure effected prior to listing will be treated as a combination of entities under common control in line with the US GAAP guidance provided under ASC 805, *Business Combinations* (Subtopic 805-50, Related Issues) whereby the receiving entity in a common control transaction is required to account for the combination at carrying amount. The financial statements presented following the Restructure are those of the receiving entity and are retrospectively adjusted to present that entity as if it always held the Net Assets (as defined below) or equity interests previously held by the Seller. As such, pro forma and statutory financial information of Coronado has been presented as a continuation of the pre-existing accounting values of assets and liabilities in the Seller's financial statements. The only adjustment has been to exclude management incentive units that are a form of equity consideration provided to key members of management, which will remain with the Seller after the Restructure.

Certain new accounting standards and interpretations have been published, including some which become mandatory for Coronado to adopt within the period covered by the Forecast Financial Information. Coronado's assessment of the impact of these new standards on the Pro Forma Historical Financial Information and Forecast Financial Information is as follows:

- ASC 606, *Revenue from Contracts with Customers*, which is applicable and was adopted from 1 January 2018, was determined not to have a material impact on prior year financial information to warrant retrospective pro forma adjustment;
- ASC 842, *Leases*, which is applicable and will be adopted from 1 January 2019, was determined not to have a material impact on prior year financial information to warrant retrospective pro forma adjustments in the statement of operations or cash flow information. The impact of the new standard on the balance sheet is expected to recognise all leases on the balance sheet via finance and operating lease right-of-use assets and finance and operating lease liabilities. For illustrative purposes, the impact to the balance sheet of the application of ASC 842, *Leases* has been presented in the pro forma balance sheet as at 30 June 2018 as set out in Table 47;
- ASU 2016-05 *Effect of derivative contract novations on existing hedge accounting relationships*, which is applicable and will be adopted from 1 January 2019, was determined not to have a material impact on prior year financial information to warrant retrospective pro forma adjustment;
- ASU 2016-06 *Contingent put and call options in debt instruments*, which is applicable and will be adopted from 1 January 2019, was determined not to have a material impact on prior year financial information to warrant retrospective pro forma adjustment; and
- ASU 2016-09 *Improvements to employee share-based payment accounting*, which is applicable and will be adopted from 1 January 2019, was determined not to have a material impact on prior year financial information to warrant retrospective pro forma adjustment.

Information in this Section 4 is rounded to the nearest appropriate number or decimal. Some totals in tables may not add due to rounding of individual components.

4. Financial Information

4.2.2 Preparation of the Statutory Historical Financial Information

The Statutory Historical Financial Information has been extracted from the Seller's audited financial statements for the years ended 31 December 2016 and 31 December 2017 and the condensed half-year unaudited financial statements for the six months ended 30 June 2017 and 30 June 2018.

The financial statements of the Seller for the years ended 31 December 2016 and 31 December 2017 were audited by KPMG LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States) ('PCAOB') and in accordance with auditing standards generally accepted in the United States of America ('USGAAS'). The audit opinions issued to the members of the Seller relating to those financial statements was unqualified. The condensed consolidated half-year financial statements of the Seller for the six months ended 30 June 2017 and 30 June 2018 were subject to review by KPMG LLP in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. KPMG LLP issued an unmodified review conclusion to the members of the Seller in respect of the condensed consolidated half-year financial statements of the Seller for the six months ended 30 June 2017 and 30 June 2018. However, its report states that it did not audit and it does not express an opinion on the financial statements of the Seller for the six months ended 30 June 2017 and 30 June 2018. Accordingly, the degree of reliance on its report on such information should be restricted in light of the limited nature of the review procedures applied.

4.2.3 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of the Seller and incorporates the following pro forma adjustments to the historical statements of operations and cash flow information:

- inclusion of historical results and cash flow information for Coronado Curragh for the two years and three months to 29 March 2018 as if Coronado had owned Coronado Curragh since 1 January 2016;
- inclusion of three months historical results and cash flow information for Buchanan to 31 March 2016 as if Coronado had owned Buchanan since 1 January 2016;
- removal of the estimated costs of the Offer;
- changes in the capital structure to reflect the pre-IPO refinancing, which includes; \$698.6 million repayment of the existing pre-IPO debt facility, \$33.1 million settlement of the interest rate swap, \$6.7 million in termination fees, and \$14.1 million in up-front financing fees for the establishment of the Syndicated Facility Agreement, funded by \$608.0 million cash and the release of \$144.5 million restricted cash (**Refinancing**);
- estimated incremental costs of operating as a listed entity; and
- inclusion of taxation adjustments to reflect the structure of the group at the date of listing as if it had existed from 1 January 2016.

The historical results and cash flow information for Coronado Curragh have been derived from Coronado Curragh's audited financial statements for the years ended 31 December 2016 and 31 December 2017 and the unaudited interim financial statements for the six months ended 30 June 2017 and three months ended 29 March 2018. The financial statements of Coronado Curragh for the years ended 31 December 2016 and 31 December 2017 were prepared in accordance with AAS, presented in AUD and subject to audit by Coronado Curragh's external auditor, Ernst & Young, in accordance with Australian Auditing Standards. The audit opinions issued to the directors of Coronado Curragh relating to Coronado Curragh's audited financial statements for the years ended 31 December 2016 and 31 December 2017 were unmodified. The unaudited interim financial statements of Coronado Curragh for the six months ended 30 June 2017 and three months ended 29 March 2018 were prepared in accordance with AASB 134 Interim Financial Reporting, presented in Australian dollars and subject to review by Coronado Curragh's external auditor, Ernst & Young, in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. The review statements issued to the members of the Seller relating to those financial statements were unmodified.

The historical results and cash flow information of Coronado Curragh were converted from AAS to US GAAP to align with Coronado's US GAAP accounting policies and reclassified to align with Coronado's line item classifications in the statement of operations and cash flow information.

As part of the pro forma adjustments to include the historical results and cash flow information of Coronado Curragh, the 29 March 2018 US GAAP acquisition fair values for property, plant and equipment and other assets and liabilities have been pushed back to 1 January 2016. This includes the US GAAP acquisition value of \$847.8 million for property, plant and equipment that is used as the basis of calculating depreciation, depletion and amortisation. In comparison the AAS, carrying value of property, plant and equipment of \$1,056.1 million (A\$1,287.6 million) was reflected in Coronado Curragh's 31 December 2015 financial statements prior to an AAS impairment charge of \$579.7 million (A\$780.4 million) which arose as a result of a continued deterioration in forecast export coal prices. Under AAS, the recoverable amount was determined as the fair value less cost of disposal estimated using the life of mine discounted cash flow valuation. Under Coronado's US GAAP accounting policies (which is performed on an undiscounted cash flow basis), no impairment has been assessed or recorded in the 2016 and 2017 financial years and half year ended 30 June 2018, as at no balance date since 1 January 2016, have Coronado Curragh's forecast undiscounted cash flows been exceeded by the carrying amount of the associated assets. Accordingly, as part of the pro forma adjustments the AAS impairment charge included in Coronado Curragh's FY2016 historical financial statements and a subsequent AAS partial impairment reversal included in Coronado Curragh's 29 March 2018 historical financial statements have been removed.

For the purposes of the Pro Forma Historical Financial Information and Forecast Financial Information, Coronado Curragh's AUD financial information has been converted into USD. The USD to AUD rate used to convert the Coronado Curragh assets and liabilities into USD was 0.7391 at 30 June 2018. For conversion of statement of operations information and cash flow information into USD, the following rates were used:

- 0.7427 (average rate) for FY2016;
- 0.7549 (average rate) for 1H2017;
- 0.7667 (average rate) for FY2017;
- 0.7695 (average rate) for 1H2018;
- 0.7296 (average rate) for the six months ending 31 December 2018 incorporated into FY2018; and
- 0.7254 (average rate) for FY2019.

The historical results and cash flow information for Buchanan prior to the acquisition have been derived from Buchanan's financial statements for the three month period ended 31 March 2016. The financial statements of Buchanan for the three months ended 31 March 2016 were prepared in accordance with US GAAP, presented in USD and subject to audit by KPMG LLP in accordance with auditing standards generally accepted in the United States of America. The audit opinion for Buchanan's financial statements for the three months ended 31 March 2016 issued to the Board of Managers of the Seller was unqualified.

Coronado has determined that the application of the US GAAP accounting standard ASC 842, *Leases* applicable from 1 January 2019, would not have a material effect to net income, EBIT and EBITDA presented in the Pro Forma Historical Results of the business and accordingly no pro forma adjustment to the Pro Forma Historical Results has been recognised to reflect retrospective application of ASC 842, *Leases*.

The Pro Forma Historical Balance Sheet has been derived from the unaudited 30 June 2018 balance sheet and incorporates the application of pro forma adjustments, to illustrate the effects on Coronado described in Section 4.7 as if each of the following had occurred on 30 June 2018:

- the impact of the Restructure;
- the impact of the Refinancing;
- the impact of the acquisition of the SRA which was acquired on a deferred consideration basis as of 14 August 2018;
- the impact of the Offer, assuming the gross proceeds of the Offer are \$531.4 million, based on the midpoint of the AUD Offer price range and the USD/AUD exchange rate of 0.7254 as reported by Bloomberg on 1 September 2018; and
- the application of ASC 842, *Leases*, as if it was first adopted on 30 June 2018.

The Seller acquired Coronado Curragh on 29 March 2018 and accounted for this acquisition as a business combination. From this date the Company has up to 12 months to amend their provisional purchase price allocation, which if amended, may impact the balance sheet or statement of operations reflected in future financial statements.

The Pro Forma Historical Financial Information presented in this Prospectus has been prepared solely for the purposes of inclusion in this Prospectus and has been reviewed by KPMG Transaction Services, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*. The Limited Assurance Investigating Accountant's Report is included in Section 8. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Reports.

4. Financial Information

Investors should also note that the Pro Forma Historical Financial Information included in this Prospectus does not purport to be in compliance with Article 11 of Regulation S-X of the Rules and Regulations of the SEC. Article 11 of Regulation S-X contains detailed stipulations on the nature, extent and determination of acceptable pro forma adjustments and the reporting periods for which pro forma financial information may be presented.

4.2.4 Preparation of Forecast Financial Information

The basis of preparation and presentation of the Pro Forma Forecast Financial Information and Statutory Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

The directors of Coronado have prepared the Forecast Financial Information with due care and attention and consider all best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, investors should be aware that the assumptions may not eventuate in full or in part and investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Forecast Financial Information has been prepared on the basis of numerous assumptions, including the general assumptions and the specific assumptions set out in Sections 4.9.1 and 4.9.2, respectively. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

The Pro Forma Forecast Financial Information assumes that the acquisition of Coronado Curragh, the Restructure, the Refinancing and the Offer had occurred prior to the beginning of FY2018. The Statutory Forecast Financial Information includes the actual results for Coronado Curragh as from the date of acquisition, being 29 March 2018, through to 30 June 2018 and assumes the Restructure, the Refinancing and the Offer will occur on or about the date of Completion. The Pro Forma Forecast Financial Information for FY2018 includes actual results for the six months ended 30 June 2018 and forecast results for the six months ending 31 December 2018. No pro forma adjustments are made for FY2019, and the FY2019 forecasts are therefore only reported as Statutory Forecast Results.

Investors should be aware that the timing of actual events and magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Coronado's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Coronado. Accordingly, no assurance can be given to investors that the outcomes disclosed in the Forecast Financial Information will arise.

Investors are advised to review the general assumptions and specific assumptions set out in Sections 4.9.1 and 4.9.2, respectively, in conjunction with the critical accounting estimates set out in Section 4.13, the significant accounting policies set out in Appendix A, the sensitivity analysis set out in Section 4.10 and the other information in this Prospectus as a whole, including (without limitation) the risk factors set out in Section 5.

Except as required by law, Coronado has no intention to update or revise the Forecast Financial Information following the issue of this Prospectus, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The Pro Forma Forecast Financial Information and the Statutory Forecast Financial Information presented in this Prospectus have been prepared solely for inclusion in this Prospectus and have been reviewed by KPMG Transaction Services, in accordance with the Australian Standard on ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Limited Assurance Investigating Accountant's Report set out in Section 8. Investors should note the scope and limitations of that report.

The Limited Assurance Investigating Accountant's Report on the Pro Forma Forecast Financial Information and the Statutory Forecast Financial Information has been prepared solely in connection with the Offer outside the United States and has been omitted from the US Offering Memorandum being distributed in the United States.

4.3 NON-US GAAP FINANCIAL INFORMATION

Coronado uses certain measures to manage and report on its business that are not recognised under US GAAP. These measures are collectively referred to as **Non-US GAAP Financial Information**. Management use this Non-US GAAP Financial Information to evaluate the performance and profitability of its overall business and to make operational and investment decisions. The principal Non-US GAAP Financial Information used in this Prospectus is as follows:

- **EBITDA** is earnings before interest, tax, depreciation, depletion and amortisation. Because it eliminates the non-cash charges for depreciation, depletion and amortisation, management believes that EBITDA is useful to help evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges, which are significantly affected by the capital structure and historical tax position of Coronado;
- **EBITDA Margin** is calculated as EBITDA divided by revenue and is expressed as a percentage. EBITDA Margin is a measure that management uses to evaluate the profitability of the overall business and its business segments;
- **EBIT** is earnings before interest and tax. Management believes that EBIT is useful to help understand the performance of the business independently of its financing arrangements and the impact of tax. However, EBIT should not be considered as an alternative to net cash from operating activities because it does not reflect actual cash movements or movements in Coronado's adjusted Working Capital;
- **EBIT Margin** is calculated as EBIT divided by revenue and is expressed as a percentage. EBIT Margin is a measure that management uses to evaluate the profitability of the overall business and its business segments;
- **Working Capital** is the total of trade receivables, inventories, trade payables, other creditors and accruals, GST and employee liabilities. Coronado uses this measure to provide insight into Coronado's short-term liquidity. Investors should consider that Working Capital does not reflect Coronado's future requirements for Working Capital, capital expenditure or contractual commitments;
- **Net Cash** or **Net Debt** is total borrowings (including capital finance leases), less cash and cash equivalents. Coronado uses this measure to understand Coronado's overall credit position. Investors should consider that cash and cash equivalents may be required for purposes other than debt reduction;
- All capital expenditure in all periods is classified by management as Stay-in-Business (**SIB**) capital expenditure, which relates to capital expenditure that management identifies as necessary for the efficient and ongoing performance of existing operations and can include the repair or replacement of existing property, plant and equipment as well as certain mine development costs. Coronado uses SIB capital expenditure to measure maintenance and mine development expenditure of its overall business and its business segments and to allocate spending on specific projects;
- **Net Assets** is calculated as total assets less total liabilities. Coronado uses this measure to understand the net asset position underpinning its business;
- **Average Realised Price** is coal revenues divided by sales volume. Coronado uses this measure to evaluate the product pricing of the overall business and its business segments;
- **Operating Free Cash Flow** is defined as net cash from operating activities less capital expenditure. Coronado considers that Operating Free Cash Flow is a useful measure of the operating cash flow generated by the business after capital expenditure but before debt servicing commitments, but should not be considered as a replacement of net cash provided by or used in operating activities; and
- **Free Cash Flow** is defined as net cash from operating activities less capital expenditure and debt servicing commitments. Coronado uses this measure to understand the cash available after capital expenditure and debt servicing, but it should not be considered as a replacement of net cash provided by or used in operating activities.

Although the Directors believe these measures provide useful information about the financial performance of Coronado, they should be considered as supplements to the measures that have been prepared in accordance with US GAAP and not as a replacement for them. Because this Non-US GAAP Financial Information is not based on US GAAP, these measures do not have standard definitions and the way Coronado calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on the Non-US GAAP Financial Information. Investors should note that this Non-US GAAP Financial Information is presented for illustrative purposes only.

4. Financial Information

4.4 PRO FORMA HISTORICAL RESULTS, STATUTORY HISTORICAL RESULTS, PRO FORMA FORECAST RESULTS AND STATUTORY FORECAST RESULTS

4.4.1 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

Table 34 sets out a summary of the Pro Forma Historical Results for FY2016, FY2017, 1H2017 and 1H2018, the Pro Forma Forecast Results for FY2018 and Statutory Forecast Results for FY2018 and FY2019.

Table 34: Summary of Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

		Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
\$m	Notes	FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Revenues:								
Coal revenues	1	1,234.5	2,130.8	2,242.5	1,929.6	2,309.2	1,065.6	1,097.3
Other revenues	2	34.8	43.3	36.6	33.3	34.2	20.6	18.5
Total revenues		1,269.3	2,174.1	2,279.1	1,962.9	2,343.4	1,086.2	1,115.8
Costs and expenses:								
Cost of coal revenues (exclusive of items shown separately below)	3	844.1	1,073.7	1,141.2	995.9	1,094.1	509.9	569.9
Freight expenses	4	113.9	161.0	159.7	122.9	161.9	74.9	81.9
Depreciation, depletion and amortisation	5	152.0	165.5	168.0	145.5	171.7	84.5	86.9
Selling, general and administrative expenses	6	21.0	30.0	37.1	70.2	38.1	13.0	18.4
Stanwell rebate	7	43.9	147.7	165.7	122.6	153.4	52.0	75.9
Other royalties	8	86.0	171.4	196.9	167.7	158.6	86.7	112.2
Total costs and expenses		1,260.9	1,749.3	1,868.6	1,624.8	1,777.8	821.0	945.2
Operating income		8.4	424.8	410.5	338.1	565.6	265.2	170.6
Other income (expenses):								
Interest expense	9	(13.6)	(14.6)	(23.9)	(111.5)	(35.7)	(6.9)	(8.8)
Loss on debt extinguishment	10	–	–	–	(3.9)	–	–	–
Other, net	11	(1.0)	2.3	(0.8)	(24.2)	–	2.3	(3.4)
Total other income (expense), net		(14.6)	(12.3)	(24.7)	(139.6)	(35.7)	(4.6)	(12.2)
Net income (loss) before tax		(6.2)	412.5	385.8	198.5	529.9	260.6	158.4
Income tax benefit (expense)	12	0.1	(126.2)	(110.2)	(32.4)	(145.5)	(79.8)	(45.3)
Net income (loss)		(6.1)	286.3	275.6	166.1	384.4	180.8	113.1
Less: Net loss attributable to non- controlling interest								
	13	(0.1)	(0.1)	–	–	–	–	–
Net income (loss) attributable to Coronado		(6.0)	286.4	275.6	166.1	384.4	180.8	113.1

		Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
\$m	Notes	FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Reconciliation to EBITDA:								
Net income (loss)		(6.1)	286.3	275.6	166.1	384.4	180.8	113.1
Add: Income tax (benefit) expense		(0.1)	126.2	110.2	32.4	145.5	79.8	45.3
Add: Loss on debt extinguishment		–	–	–	3.9	–	–	–
Add: Interest (income) expense		13.6	14.6	23.9	111.5	35.7	6.9	8.8
EBIT		7.4	427.1	409.7	313.9	565.6	267.5	167.2
Add: Depreciation, depletion and amortisation		152.0	165.5	168.0	145.5	171.7	84.5	86.9
EBITDA		159.4	592.6	577.7	459.4	737.3	352.0	254.1

Notes:

- Coal revenues include domestic and export coal sales and Australian domestic thermal coal sales.
- Other revenues include the amortisation of the Stanwell below market CSA (refer to Section 4.7.11) of FY2016: \$30.5 million, FY2017: \$31.5 million, FY2018: \$30.8 million, FY2019: \$ 29.8 million, 1H2017: \$15.5 million and 1H2018: \$15.8 million. The Stanwell below market CSA represents the fair value attributable to the domestic coal supply obligation arising from the Coronado Curragh business combination. Also included in other revenues are freight revenues and other miscellaneous revenues.
- Cost of coal revenues represent all operating costs associated with coal sales, excluding those items separately stated.
- Freight expenses comprise port charges, rail freight and demurrage related to the sale of coal.
- Depreciation, depletion and amortisation is related to fixed assets, mineral reserves and other intangible assets and includes the accretion expense of the ARO provision (refer to Section 4.7.10).
- Selling, general and administrative expenses include corporate costs and salaries, consulting fees and other general expenses. The FY2018 statutory forecast also includes transaction costs in relation to the acquisition of Coronado Curragh (**Coronado Curragh Acquisition**).
- Stanwell rebate expenses consist of rebates paid to Stanwell on the sale of Coronado Curragh's export coal from the Curragh East Mining Area and the Curragh North Mining Area to third parties (refer to Section 4.8.3.1).
- Other royalty expenses consist of government royalties, private royalties and royalties payable to CONSOL Energy (for the acquisition of Buchanan) on the sale of export coal, as well as the Wesfarmers VSM provision movement relating to the acquisition of Coronado Curragh.
- Interest expense comprises interest incurred on outstanding debt balances and finance fees net of interest earned on cash balances. FY2018 and FY2019 includes the unwinding of the Stanwell SRA amounting to \$7.4 million and \$20.7 million, respectively. In addition, the FY2018 statutory forecast includes debt extinguishment costs relating to the Refinancing and termination of historical debt facilities of \$47.8 million and a termination fee of \$6.7 million.
- Loss on debt extinguishment comprises unamortised deferred financing fees relating to the extinguishment of the term loan debt facilities that were refinanced in March 2018 of \$3.9 million. This relates to the FY2018 statutory forecast only (refer to Section 4.9.5).
- Other income and expenses (net) include gains and losses on asset disposals and other miscellaneous non-operating charges.
- Income tax benefit/(expense) has been calculated at the Australian statutory rate in effect at the time of each respective income statement for Coronado Curragh and the US statutory tax rate in effect at the time of each respective income statement for the remainder of Coronado.
- Represents a 50% non-controlling interest in JEP Mining LLC (**JEP**), the variable interest entity that was formed in 2013, for which Coronado is the primary beneficiary.

4. Financial Information

4.4.2 Operating measures

Table 35 sets out a summary of Coronado's key pro forma historical operating measures for FY2016, FY2017, 1H2017 and 1H2018, the pro forma forecast operating measures for FY2018 and the statutory forecast operating measures for FY2018 and FY2019.

Table 35: Key operating measures

\$m	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
	FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
EBITDA	159.4	592.6	577.7	459.4	737.3	352.0	254.1
EBITDA Margin	12.6%	27.3%	25.3%	23.4%	31.5%	32.4%	22.8%
EBITDA growth		271.8%	(2.5)%		60.5%		(27.8)%
EBIT	7.4	427.1	409.7	313.9	565.6	267.5	167.2
EBIT Margin	0.6%	19.6%	18.0%	16.0%	24.1%	24.6%	15.0%
EBIT growth		5,671.6%	(4.1)%		80.2%		(37.5)%

4.4.3 Statutory Historical Results

Table 36 sets out Coronado's Statutory Historical Results for FY2016, FY2017, 1H2017 and 1H2018.

Table 36: Statutory Historical Results

\$m	Notes	Statutory Historical			
		FY2016	FY2017	1H2017	1H2018
Revenues:					
Coal revenues		434.0	756.4	391.0	784.3
Other revenues		3.3	11.8	5.1	15.3
Total revenues		437.3	768.2	396.1	799.6
Costs and expenses:					
Cost of coal revenues (exclusive of items shown separately below)		290.7	463.6	229.3	424.6
Freight expenses		5.4	15.9	6.7	45.2
Depreciation, depletion and amortisation		59.7	75.5	41.3	64.4
Selling, general and administrative expenses		12.9	21.8	8.6	52.3
Stanwell rebate		–	–	–	32.8
Other royalties		32.4	39.5	18.2	83.0
Total costs and expenses		401.1	616.3	304.1	702.3
Operating income		36.2	151.9	92.0	97.3
Other income (expenses):					
Interest expense		(0.1)	(10.0)	(1.2)	(25.5)
Loss on debt extinguishment		–	–	–	(3.9)
Other, net		0.4	0.5	0.1	(26.8)
Total other income (expense), net		0.3	(9.5)	(1.1)	(56.2)
Net income before tax		36.5	142.4	90.9	41.1
Income tax benefit (expense)	1	–	–	–	(5.5)
Net income		36.5	142.4	90.9	35.6
Less: Net loss attributable to non-controlling interest		(0.1)	(0.1)	–	–
Net income attributable to Coronado		36.6	142.5	90.9	35.6
Reconciliation to EBITDA:					
Net income		36.5	142.4	90.9	35.6
Add: Income tax benefit (expense)		–	–	–	5.5
Add: Loss on debt extinguishment		–	–	–	3.9
Add: Interest income (expense)		0.1	10.0	1.2	25.5
EBIT		36.6	152.4	92.1	70.5
Add: Depreciation, depletion and amortisation		59.7	75.5	41.3	64.4
EBITDA		96.3	227.9	133.4	134.9

Notes:

1. The Seller is treated as a partnership for US income tax purposes and therefore no taxes were paid by this entity; instead taxes were paid by members of the partnership. Refer to the tax accounting policy in Appendix A.

4. Financial Information

4.4.4 Statutory historical operating measures

Table 37 sets out a summary of Coronado's key statutory historical operating measures for FY2016, FY2017, 1H2017 and 1H2018.

Table 37: Key operating measures

\$m	Statutory Historical			
	FY2016	FY2017	1H2017	1H2018
EBITDA	96.3	227.9	133.4	134.9
EBITDA Margin	22.0%	29.7%	33.7%	16.9%
EBITDA growth		136.7%		1.1%
EBIT	36.6	152.4	92.1	70.5
EBIT Margin	8.4%	19.8%	23.3%	8.8%
EBIT growth		316.4%		(23.5)%

4.4.5 Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results

Table 38 sets out the pro forma adjustments that have been made to Coronado's historical revenue, net income and EBITDA for FY2016, FY2017, 1H2017 and 1H2018 and forecast revenue, net income and EBITDA for FY2018. Please refer to Appendix B for a more detailed reconciliation of the Statutory Historical Results to the Pro Forma Historical Results and the Statutory Forecast Results to the Pro Forma Forecast Results.

Table 38: Summary of pro forma adjustments to the Statutory Historical and Statutory Forecast Results

\$m	Notes	Statutory Historical		Statutory Forecast	Statutory Historical	
		FY2016	FY2017	FY2018	1H2017	1H2018
Statutory total revenue		437.3	768.2	1,962.9	396.1	799.6
Buchanan pre-acquisition	1	51.8	–	–	–	–
Curragh Pre-Acquisition	2	780.2	1,405.9	316.2	690.1	316.2
Pro forma total revenue		1,269.3	2,174.1	2,279.1	1,086.2	1,115.8
Statutory net income		36.5	142.4	166.1	90.9	35.6
Buchanan pre-acquisition	1	(4.5)	–	–	–	–
Curragh Pre-Acquisition	2	(13.9)	195.2	29.7	124.9	29.6
Reversal of historical debt facilities interest	3	–	9.3	69.5	1.1	20.1
Refinancing	4	(9.8)	(9.9)	(8.2)	(5.0)	(5.0)
MIU expense reversal	5	–	–	1.6	–	1.6
Transaction costs	6	–	–	46.0	–	46.0
Pro forma US tax effect	7	(10.7)	(46.9)	(26.7)	(29.2)	(12.9)
Corporate costs	8	(3.7)	(3.8)	(2.4)	(1.9)	(1.9)
Pro forma net income (loss)		(6.1)	286.3	275.6	180.8	113.1
Statutory EBITDA		96.3	227.9	459.4	133.4	134.9
Buchanan pre-acquisition	1	7.4	–	–	–	–
Curragh Pre-Acquisition	2	61.1	370.1	68.4	221.3	68.4
MIU expense reversal	5	–	–	1.6	–	1.6
Transaction costs	6	–	–	51.9	–	51.9
Corporate costs	8	(5.4)	(5.4)	(3.5)	(2.7)	(2.7)
Pro forma EBITDA		159.4	592.6	577.7	352.0	254.1

Notes:

- Assumes the acquisition date of Buchanan was 1 January 2016 and includes pro forma adjustments to reflect the trading results of Buchanan for the three months prior to the acquisition by Coronado to 31 March 2016. Coronado only recognised the results of Buchanan from the acquisition date of 31 March 2016 in its statutory results. This pro forma adjustment includes final purchase price allocation adjustments which included step-ups to property, plant and equipment and intangibles resulting in adjustments made to account for higher depreciation, depletion and amortisation charges for the period to 31 March 2016. These adjustments were partly offset by \$1.0 million of transaction costs and \$3.3 million of tax expense which have been adjusted out of selling, general and administrative expenses and income taxes as these represent one-off costs associated with the Buchanan acquisition.
- Assumes the acquisition date of Coronado Curragh was 1 January 2016 and includes pro forma adjustments to reflect the trading results of Coronado Curragh for each reporting period prior to acquisition by Coronado. Coronado only recognises the results of Coronado Curragh from the acquisition date of 29 March 2018 in its statutory half-year results for 1H2018 and will do the same in its annual results for FY2018. This adjustment also includes the following in relation to Coronado Curragh:
 - non-cash amortisation of the below market Stanwell CSA recognised at fair value at the time of acquisition, which is amortised on a per tonne basis over the life of the below market Stanwell CSA. The amount included in each period is as follows – FY2016: \$30.5 million, FY2017: \$31.5 million, FY2018: \$3.2 million, 1H2017: \$15.5 million and 1H2018: \$3.2 million;
 - depreciation, depletion and amortisation charges for fixed assets and intangible assets at the levels associated with new fair values arising from purchase accounting. The adjustment also includes the AAS to US GAAP adjustment for accretion expense relating to Coronado Curragh's ARO provision;
 - removal of all historical finance charges in relation to an intercompany loan Coronado Curragh had with its previous shareholder which was assigned to Coronado upon acquisition and is therefore eliminated on consolidation;
 - Coronado Curragh reclassification of bad debt expense;
 - removal of the AAS impairment charge of \$579.6 million included in Coronado Curragh's FY2016 historical financial statements and AAS impairment reversal of \$202.5 million included in Coronado Curragh's 29 March 2018 historical financial statements, consistent with presenting the acquisition as if Coronado Curragh was acquired from 1 January 2016 and pushing back the 29 March 2018 US GAAP acquisition fair values under purchase accounting for property, plant and equipment and other assets to 1 January 2016; and
 - removal of the bank guarantee expense of \$0.5 million charged in 1H2018 in connection with Coronado Curragh's rehabilitation obligations where the bank guarantee will be replaced as part of the Refinancing. This bank guarantee expense was paid to EMG as reimbursement of costs paid by EMG to the provider of the bank guarantee.
- Adjustment removes the interest expense in FY2017 and 1H2018 and forecast extinguishment costs in FY2018 that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 4 below).
- Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the as if it had existed from 1 January 2016. For more information on the new Syndicated Facility Agreement, see Section 4.7.4.
- The Seller recognised a tax liability in 1H2018 in relation to the management incentive unit scheme in place with shareholders of the Seller. This has been reversed for the purposes of the pro forma results, as the management incentive unit scheme will be retained by the Seller and not attributed to Coronado.
- One-off costs associated with the acquisition of Coronado Curragh in 1H2018 have been removed from the historical trading results.
- This adjustment reflects the US tax effect of the pro forma adjustments.
- This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs (before tax) associated with being a listed company, totaling \$5.4 million in FY2016 and FY2017, \$3.5 million in FY2018 and \$2.7 million in 1H2017 and 1H2018.

4. Financial Information

4.4.6 Reconciliation of revenue, net income, EBIT and EBITDA calculated from the US GAAP Pro Forma Historical Financial Information, Pro Forma Forecast Financial Information and Statutory Forecast Financial Information to revenue, net income, EBIT and EBITDA calculated in accordance with AAS

Table 39 sets out the key differences between US GAAP and AAS for pro forma historical revenue, net income, EBIT and EBITDA for FY2016, FY2017, 1H2017 and 1H2018, pro forma forecast revenue, net income, EBIT and EBITDA for FY2018, and the statutory forecast revenue, net income, EBIT and EBITDA for FY2018 and FY2019.

There are no material differences between US GAAP and AAS applicable for revenue recognition.

Table 39: Reconciliation of revenue, net income, EBIT and EBITDA calculated from US GAAP Pro Forma Historical Financial Information, Pro Forma Forecast Financial Information and Statutory Forecast Financial Information to revenue, net income, EBIT and EBITDA calculated in accordance with AAS

\$m	Notes	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
		FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Revenue per US GAAP		1,269.3	2,174.1	2,279.1	1,962.9	2,343.4	1,086.2	1,115.8
Revenue per AAS		1,269.3	2,174.1	2,279.1	1,962.9	2,343.4	1,086.2	1,115.8
Net income (loss) per US GAAP		(6.1)	286.3	275.6	166.1	384.4	180.8	113.1
ARO adjustment	1	(12.0)	(7.2)	(3.0)	(2.1)	(4.9)	(3.5)	(1.8)
Greenbrier impairment – subsequent depreciation adjustment	2	7.6	5.2	7.3	7.3	8.3	2.4	3.6
Deferred financing fees	3	–	–	–	7.9	–	–	–
IFRS lease impact	4	(2.0)	(1.0)	(0.6)	–	(0.1)	(0.6)	(0.4)
Offer costs	5	–	–	–	(5.1)	–	–	–
Net income (loss) per AAS		(12.5)	283.3	279.3	174.1	387.7	179.1	114.5
EBIT per US GAAP		7.4	427.1	409.7	313.9	565.6	267.5	167.2
Greenbrier impairment – subsequent depreciation adjustment	6	7.7	7.5	10.2	10.2	11.5	3.5	5.0
IFRS lease impact	7	3.4	3.4	3.4	–	3.3	1.7	1.7
Offer costs	8	–	–	–	(5.1)	–	–	–
Reclassification of accretion from depreciation to interest	9	9.7	10.7	11.5	9.3	9.2	5.3	6.0
ARO adjustment – depreciation	10	(15.9)	(14.2)	(11.8)	(9.1)	(13.0)	(6.9)	(6.0)
EBIT per AAS		12.3	434.5	423.0	319.2	576.6	271.1	173.9
EBITDA per US GAAP		159.4	592.6	577.7	459.4	737.3	352.0	254.1
IFRS lease impact	11	14.6	14.9	14.4	–	13.4	7.4	7.4
Offer costs	12	–	–	–	(5.1)	–	–	–
EBITDA per AAS		174.0	607.5	592.1	454.3	750.7	359.4	261.5

Notes:

Net income impacts

1. **ARO:** under US GAAP, a company-specific risk adjusted discount rate is used which is higher than the discount rate required by AAS. The higher discount rate under US GAAP reduces the ARO booked initially and results in lower depreciation but a higher interest expense each period as the discounted ARO balance increases. The difference quantified reflects the net impact of the higher depreciation charge offset by a lower interest expense, each period under AAS. As a result, the AAS net income is lower in the periods presented.
2. **Greenbrier impairment:** under US GAAP, Greenbrier's goodwill was impaired in the year ended 31 December 2015. If AAS had applied to the Seller at that time, a further impairment of \$104 million would have been recorded against long-lived assets. While this was in a prior period, the carrying value at 1 January 2016 would have been lower for depreciable assets (such as property, plant and equipment) and accordingly a lower depreciation expense would have occurred under AAS. As a result, the AAS net income is higher in the periods presented. In addition to this, it is possible under AAS that as Greenbrier returns to profitable operations in the forecast period that it would reverse the hypothetical AAS impairment and would improve net income further, which is not allowable under US GAAP. This hypothetical adjustment has not been made above.
3. **Deferred financing fees:** under US GAAP, debt extinguishment costs pertaining to the historical term loan facilities were expensed in FY2018 (in both statutory and forecast 2018 periods). However, under AAS, the amortisation of deferred financing costs is based on expected cash flows such that a decision made in FY2017 to refinance in March 2018 would have triggered Coronado to assess the refinancing as probable, and at this point the costs would be expensed under AAS in FY2017. This results in a benefit to AAS net income within the statutory FY2018 period. There is no impact to pro forma net income as the debt extinguishment costs for prior loan facilities have been excluded.
4. **Leases:** under US GAAP, the right-of-use asset and lease liability for leases classified as an operating lease are recognised through the statement of operations as an operating expense on a straight line basis. However, under AAS's new IFRS 16 Leases, applicable from 1 January 2019, those leases classified as operating leases under US GAAP would be treated the same as finance leases. This requires that the right-of-use asset is depreciated through depreciation expense and the unwind of the lease liability is recognised through interest expense at amortised cost using the effective interest method, which causes a front loading of interest expense under AAS. As a result of the front loading of interest under AAS, the net income is lower throughout the periods presented.
5. **Offer costs:** under US GAAP, direct costs incurred in an offering for both the sale of existing and new shares may be recorded against the gross proceeds within additional paid in capital in equity. Under AAS, direct costs for the sale of existing shares must be expensed as incurred while costs for the sale of new shares can be recorded against equity. Therefore, under AAS the costs must be apportioned between new and existing shares and allocated accordingly. As a result, the net income for FY2018 is lower.

EBIT impacts

6. **Greenbrier impairment:** as for net income and including the tax effect.
7. **Leases:** under US GAAP, leases classified as an operating lease are recognised through the statement of operations as an operating expense. However under AAS's new IFRS 16 Leases, the right-of-use asset is depreciated through depreciation expense and the unwind of the lease liability is treated as an interest expense as described in footnote 4 above. This reclassification results in an increase to EBIT throughout the periods presented under AAS.
8. **Offer costs:** as for net income.
9. **ARO:** under US GAAP, accretion expense pertaining to ARO balances are treated as an operating expense whereas under AAS, accretion is classified as an interest expense. This results in an increase to EBIT under AAS as costs are reclassified from operating expenses to interest.
10. **ARO:** under US GAAP, depreciation is lower than under AAS due to the higher ARO asset value booked initially under AAS, as described in footnote 1 above. This results in a decrease to EBIT throughout the periods presented under AAS.

EBITDA impacts

11. **Leases:** under US GAAP, leases classified as an operating lease are recognised through the statement of operations as an operating expense. However under AAS's new IFRS 16 Leases, the right-of-use asset is depreciated through depreciation expense and the unwind of the lease liability is treated as an interest expense as described in footnote 4 above. This reclassification of costs from operating expenses to interest and depreciation results in an increase to EBITDA throughout the periods presented.
12. **Offer costs:** as for net income.

4. Financial Information

4.4.7 Reconciliation of revenue, net income, EBIT and EBITDA calculated from the US GAAP Statutory Historical Financial Information to revenue, net income, EBIT and EBITDA calculated in accordance with AAS

Table 40 sets out the key differences between US GAAP and AAS for statutory historical revenue, EBITDA, EBIT and net income for FY2016, FY2017, 1H2017 and 1H2018. There are no key differences between US GAAP and AAS applicable for revenue recognition.

Table 40: Reconciliation of revenue, net income, EBIT and EBITDA calculated from the US GAAP statutory financial information to revenue, net income, EBIT and EBITDA and calculated in accordance with AAS

\$m	Notes	Statutory Historical			
		FY2016	FY2017	1H2017	1H2018
Revenue per US GAAP		437.3	768.2	396.1	799.6
Revenue per AAS		437.3	768.2	396.1	799.6
Net income per US GAAP		36.5	142.4	90.9	35.6
ARO adjustment	1	(4.3)	(3.0)	(1.2)	1.0
Greenbrier impairment – subsequent depreciation adjustment	2	7.7	7.5	3.5	5.0
Deferred financing fees	3	–	(9.5)	–	2.3
Net income per AAS		39.9	137.4	93.2	43.9
EBIT per US GAAP		36.6	152.4	92.1	70.5
Greenbrier impairment – subsequent depreciation adjustment	4	7.7	7.5	3.5	5.0
Reclassification of accretion from depreciation to interest	5	2.6	2.5	1.4	4.0
ARO adjustment – depreciation	6	(5.1)	(1.9)	(1.5)	(3.3)
EBIT per AAS		41.8	160.5	95.5	76.2
EBITDA per US GAAP		96.3	227.9	133.4	134.9
EBITDA per AAS		96.3	227.9	133.4	134.9

Notes:

Net income impacts

- ARO:** under US GAAP, a company specific risk adjusted discount rate is used which is higher than the discount rate required by AAS. The lower discount rate under AAS increases the ARO booked initially, which results in a higher depreciation of the ARO asset. The difference quantified reflects the net impact of the higher depreciation charge offset by the lower interest expense using the lower discount rate for each period under AAS. As a result, the AAS net income is lower in the periods presented.
- Greenbrier impairment:** under US GAAP, Greenbrier's goodwill was impaired in the year ended 31 December 2015, however, long-lived assets were not and if AAS had applied to the Seller at that time these would have been impaired by \$104 million. While this was in a prior period, the carrying value at 1 January 2016 would have been lower for depreciable assets such as property, plant and equipment and accordingly a lower depreciation expense would have occurred under AAS. As a result, the AAS net income is higher in the periods presented. In addition to this, it is possible under AAS that, as Greenbrier returns to profitable operations in the forecast period, it would reverse the hypothetical AAS impairment and would improve net income further, which is not allowable under US GAAP. This hypothetical adjustment has not been made above.
- Deferred financing fees:** under US GAAP, debt extinguishment costs pertaining to the historical term loan facilities were expensed in FY2018 (in both statutory and forecast 2018 periods). However, under AAS, the amortisation of deferred financing costs are based on expected cash flows and a plan known in FY2017 to refinance in March 2018 would have triggered Coronado to assess the refinancing as probable, and at this point the costs would be expensed under AAS in FY2017. This results in a decrease to AAS net income in FY2017 and a benefit to AAS net income within the statutory 1HY2018.

EBIT impacts

- Greenbrier impairment:** as for net income.
- ARO:** under US GAAP, accretion expense pertaining to ARO balances are treated as an operating expense whereas under AAS, accretion is classified as an interest expense. This results in an increase to EBIT.
- ARO:** under US GAAP, depreciation is lower than under AAS due to the higher ARO asset value booked initially under AAS, as described in footnote 1 above.

4.5 SEGMENT INFORMATION

4.5.1 Background

In accordance with ASC 280, Segment Reporting, Coronado has 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 the Company's consolidated financials.

These segments reflect how Coronado expects to monitor and report the results of the business to the Chief Operating Officer, who is the chief operating decision-maker, and Chief Executive Officer and Chief Financial Officer. Section 3.3 contains a description of each of the assets included in the reporting segments.

Refer to Sections 4.8 and 4.9 for management's discussion and analysis of Coronado's results of operations on a segment basis.

4.5.2 Segment pro forma historical revenue and EBITDA, segment pro forma forecast revenue and EBITDA and segment statutory forecast revenue and EBITDA

Table 41 sets out Coronado's segment pro forma historical revenue and EBITDA for FY2016, FY2017, 1H2017 and 1H2018, segment pro forma forecast revenue and EBITDA for FY2018 and segment statutory forecast revenue and EBITDA for FY2018 and FY2019.

Table 41: Segment pro forma historical revenue and EBITDA, segment pro forma forecast revenue and EBITDA and segment statutory forecast revenue and EBITDA

\$m	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
	FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Key financial metrics – Revenue							
Curragh	780.2	1,405.9	1,422.0	1,105.9	1,422.7	690.1	703.5
Buchanan	327.1	465.0	513.9	513.9	503.6	254.9	260.5
Logan	133.9	242.0	259.1	259.1	316.0	113.8	112.7
Greenbrier	27.9	60.1	81.4	81.4	97.6	26.3	38.2
Reportable segments	1,269.1	2,173.0	2,276.4	1,960.3	2,339.9	1,085.1	1,114.9
Corporate and other	0.2	1.1	2.7	2.6	3.5	1.1	0.9
Total revenue	1,269.3	2,174.1	2,279.1	1,962.9	2,343.4	1,086.2	1,115.8
Key financial metrics – EBITDA							
Curragh	61.0	370.0	363.3	295.0	419.8	221.4	168.4
Buchanan	122.9	211.2	209.0	209.0	236.0	125.5	99.7
Logan	3.3	34.9	49.9	49.9	104.0	14.9	15.5
Greenbrier	(6.8)	3.4	5.3	5.3	17.4	1.5	1.0
Reportable segments	180.4	619.5	627.5	559.2	777.2	363.3	284.6
Corporate and other	(21.0)	(26.9)	(49.8)	(99.8)	(39.9)	(11.3)	(30.5)
Total EBITDA	159.4	592.6	577.7	459.4	737.3	352.0	254.1

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4.5.3 Segment statutory historical revenue and EBITDA

Table 42 sets out Coronado's segment statutory historical revenue and EBITDA for FY2016, FY2017, 1H2017 and 1H2018.

Table 42: Segment statutory historical revenue and EBITDA

\$m	Statutory		Statutory	
	FY2016	FY2017	1H2017	1H2018
Key financial metrics – Revenue				
Curragh	–	–	–	387.3
Buchanan	275.2	465.0	254.9	260.5
Logan	133.9	242.0	113.8	112.7
Greenbrier	27.9	60.1	26.3	38.2
Reportable segments	437.0	767.1	395.0	798.7
Corporate and other	0.3	1.1	1.1	0.9
Total revenue	437.3	768.2	396.1	799.6
Key financial metrics – EBITDA				
Curragh	–	–	–	100.0
Buchanan	115.5	211.2	125.5	99.7
Logan	3.3	34.9	14.9	15.5
Greenbrier	(6.8)	3.4	1.5	1.0
Reportable segments	112.0	249.5	141.9	216.2
Corporate & other	(15.7)	(21.6)	(8.5)	(81.3)
Total EBITDA	96.3	227.9	133.4	134.9

4.5.4 Reconciliation of EBITDA calculated from US GAAP Pro Forma Historical Financial Information, Pro Forma Forecast Financial Information, Statutory Forecast Financial Information and Statutory Historical Financial Information to EBITDA calculated in accordance with AAS by segment

Table 43 sets out the differences between Coronado's segment pro forma historical EBITDA for FY2016, FY2017, 1H2017 and 1H2018, segment pro forma forecast EBITDA for FY2018 and segment statutory forecast EBITDA for FY2019, calculated using the EBITDA segment figures from the US GAAP Pro Forma Historical Financial Information, Pro Forma Forecast Financial Information and Statutory Forecast Financial Information and calculated in accordance with AAS.

At an EBITDA level, management considered the impact of potential US GAAP to AAS differences, and for informational purposes has presented the differences below. These include the impact of the difference between accounting for leases under the new US GAAP standard (ASC 842, Leases) applicable to the Company from 1 January 2019, and the equivalent new standard under AAS (IFRS 16 Leases) that would be applicable to the Company from 1 January 2019 if it reported in AAS.

Table 43: Reconciliation of EBITDA calculated from the US GAAP financial information to EBITDA calculated from the AAS financial information by segment

\$m	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
	FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Curragh							
EBITDA per US GAAP	61.0	370.0	363.3	295.0	419.8	221.4	168.4
IFRS lease impact	6.1	6.7	6.7	–	6.4	3.2	3.4
EBITDA per AAS	67.1	376.7	370.0	295.0	426.2	224.6	171.8
Buchanan							
EBITDA per US GAAP	122.9	211.2	209.0	209.0	236.0	125.5	99.7
IFRS lease impact	8.1	7.8	3.2	–	2.8	3.9	1.7
EBITDA per AAS	131.0	219.0	212.2	209.0	238.8	129.4	101.4
Logan							
EBITDA per US GAAP	3.3	34.9	49.9	49.9	104.0	14.9	15.5
IFRS lease impact	0.1	0.1	4.5	–	4.2	0.1	2.3
EBITDA per AAS	3.4	35.0	54.4	49.9	108.2	15.0	17.8
Greenbrier							
EBITDA per US GAAP	(6.8)	3.4	5.3	5.3	17.4	1.5	1.0
IFRS lease impact	0.3	0.3	–	–	–	0.2	–
EBITDA per AAS	(6.5)	3.7	5.3	5.3	17.4	1.7	1.0
Corporate							
EBITDA per US GAAP	(21.0)	(26.9)	(49.8)	(99.8)	(39.9)	(11.3)	(30.5)
Offer costs	–	–	–	(5.1)	–	–	–
EBITDA per AAS	(21.0)	(26.9)	(49.8)	(104.9)	(39.9)	(11.3)	(30.5)

For statutory financial information purposes, no differences existed other than in FY2019 as IFRS 16 Leases would not be applicable in earlier periods as detailed above. Under US GAAP, leases classified as an operating lease are recognised through the statement of operations as an operating expense. However under AAS's new IFRS 16 Leases, the right-of-use asset is depreciated through depreciation expense and the unwind of the lease liability is treated as an interest expense. This reclassification of costs from operating expenses to interest and depreciation results in an increase to EBITDA throughout the periods presented.

4. Financial Information

4.6 HISTORICAL AND FORECAST CASH FLOW INFORMATION

4.6.1 Pro Forma Historical Cash Flow Information, Pro Forma Forecast Cash Flow Information and Statutory Forecast Cash Flow Information

Table 44 sets out a summary of the Pro Forma Historical Cash Flow Information for FY2016, FY2017, 1H2017 and 1H2018, the Pro Forma Forecast Cash Flow Information for FY2018 and the Statutory Forecast Cash Flow Information for FY2018 and FY2019.

Refer to Sections 4.8 and 4.9 for Management's discussion and analysis of the Pro Forma Historical Cash Flow Information, Pro Forma Forecast Cash Flow Information and Statutory Forecast Cash Flow Information.

Table 44: Summary of Pro Forma Historical Cash Flow Information for FY2016, FY2017, 1H2017 and 1H2018, Pro Forma Forecast Cash Flow Information for FY2018 and Statutory Forecast Cash Flow Information for FY2018 and FY2019

\$m	Notes	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
		FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Net Income (loss)		(6.1)	286.3	275.6	166.1	384.4	180.8	113.1
Depreciation, depletion and amortisation	1	152.0	165.5	168.0	145.5	171.7	84.5	86.9
Amortisation of Stanwell below market CSA	2	(30.5)	(31.5)	(30.8)	(27.6)	(29.8)	(15.5)	(15.8)
Other non-cash items	3	23.6	3.1	28.0	75.5	24.5	(3.2)	17.4
Reclamation of asset retirement obligations	4	(6.4)	(1.4)	(4.7)	(4.3)	(6.6)	(0.4)	(1.8)
Non-cash income tax	5	73.0	52.7	67.2	6.3	3.0	29.7	45.7
Changes in operating assets and liabilities	6	(189.4)	67.6	(20.6)	(8.5)	(29.3)	93.2	(12.3)
Net cash provided by operating activities		16.2	542.3	482.7	353.0	517.9	369.1	233.2
Capital expenditure	7	(102.7)	(109.3)	(139.6)	(127.0)	(160.1)	(56.7)	(59.4)
Net redemption/ (purchase) of deposits and reclamation bonds	8	(1.3)	3.7	(0.3)	(0.3)	–	3.7	(0.3)
Proceeds from disposal of property, plant, and equipment	9	0.5	2.2	(0.9)	–	–	1.3	(0.9)
Acquisitions	10	–	–	–	(537.2)	–	–	–
Net cash used in investing activities		(103.5)	(103.4)	(140.8)	(664.5)	(160.1)	(51.7)	(60.6)

\$m	Notes	Pro forma Historical		Pro forma Forecast	Statutory Forecast		Pro forma Historical	
		FY2016	FY2017	FY2018	FY2018	FY2019	1H2017	1H2018
Proceeds from borrowings	11	3.3	5.9	28.3	748.3	–	5.9	28.3
Debt issuance costs and other financing costs	11	–	–	–	(56.0)	–	–	–
Repayment of borrowings	11	(4.8)	(10.2)	(45.8)	(896.2)	(11.0)	(3.1)	(5.0)
Members' contributions (distributions) including non-controlling interest	12	0.1	(383.1)	113.4	113.4	–	(358.1)	151.4
Proceeds from the Offer, net	13	–	–	–	503.4	–	–	–
Dividends paid	14	–	–	–	–	(255.0)	–	–
Net cash provided by (used in) financing activities		(1.4)	(387.4)	95.9	412.9	(266.0)	(355.3)	174.7
Net cash flow movement		(88.7)	51.5	437.8	101.4	91.8	(37.9)	347.3
Reconciliation of Free cash flow:								
Net cash provided by operating activities		16.2	542.3	482.7	353.0	517.9	369.1	233.2
Capital expenditure		(102.7)	(109.3)	(139.6)	(127.0)	(160.1)	(56.7)	(59.4)
Operating free cash flow		(86.5)	433.0	343.1	226.0	357.8	312.4	173.8
Repayment of borrowings		(4.8)	(10.2)	(45.8)	(896.2)	(11.0)	(3.1)	(5.0)
Free cash flow		(91.3)	422.8	297.3	(670.2)	346.8	309.3	168.8

Notes:

1. Depreciation, depletion, and amortisation expenses are non-cash items.
2. Amortisation of the Stanwell below market CSA is a non-cash item.
3. Other non-cash items include non-cash interest expenses, amortisation of other non-market contract obligations, gain/(loss) on disposals of property, plant and equipment and changes to ARO estimates. Included in FY2018 and FY2019 is an adjustment in relation to the Stanwell SRA of \$7.4 million in FY2018 and \$20.7 million in FY2019. FY2018 statutory forecast includes the reversal of historical term debt extinguishment costs and fees.
4. Reclamation of ARO relates to payments made to fulfil asset retirement and rehabilitation obligations.
5. Non cash movements in income taxes.
6. Changes in operating assets and liabilities include movements in accounts receivable, inventories, prepaid assets, accounts payable, derivatives and other accruals.
7. Capital expenditure reflects cash paid for the purchase of fixed assets and other intangibles.
8. Net redemption (purchase) of deposits and reclamation bonds relates to cash received for the redemption of these bonds as part of ARO reclamation activities.
9. Proceeds received from disposal of property, plant and equipment.
10. Acquisition of Coronado Curragh on 29 March 2018.
11. Relates to the proceeds and payments of borrowings and debt issuance and other financing costs, together with funding of equipment finance leases. Proceeds, payments and debt issuance and other financing costs in FY2018 also include cash flows associated with the Refinancing (as described in Section 4.7.4).
12. Members of the Seller contributions (distributions) relate to capital funding from members of the Seller.
13. Proceeds from the Offer are shown net of associated costs.
14. These reflect forecast dividends payable to Coronado shareholders, assuming a first payment for the post-IPO period to 31 December 2018 is paid, as well as a dividend for the six months to 30 June 2019.

4. Financial Information

4.6.2 Statutory Historical Cash Flow Information

Table 45 sets out a summary of the Statutory Historical Cash Flow Information for FY2016, FY2017, 1H2017 and 1H2018.

Table 45: Summary of Statutory Historical Cash Flow Information

\$m	Statutory Historical			
	FY2016	FY2017	1H2017	1H2018
Net Income	36.5	142.4	90.9	35.6
Depreciation, depletion and amortisation	59.7	75.5	41.3	64.4
Amortisation of Curragh Stanwell below market CSA	–	–	–	(12.6)
Other non-cash items	4.9	(5.2)	(6.3)	18.3
Reclamation of asset retirement obligations	(2.3)	(1.2)	(0.3)	(1.4)
Non-cash income tax	–	–	–	5.4
Changes in operating assets and liabilities	(78.4)	44.2	52.9	31.8
Net cash provided by operating activities	20.4	255.7	178.5	141.5
Capital expenditure	(37.6)	(63.9)	(32.1)	(46.8)
Net redemption/(purchase) of deposits and reclamation bonds	(1.3)	3.7	3.7	(0.3)
Proceeds from disposal of property, plant, and equipment	0.3	0.9	0.1	–
Acquisitions	(425.8)	–	–	(537.2)
Net cash used in investing activities	(464.4)	(59.3)	(28.3)	(584.3)
Proceeds from borrowings	3.3	175.6	175.6	748.3
Debt issuance costs and other financing costs	–	(5.8)	(5.8)	(42.0)
Repayment of borrowings	(4.8)	(44.9)	(3.1)	(156.7)
Members' contributions (distributions) including non-controlling interest	500.1	(383.1)	(358.1)	151.4
Net cash provided by (used in) financing activities	498.6	(258.2)	(191.4)	701.0
Net cash flow movement	54.6	(61.8)	(41.2)	258.2
Reconciliation of Free cash flow:				
Net cash provided by operating activities	20.4	255.7	178.5	141.5
Capital expenditure	(37.6)	(63.9)	(32.1)	(46.8)
Operating free cash flow	(17.2)	191.8	146.4	94.7
Repayment of borrowings	(4.8)	(44.9)	(3.1)	(156.7)
Free cash flow	(22.0)	146.9	143.3	(62.0)

4.6.3 Pro forma adjustments to the Statutory Historical Cash Flow Information and the Statutory Forecast Cash Flow Information

Table 46 sets out the pro forma adjustments that have been made to Coronado's Statutory Historical Cash Flow Information for FY2016, FY2017, 1H2017 and 1H2018 and Statutory Forecast Cash Flow Information for FY2018. Please refer to Appendix B for a more detailed reconciliation of the Statutory Historical Cash Flow Information to the Pro Forma Historical Cash Flow Information and the Statutory Forecast Cash Flow Information to the Pro Forma Forecast Cash Flow Information.

Table 46: Pro forma adjustments to the Statutory Historical Cash Flow Information and Statutory Forecast Cash Flow Information

\$m	Notes	Historical		Statutory Forecast	Historical	
		FY2016	FY2017	FY2018	1H2017	1H2018
Statutory net cash provided by operating activities		20.4	255.7	353.0	178.5	141.5
Buchanan pre-acquisition	1	7.4	–	–	–	–
Corporate costs	2	(5.4)	(5.4)	(3.5)	(2.7)	(2.7)
Transaction costs	3	–	–	51.9	–	19.9
Refinancing	4	(10.5)	(10.7)	(8.8)	(5.3)	(5.3)
Coronado Curragh Pre-Acquisition	5	(61.3)	413.5	5.1	302.6	5.1
Reversal of historical debt facilities	6	–	8.1	49.2	0.9	21.4
MIU expense reversal	7	–	–	1.6	–	1.6
Tax expense	8	65.6	(118.9)	34.2	(104.9)	51.7
Pro forma net cash provided by operating activities		16.2	542.3	482.7	369.1	233.2
Statutory net cash used in investing activities		(464.4)	(59.3)	(664.5)	(28.3)	(584.3)
Buchanan purchase	1	425.8	–	–	–	–
Curragh purchase	10	–	–	537.2	–	537.2
Coronado Curragh Pre-Acquisition	5	(64.9)	(44.1)	(13.5)	(23.4)	(13.5)
Pro forma net cash used in investing activities		(103.5)	(103.4)	(140.8)	(51.7)	(60.6)
Statutory net cash provided by (used in) financing activities		498.6	(258.2)	412.9	(191.4)	701.0
Refinancing	4	–	–	14.1	–	–
Reversal of historical debt facilities	6	–	(129.2)	172.3	(163.9)	(526.3)
Equity infusion to purchase Buchanan	11	(500.0)	–	–	–	–
Proceeds from the Offer, net	12	–	–	(503.4)	–	–
Pro forma net cash provided by (used in) financing activities		(1.4)	(387.4)	95.9	(355.3)	174.7
Pro forma net cash flow		(88.7)	51.5	437.8	(37.9)	347.3

Notes:

1. This reflects the net cash flows for Buchanan for the three months prior to acquisition by Coronado, being 1 January 2016 to 31 March 2016.
2. This adjustment incorporates cash outflows for additional compliance costs, annual listing fees and incremental executive remuneration costs totaling \$5.4 million in FY2016 and FY2017, \$3.5 million in FY2018 and \$2.7 million in 1H2017 and 1H2018.
3. One-off payments associated with the acquisition of Coronado Curragh in 1H2018 have been removed from the pro forma cash flows.
4. This pro forma adjustment reflects the interest paid (operating) and reversal of the proceeds in 2H2018 (financing) to reflect the terms of the new borrowing facilities in connection with the Refinancing (as described in Section 4.7.4) as if they had existed from 1 January 2016.
5. This reflects the net cash flows for the Coronado Curragh business for the periods prior to acquisition by Coronado, being FY2016, FY2017 and 1 January 2018 to 29 March 2018.
6. This pro forma adjustment removes the interest, proceeds and repayments that relate to the historical term loan debt facilities so that the financial results for the historical period reflect the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Coronado recognised a tax liability in 1H2018 in relation to the management incentive unit (MIU) scheme in place with shareholders of the Seller. This has been reversed for the purposes of the pro forma results.
8. Adjustment reflects the pro forma tax payments.
9. This adjustment removes the cash outflow of \$425.8 million for the purchase of Buchanan in March 2016 as the business is assumed to be part of the existing group immediately prior to 1 January 2016.
10. This adjustment removes the cash outflow for the purchase of Coronado Curragh in March 2018 as the business is assumed to be part of the existing group immediately prior to 1 January 2016.
11. This adjustment eliminates the equity infusion (financing cash flow) of \$500 million which was used to purchase the Buchanan business in FY2016 as the pro forma cash flow information assumes that Buchanan was part of the existing group in FY2016.
12. The proceeds from the Offer, net of associated costs, are removed on a pro forma basis.

4. Financial Information

4.7 BALANCE SHEET INFORMATION

4.7.1 Statutory Historical Balance Sheet and Pro Forma Historical Balance Sheet

Table 47 sets out the adjustments that have been made to the Statutory Historical Balance Sheet of the Seller as at 30 June 2018 to present a Pro Forma Historical Balance Sheet for Coronado as though the Offer had been completed on 30 June 2018.

The adjustments include assumptions relating to the Offer which include matters not known at the Prospectus Date, for example, the Final Price and the number of New CDIs to be issued by Coronado.

In addition, cash and cash equivalents, and restricted cash in the Pro Forma Historical Balance Sheet, have been adjusted to reflect the Refinancing as if it occurred as at 30 June 2018 and as such have not been adjusted for the anticipated cash requirements of the business between 30 June 2018 and Completion.

As a result, the Pro Forma Historical Balance Sheet is provided for illustrative purposes only and is not necessarily indicative of Coronado's actual financial position upon Completion or at any future date.

Table 47: Statutory Historical Balance Sheet and Pro Forma Historical Balance Sheet

\$m	Notes	Statutory 30 June 2018	Restructuring	Refinancing	Stanwell SRA	Impact of the Offer	Pro forma 30 June 2018 pre new lease standard	Impact of ASC 842 Leases	Pro forma 30 June 2018
			1	2	3	4		5	
Assets									
Current assets									
Cash and cash equivalents		139.5	–	(608.0)	–	503.4	34.9	–	34.9
Restricted cash		144.5	–	(144.5)	–	–	–	–	–
Accounts receivable		250.9	–	–	–	–	250.9	–	250.9
Income tax receivable		4.4	–	–	–	–	4.4	–	4.4
Coal inventories		74.4	–	–	–	–	74.4	–	74.4
Supplies inventory		46.9	–	–	–	–	46.9	–	46.9
Prepaid expenses and other current assets		16.7	–	–	–	–	16.7	–	16.7
Total current assets		677.3	–	(752.5)	–	503.4	428.2	–	428.2
Non-current assets									
Property, plant and equipment, net		1,567.3	–	–	115.7	–	1,683.0	53.7	1,736.7
Goodwill		28.0	–	–	–	–	28.0	–	28.0
Intangible assets, net of accumulated amortisation		5.6	–	–	–	–	5.6	–	5.6
Deposits and reclamation bonds		3.6	–	–	–	–	3.6	–	3.6
Deferred tax asset, net		19.0	(19.0)	–	–	–	–	–	–
Other assets		7.8	–	14.1	–	–	21.9	–	21.9
Total non-current assets		1,631.3	(19.0)	14.1	115.7	–	1,742.1	53.7	1,795.8
Total assets		2,308.6	(19.0)	(738.4)	115.7	503.4	2,170.3	53.7	2,224.0
Liabilities and equity									
Current liabilities									
Accounts payable		41.7	–	–	–	–	41.7	–	41.7
Accrued expenses and other current liabilities		225.9	–	–	–	–	225.9	–	225.9
Current asset retirement obligations		3.5	–	–	–	–	3.5	–	3.5
Current portion of non-market contract obligations		50.7	–	–	–	–	50.7	(2.7)	48.0
Interest rate swap		33.1	–	(33.1)	–	–	–	–	–
Current instalments of notes payable and capital lease obligations		64.6	–	(49.3)	–	–	15.3	13.5	28.8
Total current liabilities		419.5	–	(82.4)	–	–	337.1	10.8	347.9

4. Financial Information

\$m	Notes	Statutory 30 June 2018	Restructuring	Refinancing	Stanwell SRA	Impact of the Offer	Pro forma 30 June 2018 pre new lease standard	Impact of ASC 842 Leases	Pro forma 30 June 2018
			1	2	3	4		5	
Non-current liabilities									
Asset retirement obligations		157.2	–	–	(39.5)	–	117.7	–	117.7
Non-market contract obligations, excluding current portion		273.0	–	–	155.2	–	428.2	(12.9)	415.3
Notes payable, excluding current instalments		607.2	–	(601.6)	–	–	5.6	–	5.6
Capital leases, excluding current instalments		3.1	–	–	–	–	3.1	55.8	58.9
Contingent royalty consideration		44.7	–	–	–	–	44.7	–	44.7
Deferred tax liability		–	28.3	(14.3)	–	(8.4)	5.6	–	5.6
Other liabilities		2.2	–	–	–	–	2.2	–	2.2
Total non-current liabilities		1,087.4	28.3	(615.9)	115.7	(8.4)	607.1	42.9	650.0
Total liabilities		1,506.9	28.3	(698.3)	115.7	(8.4)	944.2	53.7	997.9
Equity									
Coronado members' capital		704.9	(704.9)	–	–	–	–	–	–
Retained earnings		115.2	(47.3)	(40.1)	–	–	27.8	–	27.8
Accumulated other comprehensive income		(18.7)	–	–	–	–	(18.7)	–	(18.7)
Shareholders' equity		–	704.9	–	–	511.8	1,216.7	–	1,216.7
Non-controlling interest		0.3	–	–	–	–	0.3	–	0.3
Total equity		801.7	(47.3)	(40.1)	–	511.8	1,226.1	–	1,226.1
Total liabilities and equity		2,308.6	(19.0)	(738.4)	115.7	503.4	2,170.3	53.7	2,224.0

Notes:

- As at 30 June 2018, the Seller was treated as a partnership for US income tax purposes and accordingly no taxes were paid by the Seller. Instead, taxes were paid by members of the partnership. As such, an adjustment is required in respect of the Restructuring to reflect the deferred tax balances which would have arisen had Coronado, a tax-paying entity, been the parent of the US and Australian entities as at 30 June 2018 and adjusted through retained earnings. The Restructure results in a conversion of member's capital to shareholders' equity.
- This adjustment reflects the impact of the Refinancing as part of the new banking facilities described in Section 4.7.4. This includes a \$738.4 million repayment of the existing pre-IPO debt facility balances of \$698.6 million, \$6.7 million in termination fees, and \$33.1 million interest rate swap, funded by \$608.0 million cash and the release of \$144.5 million of restricted cash, less \$14.1 million in financing fees. The Refinancing of the \$698.6 million net debt facility, together with the write-off of deferred financing costs of \$47.8 million, results in a net \$650.8 million decrease to total borrowings (refer to the 'Current instalments of notes payable and capital lease obligations' and 'Notes payable, excluding current instalments' captions of the balance sheet above).
- This reflects the acquisition of the Stanwell SRA, which was acquired on a deferred consideration basis as of 14 August 2018. The adjustment incorporates the recognition of deferred consideration as a 'Right-to-mine-asset' and deferred consideration liability of \$155.2 million (A\$210.0 million), calculated on a pre-tax discount rate of 13% representing fair value of the arrangement. The acquisition results in an increase to the life of mine, resulting in decrease to both the ARO asset and ARO liability of \$39.5 million. The right-to-mine-asset will be amortised to depreciation depletion and amortisation on a 'units of production' basis. The deferred consideration liability will be incrementally increased each year for the unwind of the discount applied to the fair value and incrementally decreased as domestic coal is supplied to Stanwell from the Stanwell SRA area.
- The impact of the Offer represents proceeds from the Offer of \$531.4 million based on 166.5 million new CDIs (equivalent to 16.7 million new Shares) to be issued by the Company based on a midpoint of the AUD Offer price range of A\$4.40 and the USD/AUD exchange rate of 0.7254 less IPO transaction costs of \$28.0 million.
- Coronado will be required to apply the new leases standard under US GAAP (ASC 842, Leases) in FY2019, which has been applied to the pro forma balance sheet for informational purposes. The impact on the pro forma balance sheet as at 30 June 2018 is an additional \$53.7 million right-of-use asset and an offsetting operating lease liability of \$53.7 million. Leases liabilities of \$15.6 million, which were previously classified as a non-market contract obligation, have been reclassified to the lease liability accordingly.

The Pro Forma Balance Sheet assumes Offer proceeds of \$531.4 million based on 166.5 million new CDIs (equivalent to 16.7 million Shares) to be issued by the Company at A\$4.40 which is the mid-point in the quoted range and assumes a USD/AUD exchange rate of 0.7254. The actual amount raised in USD will differ for that assumed in the Pro Forma Balance Sheet. This is illustrative only and not an accurate prediction of the actual AUD Offer price or actual USD realised upon receipt of Offer proceeds. Further, for illustrative purposes only, Table 48 set out a range of USD Offer proceeds for different AUD Offer prices in the range and assuming different USD/AUD exchange rates up to Completion.

Table 48: Illustrative Offer Proceeds

Illustrative Offer proceeds (\$m)			
AUD Offer Price	A\$4.00	A\$4.40	A\$4.80
USD/AUD FX			
0.7000	466.2	512.8	559.4
0.7100	472.9	520.1	567.4
0.7200	479.5	527.5	575.4
0.7254	483.1	531.4	579.7
0.7300	486.2	534.8	583.4
0.7400	492.8	542.1	591.4
0.7500	499.5	549.5	599.4

4.7.2 Reconciliation of Net Assets calculated from the US GAAP financial information to Net Assets calculated from the AAS financial information

Table 49 sets out the key differences between US GAAP and AAS for pro forma Net Assets as at 30 June 2018.

Table 49: Reconciliation of Net Assets calculated from the US GAAP financial information to Net Assets calculated from the AAS financial information

\$m	Notes	Statutory 30 June 2018	Pro forma 30 June 2018
Net Assets per US GAAP		801.7	1,226.1
ARO adjustment	1	(7.7)	(7.7)
Greenbrier impairment – subsequent depreciation adjustment	2	(83.8)	(83.8)
Reversal of historical debt facilities	3	(7.3)	–
IFRS lease impact	4	–	(0.2)
Net Assets per AAS		702.9	1,134.4

Notes:

1. Adjustment reflects the increase to the AAS ARO provision of \$134.2 million offset by the increase to the AAS ARO asset by \$127.2 million due to the lower discount rate required in accordance with AAS. Additionally, this reflects the decrease to deferred tax assets of \$0.7 million due to the adjustment to an AAS ARO provision.
2. Reflects the additional impairment of \$104 million to long-lived assets as at 31 December 2015 under AAS offset by the decrease to accumulated depreciation for subsequent years of \$20.2 million.
3. Adjustment reflects the reversal of unamortised financing costs relating to the historical term loan debt facility which was replaced by a term loan facility as these costs would be written off in FY2017 under AAS. Due to the write-off of deferred financing costs in FY2017, these costs are not carried over to the new borrowing facilities, increasing the Net Debt balance.
4. The impact on the pro forma balance sheet as at 30 June 2018 under AAS for the new lease standard is a \$53.6 million right-of-use asset and an offsetting operating lease liability of \$53.8 million. This results in \$0.2 million decrease to Net Assets due to the front loading of interest expense under AAS reflected in the higher liability balance.

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4.7.3 Indebtedness

The Pro Forma Historical Balance Sheet at 30 June 2018 has been adjusted to reflect the Refinancing and impact of the Offer following Completion as if they had occurred or were in place at that date. As such, the pro forma Net Debt as at 30 June 2018 of \$58.4 million has not been adjusted to reflect the cash flows of the business between 30 June 2018 and Completion. Accordingly the pro forma Net Debt will be different to the expected Net Debt upon Completion of the Offer.

Based on actual cash and Net Debt at 31 August 2018, the Refinancing, the assumed impact of the Offer and expected cash flows to the date of Completion of the Offer, Coronado expect to have a cash balance of \$100.8 million and Net Cash of \$7.5 million upon Completion of the Offer, as compared to pro forma cash of \$34.9 million and pro forma Net Debt of \$58.4 million at 30 June 2018. The difference is due to the expected cash flows of the business between 30 June 2018 and Completion.

Table 50 sets out the indebtedness on a statutory and pro forma basis as at 30 June 2018.

Table 50: Summary of indebtedness

\$m	Statutory Historical 30 June 2018	Pro forma 30 June 2018
Current instalments of notes payable and capital lease obligations	64.6	28.8
Notes payable, excluding current instalments	607.2	5.6
Capital leases, excluding current instalments	3.1	58.9
Total borrowings (including capital finance leases)	674.9	93.3
Cash and cash equivalents	139.5	34.9
Net Debt	535.4	58.4
Restricted cash	144.5	–
Pro forma Net Debt/FY2018 pro forma EBITDA		0.1
Pro forma Net Debt/FY2018 statutory EBITDA		0.1
Pro forma Net Debt/FY2019 statutory EBITDA		0.1

Net Debt excludes restricted cash. Statutory restricted cash is assumed to be utilised to repay the pre-IPO acquisition facility as part of the Refinancing. The statutory restricted cash relates to the collateral of the financial guarantee for the Coronado Curragh rehabilitation provision. In accordance with local environmental and regulatory agencies, the balance of the estimated rehabilitation provisions must be guaranteed by an Australian-based banking institution.

Coronado expects to have Net Cash balance of \$7.5 million immediately after Completion.

See Sections 4.9 and 4.10 for a discussion of the FY2019 forecasts, including the assumptions made in preparing those forecasts and sensitivities to changes in certain assumptions.

4.7.4 Description of new banking facilities

Coronado has entered into a conditional Multi-Currency Revolving Syndicated Facility Agreement which is fully underwritten by Westpac Banking Corporation and National Australia Bank Limited (**Syndicated Facility Agreement**). The Syndicated Facility Agreement incorporates two facilities:

- A \$350 million facility for refinancing Coronado's existing external debt facilities, and for general working capital and corporate purposes (**Facility A**); and
- A A\$370 million bank guarantee facility (**Facility B**) for refinancing Coronado's existing bank guarantee facility.

The right to draw down on the Syndicated Facility Agreement is conditional on a number of conditions precedent customary for a facility of this nature, including Completion of the IPO. Many of these conditions precedent are procedural in nature and within the Company's control. There are also certain other conditions precedent that require third party consents or approvals (eg. grant of security and entry into a new intercreditor deed). The new intercreditor deed is a condition precedent to the first draw on the facilities that an intercreditor deed be entered into, including with third parties Stanwell and Wesfarmers. The new intercreditor deed is to be on similar terms to the existing intercreditor deed but will include Stanwell as a secured creditor ranking immediately below Syndicated Facility Agreement lenders.

Coronado expects to sign the intercreditor deed and to satisfy, by Completion, all of the conditions precedent that are required to be satisfied by that date. If, contrary to current expectation, the intercreditor deed is not signed or another condition precedent that does not become a condition subsequent cannot be satisfied by Completion, Coronado will be unable to draw down on the Syndicated Facility Agreement. In this circumstance Coronado would need to retain the existing facilities available and in particular the pre-IPO cash backed bank guarantee facility and the associated \$144.5 million term loan. In any event Coronado will repay the remaining balance of the existing Term Loan B Facility of US\$550 million.

Upon Completion of the IPO, Coronado expects to have sufficient funds such that it need not draw down on Facility A during the forecast period. The forecasts assume that Coronado does not draw down on Facility A and maintains a positive cash balance. However Coronado do intend to utilise Facility B to refinance the existing cash backed bank guarantee facility and the associated \$144.5 million term loan. In the event Coronado are unable to utilise Facility B immediately at the time of IPO, they will need to continue to utilise existing Term Loan C (refer Section 11.5.4.2) until all conditions under Facility B are met.

Refer further details in Section 11.5.4.2.

4.7.5 Liquidity and capital resources

Coronado's 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 its business. Following the IPO, Coronado's principal sources of funds are expected to be cash flow from operations and borrowings under the Syndicated Facility Agreement. At Completion and after payment of Offer-related costs and expenses including finance establishment costs, Coronado is expected to have undrawn funds of \$350 million under the Syndicated Facility Agreement in addition to an expected cash balance of \$100.8 million to fund its Working Capital requirements, capital expenditure and for other general corporate purposes.

Coronado's main uses of cash have historically been and are expected to continue to be the funding of its operations, Working Capital and capital expenditure and the payment of interest and dividends. Subject to the general and specific assumptions set out in Section 4.9 and the risks described in Section 4.16, Coronado expects that it will have sufficient liquidity and capital resources to fund its stated business objectives.

Coronado's ability to generate sufficient cash depends on its future performance which may be subject to a number of factors beyond its control, including general economic, financial and competitive conditions and other risks described in Section 5. Over time, Coronado may seek additional funding from a range of sources to diversify its funding sources in order to reduce its reliance on the bank finance market and to manage its exposure to interest rate risk on its long-term borrowings. For additional information on Coronado's financial risk management framework, see Section 4.16.

4.7.6 Commitments and contingencies

4.7.6.1 Commitments

Table 51 sets out Coronado's statutory and pro forma capital and contractual commitments as at 30 June 2018.

Table 51: Summary of Coronado's statutory and pro forma capital and contractual commitments

\$m	Less than 1 year	1 to 5 years	More than 5 years	Total
Capital expenditure commitments	43.3	–	–	43.3
Operating and mineral lease commitments	22.2	84.0	54.9	161.1
Total	65.5	84.0	54.9	204.4

4.7.6.2 Contingencies

Coronado is involved in various legal proceedings from time to time in the normal course of business including proceedings related to employment matters. At 30 June 2018, Coronado's balance sheet include liabilities for these legal proceedings in the aggregate of \$0.5 million. These liabilities do not include costs associated with legal representation. In management's opinion, Coronado is not currently involved in any legal proceedings which, individually or in the aggregate and if determined adversely, could have a material effect on the financial condition, results of operations and/or liquidity of the Company.

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4.7.7 Accrued expenses and other current liabilities

Table 52 sets out Coronado's statutory and pro forma accrued expenses and other current liabilities as at 30 June 2018.

Table 52: Summary of accrued expenses and other current liabilities

\$m	30 June 2018
Wages and employee benefits	50.8
Taxes other than income taxes	39.9
Accrued liabilities	46.0
Accrued terminal fees	26.3
Accrued mining fees	45.8
Other liabilities	17.1
Total accrued expenses and other current liabilities	225.9

4.7.8 Employee benefit plans

Coronado is self insured for employee healthcare claims up to the lesser of \$200,000 per covered person or an aggregate amount depending on the various coverages provided to all employees. Coronado has purchased coverage from a commercial insurance carrier to provide for any claims in excess of these amounts. Coronado was self-insured for employee healthcare claims from 30 June 2017 to 30 June 2018. At 30 June 2018, Coronado had accrued \$2.1 million for claims incurred but not paid based on management's estimate of Coronado's self insured liability.

Specifically for the Australian business, Coronado 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. Additionally, liability for vesting sick leave is recognised in the provision for employee benefits.

4.7.9 Workers' compensation and pneumoconiosis (black lung) obligations

Coronado provides for both traumatic workers' compensation claims and occupational disease claims through an insurance policy. On 1 June 2018, Coronado renewed the 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 the policy year ending 31 May 2019. Per the contractual agreements, Coronado was required to provide a collateral deposit of \$9.9 million, which was accomplished through a single letter of credit for the full amount. As of 30 June 2018, the estimated workers' compensation liability was approximately \$15.7 million, 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. Coronado's estimated workers' compensation liabilities are recorded within accrued expenses and other current liabilities in the balance sheet.

4.7.10 ARO by segment

Coronado records the fair value of its asset retirement obligations in West Virginia and Virginia (in the US) and Queensland (in Australia) using the present value of projected future cash flows, with an equivalent amount recorded as the basis of the related long-lived asset or a charge to the statements of operations if the related permit is closed. An accretion cost, representing the increase over time in the present value of the liability, is recorded each period and the capitalised cost is depreciated over the useful life of the related asset. As reclamation work is performed or liabilities otherwise settled, the recorded liability is reduced. The present value is discounted using a company-specific risk-adjusted discount rate.

Table 53 sets out Coronado's statutory and pro forma ARO by segment as at 30 June 2018.

Table 53: Summary of closure liabilities by segment

\$m	Statutory Historical 30 June 2018	Pro forma 30 June 2018
Abandonment provision		
Curragh	100.6	61.1
Buchanan	34.2	34.2
Logan	14.6	14.6
Greenbrier	11.3	11.3
Total abandonment provision	160.7	121.2

4.7.11 Non-market contract obligations

In connection with the acquisition of the Logan assets, Coronado assumed certain non-market contracts related to an export terminal services agreement and various coal leases. The Kinder Morgan Terminal Services Agreement expires on 31 March 2024 and requires Coronado to pay for one million short tons of trans loading services each year at a fixed price regardless of whether Coronado utilises the terminal services or not. Coronado recorded \$25.0 million related to this obligation and is amortising it rateably over the trans loading commitment for the remaining contract term. In addition, the non-market coal leases require royalty payments based on a percentage of the realisation from the sale of the coal under the respective lease. Coronado recorded \$27.3 million related to the non-market portion of the coal leases upon acquisition and is amortising it rateably over the respective estimated coal reserves as they are mined and sold.

In connection with the acquisition of Buchanan, Coronado assumed certain sales contracts with a fixed pricing component that was effectively below the market price at the date of the acquisition. Coronado recorded \$10.0 million related to the unfavourable pricing of these sales contracts and is amortising it rateably based on the tonnes sold under the contract.

In connection with the acquisition of Coronado Curragh, Coronado assumed the Stanwell below market CSA with a fixed pricing component that was effectively below the market price at the date of the acquisition. As at 30 June 2018, Coronado has recorded \$283.4 million related to the unfavourable pricing of this sales contract and is amortising it rateably based on the tonnes sold through the contract.

Table 54 sets out a summary of the pro forma and statutory remaining non-market contract obligations as at 30 June 2018:

Table 54: Summary of non-market contract obligations

	Statutory Historical 30 June 2018			Pro forma 30 June 2018		
\$m	Short-term	Long-term	Total	Short-term	Long-term	Total
Terminal services contract liability	2.7	12.9	15.6	–	–	–
Coal leases contract liability	0.8	22.9	23.7	0.8	22.9	23.7
Sales contract liability	1.0	–	1.0	1.0	–	1.0
Stanwell below market CSA	46.2	237.2	283.4	46.2	237.2	283.4
Stanwell SRA	–	–	–	–	155.2	155.2
Total non-market contract obligations	50.7	273.0	323.7	48.0	415.3	463.3

4.7.12 Fair value hierarchy

Coronado uses a three-level fair value hierarchy that categorises assets and liabilities measured at fair value based on the observability of the inputs utilised in the valuation. These levels include: Level 1 – inputs are quoted prices in active markets for the identical assets or liabilities; Level 2 – inputs are other than quoted prices included in Level 1 that are directly or indirectly observable through market-corroborated inputs; and Level 3 – inputs are unobservable, or observable but cannot be market-corroborated, requiring the Company to make assumptions about pricing by market participants.

As of 30 June 2018 Coronado has three liabilities that are required to be measured at fair value on a recurring basis: the contingent royalty consideration, the VSM, and interest rate swaps. The contingent royalty consideration and the VSM are both considered Level 3 fair value measurements, while the interest rate swaps are considered Level 2 fair value measurements.

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Other than the estimated fair values of the assets acquired and liabilities assumed in connection with the acquisition of Coronado Curragh, which are Level 2 and 3 fair value measurements, there are no other fair value measurements of assets and liabilities that are measured at fair value on a non-recurring basis at 30 June 2018.

Contingent royalty consideration

Coronado recorded a liability in relation to the five year contingent royalty consideration when it acquired Buchanan on 31 March 2016. The fair value of the liability at 30 June 2018 was \$24.4 million. The liability was initially valued at \$0.9 million on the date of the acquisition of Buchanan (31 March 2016). The liability is marked-to-market at each reporting date, with any fluctuations included as an operating item in the consolidated statement of operations. Coronado determined 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 the gross sales price forecast, export volume forecast, volatility, the risk-free rate, and credit-spread of Coronado.

Table 55 sets out a summary of Quantitative information about fair value measurements for the contingent royalty consideration.

Table 55: Quantitative information about fair value measurements for the contingent royalty consideration

\$m	Fair value at 30 June 2018	Valuation technique	Unobservable input	Range (weighted average)
Contingent royalty liability	24.4	Option model	Gross sales price forecast	\$95.3 to \$102.9 (\$98.7)
			Export volume forecast (000's)	11,754 tonnes over 2 yrs and 9 months
			Volatility	37.0%
			Risk-free rate	1.8% to 2.9% (2.5%)
			Company credit spread	6.5%

VSM

Coronado recorded a liability in relation to contingent consideration, specifically the VSM, when it acquired Coronado 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 realised 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.

The fair value of the liability at 30 June 2018 was \$20.3 million. The payout structure of the royalty can be replicated through a probability weighted discounted cash flow approach using a Monte Carlo simulation over the next two years. As such, Coronado determined 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 price volatility, risk-free rate, the tax rate, and foreign exchange (FX) rate.

Table 56: Quantitative information about fair value measurements for the VSM

\$m	Fair value at 30 June 2018	Valuation technique	Unobservable input	Range (weighted average)
Value Share Mechanism	20.3	Probabilistic approach	Gross sales price forecast	\$142.5 to \$180.0 (\$158.1)
			Volatility	27.5%
			Risk-free rate	2.6%
			Tax rate	30.0%
			FX rate	0.732

Interest rate swaps

Coronado holds derivative instruments that either do not qualify or are not designated for hedge accounting treatment. Interest rate swaps are used as an economic hedge against interest rate risk related to various products and transactions of Coronado. As the swaps are not designated for hedge accounting, at each subsequent reporting date, Coronado will record the swaps at fair value, with any changes in fair value recorded in 'Other, net' within the statements of operations. As of 30 June 2018, Coronado had entered into a floating to fixed interest rate swap in order to convert a portion of

Coronado's future floating rate interest payments to fixed rate interest payments, with an aggregate notional amount of \$350 million. Coronado has not elected to designate its swaps as accounting hedges and as such initially recorded the swap in current liabilities for an amount of \$28.3 million. The fair value of the liability at 30 June 2018 was \$33.1 million.

4.7.13 Assets acquired and liabilities assumed in connection with acquisitions

Coronado accounts for business combinations under the acquisition method of accounting. 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 judgement, and the utilisation 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.

4.8 MANAGEMENT'S DISCUSSION AND ANALYSIS OF HISTORICAL INFORMATION

4.8.1 Key factors affecting the operating and financial performance of Coronado, including key measures and their drivers

This Section 4 discusses the key factors that have affected Coronado's operations and relative financial performance in FY2016, FY2017, 1H2017 and 1H2018. Coronado's management expects that these key factors may continue to affect Coronado's operating and financial performance in FY2018 and in FY2019. The discussion of these key factors is intended to provide a brief summary and does not detail all the factors affecting Coronado's historical operating and financial performance, nor all factors that may affect its operating and financial performance in the future. Unless otherwise stated, all metrics and financial information presented in this Section 4 and the related commentary are on a pro forma basis.

Production and sales volumes

As a producer and exporter of met coal products, Coronado is exposed to fluctuations in profitability depending on the price and volume of coal shipped. The size of Coronado's revenues is significantly impacted by sales volume, and in particular by export sales volumes since export sales accounted for 64.7% and 71.4% of Coronado's pro forma sale volumes, and 53.1% and 67.8% of Coronado's statutory sales volumes, in FY2016 and FY2017 respectively. These export sales are, in turn, dependent on the volume of saleable tonnes produced. Production and sales volumes depend on the demand for met coal products and the price of met and thermal coal.

Global met and thermal coal prices

Industry revenue volatility is caused by fluctuations in global met and thermal supply and demand. Met coal prices declined in 2015 to 2016, driven by weak demand for met coal, in line with weaker steel production activity in major export destinations such as China. Met coal prices rebounded significantly in 2016 to 2017, largely due to industrial policy changes in China resulting in steel production capacity cuts and rationalisation in the production of domestic met coal. Further information on historical coal pricing is contained in Section 2.

Australian coal is generally sold into the seaborne market on either spot terms or a contracted basis with pricing based on a variety of internationally recognised benchmarks. Prices are generally referenced to a particular coal-type specific benchmark. Relative discounts for the actual coal quality and condition are applied to that specific benchmark. US export coal is generally supplied to international markets on terms which also reference benchmark indices and include price adjustments for coal quality. Domestic US contracts generally include agreed pricing and volumes for supply to the domestic US market which are typically negotiated annually in advance.

Global demand for met and thermal coal

Met coal demand is primarily driven by steel production, which is underpinned by global infrastructure, automotive and construction industries. Thermal coal demand is a result of energy generation requirements, developments in alternative energy sources and environmental regulations.

In the long term, demand for met and thermal coal is expected to be influenced by macroeconomic trends such as population growth, GDP growth in developing countries, energy requirements and the impact from other energy sectors.

Refer to Section 2 for further information.

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Fluctuations in foreign exchange rates

The majority of Coronado's Australian cost base in Coronado Curragh (>90%) is in AUD. Approximately 10% of Coronado Curragh's purchases are made with reference to USD, 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 AUD against USD will increase Coronado Curragh's USD reported cost base and reduce USD reported EBITDA/net income.

Historically, Coronado Curragh hedged its USD denominated revenues given its Australian base of operations and cost base, which is predominantly denominated in AUD. After the Coronado Curragh Acquisition, the company is now reporting its financial results in USD and no longer expects to hedge its exposure to USD. Coronado's foreign exchange exposure predominantly relates to the AUD denominated costs for Curragh and sales of thermal coal domestically in Australia. Coronado's exposure to foreign currencies, including AUD, will be managed in accordance with the principles described in Section 4.16.3.

The net impact of movements in exchange rates on the results of Coronado through its Australian Operations was \$4.0 million positive in FY2016, \$12.3 million negative in FY2017 (including \$9.8 million negative in 1H2017), and \$4.9 million positive in 1H2018. This impact is included in SG&A expenses. In the forecast period, with the USD/AUD exchange rate assumed at 0.7254 (being the spot rate as at 1 September 2018) throughout September 2018 to December 2019, the forecast impact of the change in the USD/AUD exchange rate is expected to be \$4.9 million positive in FY2018, and \$nil in FY2019.

Operating expenses

The principal operating expenses incurred by Coronado fall into the following categories:

- *Cost of coal revenues* are the costs incurred in extracting and manufacturing domestic and export coal products;
- *Selling, general and administrative (SG&A) expenses (including freight expenses)* are port and rail freight charges incurred, demurrage and despatch and marketing; and
- *Stanwell rebate and other royalty expenses* in relation to the Stanwell rebate and other royalty expenses, respectively, are incurred based on the underlying mining operations and export coal volumes. Further detail on the Stanwell rebate is provided in Section 3.3.1.2.

Coronado's pro forma operating expenses increased in FY2017 and FY2018 compared to FY2016, driven by the increase in production and sales volume from the FY2016 level, including the adoption of cell mining methodology and mining of the more expensive areas in Australia (which has now ceased). The forecast for 2H2018 and FY2019 assumes a reduction in cost of coal revenues, driven by the Company's initiatives to reduce the cost per tonne produced and sold, as well as economies of scale due to the increase in production volume, as described further below. Freight and SG&A expenses are forecast to experience modest growth, driven by increased sales volume, while royalties (including the Stanwell rebate) are forecast to reduce due to a reduction in benchmark-linked export sales prices, in particular in Australia.

Depreciation, depletion and amortisation

Depreciation expenses relate to the depreciation of property, plant and equipment. Depreciation rates are applied based on the estimated useful lives of assets, or the project term if the assets are acquired for specific projects. Depletion is to account for the changes in coal reserves based on units of usage. Amortisation expense relates to the amortisation of mineral lease and development costs.

Working Capital

Coronado's Working Capital relates to its trade receivables, inventories, trade payables, other creditors and accruals, GST and employee liabilities. Average net Working Capital has been positive in the statutory financial statements of Coronado for the historical period.

Capital expenditure

Capital expenditure has historically comprised expenditure on maintenance, new plant, vehicles and equipment as well as mine development. Maintenance capital expenditure primarily includes repair and replacement of existing property, plant and equipment, as well as the maintenance of plant facilities and certain mine development costs. All capital expenditure is classified as SIB capital expenditure.

4.8.2 Pro Forma and Statutory Historical Results for FY2017 compared with FY2016

Table 57 sets out a summary of the Pro Forma and Statutory Historical Results for FY2016 compared with FY2017.

Table 57: Summary of Pro Forma and Statutory Historical Results for FY2016 compared to FY2017

\$m	Pro forma Historical				Statutory Historical			
	FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Revenues:								
Coal revenues	1,234.5	2,130.8	896.3	72.6%	434.0	756.4	322.4	74.3%
Other revenues	34.8	43.3	8.5	24.4%	3.3	11.8	8.5	257.6%
Total revenues	1,269.3	2,174.1	904.8	71.3%	437.3	768.2	330.9	75.7%
Costs and expenses:								
Cost of coal revenues (exclusive of items shown separately below)	844.1	1,073.7	229.6	27.2%	290.7	463.6	172.9	59.5%
Freight expenses	113.9	161.0	47.1	41.4%	5.4	15.9	10.5	194.4%
Depreciation, depletion and amortisation	152.0	165.5	13.5	8.9%	59.7	75.5	15.8	26.5%
Selling, general and administrative expenses	21.0	30.0	9.0	42.9%	12.9	21.8	8.9	69.0%
Stanwell rebate	43.9	147.7	103.8	236.4%	–	–	–	0.0%
Other royalties	86.0	171.4	85.4	99.3%	32.4	39.5	7.1	21.9%
Total costs and expenses	1,260.9	1,749.3	488.4	38.7%	401.1	616.3	215.2	53.7%
Operating income	8.4	424.8	416.4	4,957.1%	36.2	151.9	115.7	319.6%
Other income (expenses):								
Interest expense	(13.6)	(14.6)	(1.0)	(7.4)%	(0.1)	(10.0)	(9.9)	nmf
Other, net	(1.0)	2.3	3.3	330.0%	0.4	0.5	0.1	25.0%
Total other income (expenses), net	(14.6)	(12.3)	2.3	15.8%	0.3	(9.5)	(9.8)	(3,266.7)%
Net income before tax	(6.2)	412.5	418.7	6,753.2%	36.5	142.4	105.9	290.1%
Income tax benefit (expense)	0.1	(126.2)	(126.3)	nmf	–	–	–	0.0%
Net income (loss)	(6.1)	286.3	292.4	4,793.4%	36.5	142.4	105.9	290.1%
Less: Net loss attributable to non-controlling interest								
	(0.1)	(0.1)	–	0.0%	(0.1)	(0.1)	–	0.0%
Net income (loss) attributable to Coronado	(6.0)	286.4	292.4	4,873.3%	36.6	142.5	105.9	289.3%
Reconciliation to EBITDA:								
Net income (loss)	(6.1)	286.3	292.4	4,793.4%	36.5	142.4	105.9	290.1%
Add: Income tax (benefit) expense	(0.1)	126.2	126.3	nmf	–	–	–	0.0%
Add: Interest expense	13.6	14.6	1.0	7.4%	0.1	10.0	9.9	nmf
EBIT	7.4	427.1	419.7	5,671.6%	36.6	152.4	115.8	316.4%
Add: Depreciation, depletion and amortisation	152.0	165.5	13.5	8.9%	59.7	75.5	15.8	26.5%
EBITDA	159.4	592.6	433.2	271.8%	96.3	227.9	131.6	136.7%

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Coal revenues

Pro forma coal revenues increased by \$896.3 million, or 72.6%, to \$2,130.8 million in FY2017, as compared to \$1,234.5 million in FY2016. The increase was primarily driven by:

- a sales volume increase of 3.0 Mt from 17.8 Mt in FY2016 to 20.8 Mt, supported by higher production; and
- an increase of the Average Realised Price of 46.6%, driven by market demand.

Production and sales volumes were higher in FY2017 compared to FY2016 to take advantage of favourable market price developments and deliver on a backlog from FY2016 in the aftermath of production disruptions from a significant wet weather event in Queensland in January to March 2016, and Cyclone Debbie in March to May 2017.

Statutory coal revenues increased by \$322.4 million, or 74.3%, to \$756.4 million in FY2017, as compared to \$434.0 million for FY2016, driven by increases in sales volumes and the Average Realised Price (as described above), as well as the full-year impact in FY2017 of the acquisition of Buchanan in FY2016, whereas FY2016 statutory revenue only includes Buchanan's revenue from 31 March 2016 acquisition.

EBITDA

Pro forma EBITDA increased by \$433.2 million, or 271.8%, to \$592.6 million for FY2017, as compared to \$159.4 million for FY2016. The increase in EBITDA was primarily driven by the revenue growth described above, offset in part by a \$474.9 million increase in total costs (excluding depreciation, depletion and amortisation) and expenses primarily due to:

- an increase in cost of coal revenues of \$229.6 million, or 27.2%, from \$844.1 million in FY2016 to \$1,073.7 million in FY2017 driven by increased sales volume across all mines, as well as an increase in costs per tonne sold at Curragh and Buchanan, explained by the cell mining methodology employed, which has now ceased (Curragh) and longwall production costs (Buchanan) with both methods incurring higher initial setup costs than other methods;
- an increase in the Stanwell rebate of \$103.8 million, or 236.4%, from \$43.9 million in FY2016 to \$147.7 million in FY2017 due to higher export coal tonnes sold by Curragh at a higher Average Realised Price;
- an increase in other royalty expenses of \$85.4 million, or 99.3%, from \$86.0 million in FY2016 to \$171.4 million in FY2017, also driven by higher sales volumes and realised prices across all segments; and
- an increase in freight expenses of \$47.1 million, or 41.4%, from \$113.9 million in FY2016 to \$161.0 million in FY2017 due to the higher volume of coal shipped.

Statutory EBITDA increased by \$131.6 million, or 136.7%, to \$227.9 million in FY2017, as compared to \$96.3 million in FY2016. This was primarily driven by the revenue growth described above. The growth in Statutory EBITDA was less than that of pro forma EBITDA due to the results of Buchanan not being included in the statutory results prior to 31 March 2016.

Depreciation, depletion and amortisation

Pro forma depreciation, depletion and amortisation increased by \$13.5 million, or 8.9%, from \$152.0 million in FY2016 to \$165.5 million in FY2017 due to the impact on fixed assets of the increased production volumes.

Statutory depreciation, depletion and amortisation increased by \$15.8 million, or 26.5%, from \$59.7 million in FY2016 to \$75.5 million in FY2017, reflecting the full-year impact in FY2017 of the addition of fixed assets upon acquisition of Buchanan on 31 March 2016.

EBIT

Pro forma EBIT increased by \$419.7 million from \$7.4 million in FY2016 to \$427.1 million in FY2017, reflecting an increase in pro forma EBITDA of \$433.2 million, partially offset by an increase in depreciation, depletion and amortisation of \$13.5 million.

Statutory EBIT increased by \$115.8 million, or 316.4%, from \$36.6 million in FY2016 to \$152.4 million in FY2017, reflecting an increase in statutory EBITDA of \$131.6 million, partially offset by an increase in statutory depreciation, depletion and amortisation of \$15.8 million.

Net other expenses

Pro forma net other expenses reduced by \$2.3 million, or 15.8%, from net expense of \$14.6 million in FY2016 to net expense of \$12.3 million in FY2017 primarily due to the reduction in other expenses of \$3.3 million, from a net expense of \$1.0 million in FY2016 to net income of \$2.3 million in FY2017, partially offset by \$1.0 million in higher interest expenses.

Statutory net other expenses increased by \$9.8 million from a net income of \$0.3 million in FY2016 to a net expense of \$9.5 million in FY2017 as a result of a \$9.9 million increase in interest expense in FY2017 relating to external debt obligations.

Income tax expense

Pro forma income tax expense increased by \$126.3 million from an income tax credit of \$0.1 million in FY2016 to an income tax expense of \$126.2 million in FY2017 due to higher net income before tax associated with increased profitability based on the coal sales volume and price developments described above. The effective tax rate represented 30.6% of net income before tax in FY2017.

Statutory income tax expense equaled \$nil in FY2016 and FY2017 as the Seller elected to be treated as a partnership for US income tax purposes and accordingly no taxes were paid by this entity, with taxes instead paid by members of the partnership.

Net income

Net income on a pro forma basis increased by \$292.4 million from a net loss of \$6.1 million in FY2016 to net income of \$286.3 million in FY2017, reflecting a \$419.7 million increase in EBIT offset by an increase of \$126.3 million in income tax expense.

Statutory net income increased by \$105.9 million from \$36.5 million in FY2016 to \$142.4 million in FY2017, reflecting higher profitability in FY2017 compared to FY2016, as well as a full-year effect on FY2017 of the acquisition of Buchanan in March 2016.

4.8.3 Pro forma and statutory segment information for FY2017 compared to FY2016

Table 58 sets out a summary of the pro forma and statutory historical revenue, EBITDA, production and realised prices for FY2017 compared to FY2016.

Table 58: Summary of pro forma and statutory segment information for FY2017 compared to FY2016

		Pro forma Historical				Statutory Historical			
	Unit	FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Revenue by segment									
Curragh	\$m	780.2	1,405.9	625.7	80.2%	–	–	–	0.0%
Buchanan	\$m	327.1	465.0	137.9	42.2%	275.2	465.0	189.8	69.0%
Logan	\$m	133.9	242.0	108.1	80.7%	133.9	242.0	108.1	80.7%
Greenbrier	\$m	27.9	60.1	32.2	115.4%	27.9	60.1	32.2	115.4%
Corporate & other	\$m	0.2	1.1	0.9	450.0%	0.3	1.1	0.8	266.7%
Total revenue	\$m	1,269.3	2,174.1	904.8	71.3%	437.3	768.2	330.9	75.7%
EBITDA									
Curragh	\$m	61.0	370.0	309.0	506.6%	–	–	–	0.0%
Buchanan	\$m	122.9	211.2	88.3	71.8%	115.5	211.2	95.7	82.9%
Logan	\$m	3.3	34.9	31.6	957.6%	3.3	34.9	31.6	957.6%
Greenbrier	\$m	(6.8)	3.4	10.2	(150.0)%	(6.8)	3.4	10.2	(150.0)%
Corporate & other	\$m	(21.0)	(26.9)	(5.9)	(28.1)%	(15.7)	(21.6)	(5.9)	(37.6)%
Total EBITDA	\$m	159.4	592.6	433.2	271.8%	96.3	227.9	131.6	136.7%
Sales volume by segment									
Curragh	Mt	11.1	12.3	1.2	10.8%	–	–	–	0.0%
Buchanan	Mt	4.5	5.0	0.5	11.1%	3.5	5.0	1.5	42.9%
Logan	Mt	1.9	2.9	1.0	52.6%	1.9	2.9	1.0	52.6%
Greenbrier	Mt	0.3	0.6	0.3	100.0%	0.3	0.6	0.3	100.0%
Total sales volume	Mt	17.8	20.8	3.0	16.9%	5.7	8.5	2.8	49.1%
Average Realised Price									
Curragh	\$/t	70.3	114.3	44.0	62.6%	–	–	–	0.0%
Buchanan	\$/t	72.7	93.0	20.3	27.9%	78.6	93.0	14.4	18.3%
Logan	\$/t	70.5	83.4	13.0	18.4%	70.5	83.4	13.0	18.4%
Greenbrier	\$/t	93.0	100.2	7.2	7.7%	93.0	100.2	7.2	7.7%
Total Average Realised Price	\$/t	71.3	104.5	33.2	46.6%	76.7	90.4	13.7	17.9%

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4.8.3.1 Pro Forma and statutory historical segment information for FY2017 compared to FY2016 for the Curragh segment

Table 59 sets out a summary of the pro forma and statutory historical sales and operating metrics for FY2016 and FY2017 for the Curragh segment.

Table 59: Summary of pro forma and statutory sales and operating metrics for FY2017 compared to FY2016 for the Curragh Segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Coal revenues, export (incl. FX)	\$m	669.9	1,294.3	624.4	93.2%	–	–	–	0.0%
Coal revenues, domestic	\$m	79.8	80.1	0.3	0.4%	–	–	–	0.0%
Other revenues	\$m	30.5	31.5	1.0	3.3%	–	–	–	0.0%
Total revenues	\$m	780.2	1,405.9	625.7	80.2%	–	–	–	0.0%
EBITDA	\$m	61.0	370.0	309.0	506.6%	–	–	–	0.0%
KPIs									
Sales volume (incl. purchased)									
<i>Export sales volume (incl. purchased)</i>									
HCC	Mt	3.1	4.0	0.9	29.3%	–	–	–	0.0%
Semi	Mt	2.0	1.3	(0.7)	(34.5)%	–	–	–	0.0%
PCI coal	Mt	2.5	3.2	0.7	27.5%	–	–	–	0.0%
Total met coal export volume	Mt	7.6	8.5	0.9	11.8%	–	–	–	0.0%
Thermal coal export	Mt	0.1	0.5	0.4	330.5%	–	–	–	0.0%
Total export volume	Mt	7.8	9.1	1.3	16.8%	–	–	–	0.0%
Thermal coal domestic	Mt	3.3	3.2	(0.1)	(4.0)%	–	–	–	0.0%
Total sales volume	Mt	11.1	12.3	1.2	10.6%	–	–	–	0.0%
Sales price									
Export met coal price (weighted average)	\$/t	86.2	148.0	61.7	71.6%	–	–	–	0.0%
Export thermal coal price	\$/t	64.0	83.2	19.2	30.0%	–	–	–	0.0%
<i>Index prices (Wood Mackenzie)</i>									
Export met coal index price (weighted average)	\$/t	100.4	182.1	81.7	81.4%	–	–	–	0.0%
Export thermal coal index price	\$/t	65.9	88.6	22.7	34.4%	–	–	–	0.0%

Notes:

1. Statutory reporting incorporates the operating results of Coronado Curragh only since its acquisition on 29 March 2018.
2. Export sales revenue (including FX) represents coal revenues, including purchased coal exports and amounts recognised attributable to FX movements.
3. The export met index price (weighted average) has been calculated on weighted average sales volumes using various Wood Mackenzie benchmarks for the sales products in the table above.

Coal revenues

Pro forma coal revenues, both export (including FX) and domestic together, increased by \$624.7 million, or 83.3%, in FY2017 to \$1,374.4 million, as compared to \$749.7 million in FY2016. The increase in coal revenues was primarily driven by an increase in the sales price of export met products, with the average export met sales price increasing by US\$61.7 per tonne, or 71.6%, for FY2017 to US\$148.0 per tonne, as compared to US\$86.2 per tonne in FY2016. The average export met price represents a weighted average of the individual export met products (HCC, Semi and PCI) for the corresponding period but excludes any impact due to underlying FX movements captured within coal revenues.

The increase in sales price was accompanied by an increase in export volumes in FY2017 relative to FY2016, primarily driven by the following products:

- an increase HCC exports of 0.9 Mt, or 29.3% in FY2017;
- an increase in PCI exports of 0.7 Mt, or 27.5% in FY2017; and
- an increase in thermal coal exports of 0.4 Mt, or 330.5% in FY2017.

Growth in export sales volume in FY2017 relative to FY2016 was driven by strong demand and advantageous average sales prices. Additionally, FY2016 pro forma export sales volumes were adversely impacted by a severe wet weather event in Queensland in the period January to March 2016. The extreme rainfall resulted in saleable met coal production volumes that were approximately 1.2 Mt lower than budgeted and the declaration of a force majeure event for the period from 4 February 2016 to 1 March 2016. Additionally, in July 2016, Curragh experienced significant above average rainfall, which further impacted pro forma production and sales.

As the Curragh segment has historically reported in AUD, an additional movement in coal revenues is attributable to FX recognised on the recognition and receipt of export coal revenues as well as inter-account cash transfers between USD and AUD accounts. The net impact of FX was \$4.0 million positive and \$12.3 million negative for FY2016 and FY2017, respectively. Refer to Section 4.2.3 for FX rates.

Statutory coal revenues in FY2016 and FY2017 are not reported as Coronado Curragh was not acquired by Coronado until 29 March 2018.

Other revenues

Pro forma other revenues includes non-cash amortisation of the below market Stanwell CSA that was recognised upon acquisition of Coronado Curragh, with fluctuations year on year driven by movements in the USD/AUD exchange rate.

Statutory other revenue in FY2016 and FY2017 are not reported as Coronado Curragh was not acquired by Coronado before 29 March 2018.

EBITDA

Pro forma EBITDA increased by \$309.0 million, or 506.6%, in FY2017 to \$370.0 million, as compared to \$61.0 million in FY2016. This increase was driven by increases in total revenues (as discussed earlier) and, given demand-driven high international coal prices in FY2017, significant increase in profitability of operations, with the cost base increasing at a rate lower than the growth in total revenues and EBITDA Margin increasing from 7.8% in FY2016 to 26.3% in FY2017.

Statutory EBITDA is not reported as Coronado Curragh was not acquired by Coronado until 29 March 2018.

Cost of coal revenues

Table 60 sets out a summary of the pro forma and statutory historical production metrics for FY2016 and FY2017 for the Curragh segment.

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Table 60: Summary of pro forma and statutory historical production metrics for FY2017 compared to FY2016 for the Curragh segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Overburden removed	Mbcm	155.7	174.8	19.1	12.2%	–	–	–	0.0%
Strip ratio		11.3	11.4	0.0	0.4%	–	–	–	0.0%
ROM tonnes	Mt	13.8	15.4	1.6	11.8%	–	–	–	0.0%
Cost of coal revenues	\$m	509.0	610.1	101.1	19.9%	–	–	–	0.0%
Total sales volume	Mt	11.1	12.3	1.2	10.6%	–	–	–	0.0%
Cost per tonne sold	\$/t	45.9	49.8	3.9	8.4%	–	–	–	0.0%

Pro forma cost of coal revenues increased by \$101.1 million, or 19.9%, in FY2017 to \$610.1 million, as compared to \$509.0 million in FY2016, primarily due to an increase in overburden removal of 19.1 mbcm, or 12.2% for FY2017 to 174.8 mbcm, as compared to 155.7 mbcm in FY2016 both due to higher production volume and adoption of the cell mining methodology which resulted in a reduction in the proportion of overburden moved by draglines. Pro forma cost per tonne sold increased by 8.4% in FY2017 from \$45.9 per tonne in FY2016 to \$49.8 per tonne in FY2017 as a result of the extra costs associated with the cell mining methodology adopted in FY2017 and mining of the higher cost areas which was economical in the environment of high coal prices.

Pro forma cost per tonne sold was higher in FY2017 compared to FY2016, driven by:

- amended mining strategy – management commenced implementation of a cell mining methodology in FY2017. This resulted in higher initial costs of production. This mining strategy has now ceased as part of a review of Curragh's mine plan and equipment efficiencies;
- Cyclone Debbie and the adverse impact on Curragh mine operations in March to May 2017;
- exchange rates – FY2017 costs were converted from AUD to USD at a rate of 0.7667, while FY2016 costs were converted at 0.7427; and
- a \$1.0 million accrual of rail access fees associated with Aurizon's Undertaking 4 submission to the QCA was reversed in FY2016 upon finalisation of invoicing.

Statutory cost of coal revenues are \$nil in each of FY2016 and FY2017. Statutory revenue is not reported as Coronado Curragh was not acquired by Coronado until 29 March 2018.

Stanwell rebate

Under the CSA, Coronado Curragh makes rebate payments to Stanwell based on (i) export sales from the Curragh North Mining Area and Curragh East Mining Area and (ii) ROM tonnes mined in the Curragh Pit U East. The export-based rebate consists of a price rebate and a tonnage rebate that changes based on a tiered volume calculation, as described in Section 3.3.1.2. The Stanwell rebate is captured within EBITDA; however, it is accounted for in a separate line item in the statement of operations to cost of coal revenues.

The pro forma Stanwell rebate increased by \$103.8 million from \$43.9 million in FY2016 to \$147.7 million in FY2017, driven by the higher volume of met coal exported from Australia at a higher average selling price.

The statutory Stanwell rebate expense is \$nil in each of FY2016 and FY2017. Statutory Stanwell rebate is not reported as Coronado Curragh was not acquired by Coronado until 29 March 2018.

4.8.3.2 Pro forma and statutory historical segment information for FY2017 compared to FY2016 for the Buchanan segment

Table 61 sets out a summary of the pro forma and statutory historical sales metrics for FY2016 and FY2017 for the Buchanan segment.

Table 61: Summary of pro forma and statutory sales metrics for FY2017 compared to FY2016 for the Buchanan segment

		Pro forma Historical				Statutory Historical			
	Unit	FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Revenues:									
Coal revenues	\$m	325.8	464.9	139.1	42.7%	275.0	464.9	189.9	69.0%
Other revenues	\$m	1.3	0.1	(1.2)	(92.3)%	0.2	0.1	0.1	50.0%
Total revenues	\$m	327.1	465.0	137.9	42.2%	275.2	465.0	189.8	69.0%
EBITDA	\$m	122.9	211.2	88.3	71.8%	115.5	211.2	95.7	82.9%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	0.7	1.0	0.3	42.4%	0.5	1.0	0.4	80.5%
PCI coal domestic	Mt	0.5	0.1	(0.3)	(68.4)%	0.4	0.1	(0.2)	(60.0)%
Total met coal domestic volume	Mt	1.1	1.1	(0.0)	(2.4)%	0.9	1.1	0.2	23.6%
Thermal coal domestic	Mt	0.1	0.2	0.1	56.5%	0.1	0.2	0.1	101.9%
Total domestic volume	Mt	1.3	1.3	0.0	3.8%	1.0	1.3	0.3	31.8%
Export sales volume (incl. purchased)									
HCC export	Mt	1.5	2.9	1.4	90.4%	1.2	2.9	1.8	149.5%
PCI coal export	Mt	1.7	0.7	(1.0)	(57.0)%	1.3	0.7	(0.6)	(44.6)%
Total met coal export volume	Mt	3.2	3.6	0.4	13.7%	2.5	3.6	1.2	47.6%
Total export volume	Mt	3.2	3.6	0.4	13.7%	2.5	3.6	1.2	47.6%
Total sales volume	Mt	4.5	5.0	0.5	10.9%	3.5	5.0	1.5	43.0%
Sales price									
Domestic HCC	\$/t	69.3	78.4	9.1	13.1%	75.0	78.4	3.4	4.6%
Domestic PCI coal	\$/t	60.6	64.9	4.3	7.1%	65.6	64.9	(0.7)	(1.1)%
Domestic thermal coal	\$/t	55.2	60.9	5.7	10.2%	60.2	60.9	0.7	1.2%
Export HCC	\$/t	102.1	103.1	1.0	1.0%	112.0	103.1	(8.9)	(8.0)%
Export PCI coal	\$/t	51.8	90.6	38.8	75.0%	56.5	90.6	34.1	60.3%
Index prices (Wood Mackenzie)									
HCC	\$/t	108.7	190.1	81.4	74.9%	108.7	190.1	81.4	74.9%
PCI coal	\$/t	88.6	145.5	56.9	64.3%	88.6	145.5	56.9	64.3%
Thermal coal	\$/t	51.0	63.0	12.0	23.5%	51.0	63.0	12.0	23.5%

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Coal revenues

Pro forma coal revenues increased by \$139.1 million, or 42.7%, in FY2017 to \$464.9 million, as compared to \$325.8 million in FY2016. The increase in pro forma coal revenues was primarily driven by increased market prices for HCC and PCI coal products, accompanied by an increase in pro forma total sales volume of 0.5 Mt, or 10.9%. The total increase in pro forma coal revenues was primarily driven by the following product factors:

- favourable sales mix as HCC export coal sold increased by 1.4 Mt, or 90.4%, from 1.5 Mt in FY2016 to 2.9 Mt in FY2017, offset partially by a decrease in PCI export coal sold of 1.0 Mt, or 57.0% from 1.7 Mt in FY2016 to 0.7 Mt in FY2017;
- an increase in PCI pro forma export sales price of \$38.8 per tonne, or 75.0%, in FY2017, to \$90.6 per tonne as compared to \$51.8 per tonne in 2016; and
- an increase in HCC pro forma domestic sales price of \$9.1 per tonne, or 13.1%, in FY2017 to \$78.4 per tonne, as compared to \$69.3 per tonne in FY2016 accompanied with an increase in pro forma domestic sales volume of 0.3 Mt, or 42.4%, in FY2017 to 1.0 Mt as compared to 0.7 Mt in FY2016.

Growth in pro forma and statutory total sales volume and price per tonne in FY2017 was driven by the increase in market demand for Buchanan's coal leading to higher sales prices and an increase in production as a response to the higher price per tonne for both export and domestic coal. Considering the shifting market demand, Coronado is strategically focused on maximising sales of Buchanan's coal into the higher margin HCC market. Buchanan sells coal in the PCI market primarily for production stability and coal inventory management.

In connection with the acquisition of Buchanan, Coronado assumed several legacy contracts with fixed prices that expire over time to 2021. For certain thermal quality legacy contracts, Coronado has been able to increase production coal available for the met market by purchasing thermal coal from third parties to meet legacy contracts obligations. Coronado began to purchase coal for this purpose late in FY2016 to generate additional margin on Buchanan's production and purchased 125,000 tonnes for various legacy contracts in FY2017.

Statutory coal revenues increased by \$189.9 million, or 69.1%, in FY2017 to \$464.9 million, as compared to \$275.0 million in FY2016. The total increase in statutory coal revenues was primarily driven by an increase in PCI coal statutory export sales price of \$34.1 per tonne, or 60.3%, in FY2017, to \$90.6 per tonne as compared to \$56.5 per tonne in FY2016.

The increase in coal price was accompanied by an increase in total statutory sales volume of 1.5 Mt, or 43.0%, in FY2017 to 5.0 Mt, as compared to 3.5 Mt in FY2016.

EBITDA

Pro forma EBITDA increased by \$88.3 million, or 71.8%, to \$211.2 million in FY2017, as compared to \$122.9 million in FY2016. This increase was primarily driven by an increase in pro forma coal revenues as described above, partially offset by an increase in pro forma cost of coal revenues of \$47.5 million, or 26.0%, in FY2017 to \$230.0 million, as compared to \$182.5 million in FY2016. The increase in pro forma cost of coal revenues was primarily a result of an increase in the pro forma cost per tonne of \$5.6 per tonne for FY2017 to \$46.3 per tonne sold, as compared to \$40.7 per tonne for FY2016. The higher cost per tonne sold results from additional development costs to maintain longwall production timing, geological conditions and lower marketable tonnes per foot of extraction incurred in the northern area of the mine.

Statutory EBITDA increased by \$95.7 million, or 82.9%, to \$211.2 million in FY2017, as compared to \$115.5 million in FY2016, primarily driven by an increase in coal revenues as described above, partially offset by an increase in statutory cost of coal revenues of \$91.9 million, or 66.5%, in FY2017 to \$230.0 million, as compared to \$138.1 million in FY2016. The increase in statutory cost of coal revenues was primarily a result of an increase in statutory cost per tonne sold of \$6.5 per tonne for FY2017 to \$46.3 per tonne, as compared to \$39.8 per tonne for FY2016.

Cost of coal revenues

Table 62 sets out a summary of the pro forma and statutory historical production metrics in FY2016 and FY2017 for the Buchanan segment.

Table 62: Summary of pro forma and statutory historical production metrics for FY2017 compared to FY2016 for the Buchanan segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
ROM tonnes	Mt	6.7	7.3	0.6	8.9%	5.2	7.3	2.1	40.5%
Cost of coal revenues	\$m	182.5	230.0	47.5	26.0%	138.1	230.0	91.9	66.5%
Total sales volume	Mt	4.5	5.0	0.5	10.9%	3.5	5.0	1.5	43.0%
Cost per tonne sold	\$/t	40.7	46.3	5.6	13.7%	39.8	46.3	6.5	16.4%

Pro forma cost of coal revenues increased by \$47.5 million, or 26.0%, in FY2017 to \$230.0 million, as compared to \$182.5 million in FY2016, primarily driven by an increase in the pro forma cost per tonne sold of \$5.6 per tonne for FY2017 to \$46.3 per tonne, as compared to \$40.7 per tonne in FY2016. The higher costs per tonne results from additional development costs to maintain longwall production timing, geological conditions and lower marketable tonnes per foot of extraction incurred in the northern area of the mine.

Statutory cost of coal revenues increased by \$91.9 million, or 66.5%, in FY2017 to \$230.0 million, as compared to \$138.1 million in FY2016, primarily driven by an increase in the statutory cost per tonne sold of \$6.5 per tonne in FY2017 to \$46.3 per tonne, as compared to \$39.8 per tonne in FY2016.

Pro forma and statutory cost per tonne sold was higher in FY2017 compared to FY2016 as a result of the following:

- increased production by implementation of one additional continuous development section and an additional continuous mining development shaft at the mine;
- additional operational preparation costs related to establishing new mining areas and to support increased production; and
- geological issue reduced longwall production for 10 days and royalty expenses increase due to the movement in the coal price across the period.

4.8.3.3 Pro forma and statutory historical segment information for FY2017 compared to FY2016 for the Logan segment

Table 63 sets out a summary of the pro forma and statutory historical sales metrics for FY2016 and FY2017 for the Logan segment.

4. Financial Information

Table 63: Summary of pro forma and statutory sales metrics for FY2017 compared to FY2016 for the Logan segment

		Pro forma Historical				Statutory Historical			
	Unit	FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Revenues:									
Coal revenues	\$m	131.5	232.3	100.8	76.7%	131.5	232.3	100.8	76.7%
Other revenues	\$m	2.4	9.7	7.3	304.2%	2.4	9.7	7.3	304.2%
Total revenues	\$m	133.9	242.0	108.1	80.7%	133.9	242.0	108.1	80.7%
EBITDA	\$m	3.3	34.9	31.6	957.6%	3.3	34.9	31.6	957.6%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
Logan County A domestic	Mt	0.4	0.2	(0.2)	(51.9)%	0.4	0.2	(0.2)	(51.9)%
HVA domestic	Mt	0.4	0.7	0.3	84.7%	0.4	0.7	0.3	84.7%
HVB domestic	Mt	0.3	0.2	(0.0)	(18.4)%	0.3	0.2	(0.0)	(18.4)%
Total met coal domestic volume	Mt	1.0	1.0	0.1	5.9%	1.0	1.0	0.1	5.9%
Thermal coal domestic	Mt	0.5	0.3	(0.3)	(52.3)%	0.5	0.3	(0.3)	(52.3)%
Total domestic volume	Mt	1.5	1.3	(0.2)	(14.6)%	1.5	1.3	(0.2)	(14.6)%
Export sales volume (incl. purchased)									
Logan County A export	Mt	0.3	0.8	0.6	194.1%	0.3	0.8	0.6	194.1%
HVA export	Mt	–	–	–	nmf	–	–	–	nmf
HVB export	Mt	–	0.1	0.1	nmf	–	0.1	0.1	nmf
PCI coal export	Mt	0.0	–	(0.0)	(100.0)%	0.0	–	(0.0)	(100.0)%
Total met coal export volume	Mt	0.3	0.9	0.6	174.7%	0.3	0.9	0.6	174.7%
Thermal coal export	Mt	0.1	0.7	0.6	889.5%	0.1	0.7	0.6	889.5%
Total export volume	Mt	0.4	1.6	1.2	295.5%	0.4	1.6	1.2	295.5%
Total sales volume	Mt	1.9	2.9	1.0	50.1%	1.9	2.9	1.0	50.1%
Sales price									
Domestic Logan County A	\$/t	89.2	90.1	1.0	1.1%	89.2	90.1	1.0	1.1%
Domestic HVA	\$/t	81.2	93.8	12.6	15.5%	81.2	93.8	12.6	15.5%
Domestic HVB	\$/t	75.7	104.0	28.3	37.4%	75.7	104.0	28.3	37.4%
Domestic thermal coal	\$/t	47.6	49.9	2.3	4.8%	47.6	49.9	2.3	4.8%
Export Logan County A	\$/t	69.2	95.9	26.7	38.6%	69.2	95.9	26.7	38.6%
Export HVB	\$/t	–	103.5	103.5	nmf	–	103.5	103.5	nmf
Export PCI coal	\$/t	43.8	–	(43.8)	(100.0)%	43.8	–	(43.8)	(100.0)%
Export thermal coal	\$/t	36.8	46.4	9.6	26.1%	36.8	46.4	9.6	26.1%
Index prices (Wood Mackenzie)									
Logan County A	\$/t	108.0	197.9	89.8	83.2%	108.0	197.9	89.8	83.2%
HVA	\$/t	108.0	197.9	89.8	83.2%	108.0	197.9	89.8	83.2%
HVB	\$/t	93.8	157.2	63.4	67.5%	93.8	157.2	63.4	67.5%
PCI coal	\$/t	88.6	145.5	56.9	64.3%	88.6	145.5	56.9	64.3%
Thermal coal	\$/t	51.0	63.0	12.0	23.5%	51.0	63.0	12.0	23.5%

Pro forma and statutory coal revenues increased by \$100.8 million, or 76.7%, in FY2017 to \$232.3 million, as compared to \$131.5 million in FY2016. The increase in pro forma and statutory coal revenues was primarily driven by increased market prices for HVA, HVB and Logan County A products which resulted in an increase in aggregate pro forma and statutory sales prices for all products, as noted below. The increase in pro forma and statutory export sales prices was accompanied by an increase in pro forma and statutory sales volumes of 1.2 Mt or 295.5%. The total increase in pro forma and statutory coal revenues was primarily driven by the following:

- an increase in Logan County A (blend of Lower War Eagle (HVA) and Powellton coal (HVB)) pro forma and statutory export sales volume of 0.6 Mt, or 194.1%, in FY2017, accompanied with an increase in pro forma and statutory export sales price of \$26.7 per tonne, or 38.6%, in FY2017;
- an increase in HVA pro forma and statutory domestic sales volume of 0.3 Mt, or 84.7%, in FY2017, accompanied with an increase in pro forma and statutory domestic sales price of \$12.6 per tonne, or 15.5% in FY2017; and
- an increase in HVB pro forma and statutory domestic sales price of \$28.3 per tonne, or 37.4%, in FY2017.

Growth in pro forma and statutory total sales volume and price per tonne in FY2017 was driven by the increase in market demand, leading to higher sales prices and an increase in production as a response to the higher price per tonne for both export and domestic coal.

In addition to the increase in market demand, Logan purchased approximately 0.2 Mt of coal for resale from a nearby operation that commenced production prior to it having a CPP available. This resulted in approximately \$22 million in resale revenues in FY2017 that were not present in FY2016. This arrangement was ceased once the nearby operation was able to wash its own coal.

Logan also opened additional sections of the mine and introduced an evening shift at select locations supporting increases in production.

EBITDA

Pro forma and statutory EBITDA increased by \$31.6 million to \$34.9 million in FY2017, as compared to \$3.3 million in FY2016. The increase in EBITDA was primarily driven by an increase in pro forma and statutory coal revenues, partially offset by an increase in pro forma and statutory cost of coal revenues of \$62.3 million, or 52.1%, in FY2017 to \$181.9 million, as compared to \$119.6 million in FY2016. This was contributed to by a \$3 million profit on the sale of purchased coal from a nearby mining operation.

Cost of coal revenues

Table 64 sets out a summary of the pro forma and statutory historical production metrics for FY2016 and FY2017 for the Logan segment.

Table 64: Summary of pro forma and statutory historical production metrics for FY2017 compared to FY2016 for the Logan segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
ROM tonnes	Mt	4.6	7.1	2.4	53.0%	4.6	7.1	2.4	53.0%
Cost of coal revenues	\$m	119.6	181.9	62.3	52.1%	119.6	181.9	62.3	52.1%
Total sales volume	Mt	1.9	2.9	1.0	50.1%	1.9	2.9	1.0	50.1%
Cost per tonne sold	\$/t	62.1	62.9	0.8	1.3%	62.1	62.9	0.8	1.3%

Pro forma and statutory cost of coal revenues increased by \$62.3 million, or 52.1%, in FY2017 to \$181.9 million, as compared to \$119.6 million in FY2016, primarily driven by an increase in saleable production volume of 1.0 Mt or 50.1% in FY2017, compared to FY2016. This was primarily the result of an increase in pro forma and statutory cost per tonne sold of \$0.8 per tonne, or 1.3% in FY2017, to \$62.9 per tonne, as compared to \$62.1 per tonne in FY2016.

Pro forma and statutory cost per tonne sold was higher in FY2017 compared to FY2016 for a number of reasons, including:

- the surface operations incurred areas of coal wash outs (no coal) which increased average costs per tonne; and
- due to the improved market conditions in late FY2016 and FY2017, previous wage and benefit cuts were restored in FY2017.

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4.8.3.4 Pro forma and statutory historical segment information for FY2017 compared to FY2016 for the Greenbrier segment

Table 65 sets out a summary of the pro forma and statutory historical sales metrics for FY2016 and FY2017 for the Greenbrier segment.

Table 65: Summary of pro forma and statutory sales metrics for FY 2017 compared to FY2016 for the Greenbrier segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Revenues:									
Coal revenues	\$m	27.4	59.2	31.8	116.1%	27.4	59.2	31.8	116.1%
Other revenues	\$m	0.5	0.9	0.4	80.0%	0.5	0.9	0.4	80.0%
Total revenues	\$m	27.9	60.1	32.2	115.4%	27.9	60.1	32.2	115.4%
EBITDA	\$m	(6.8)	3.4	10.2	150.0%	(6.8)	3.4	10.2	150.0%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	0.1	0.0	(0.1)	(65.6)%	0.1	0.0	(0.1)	(65.6)%
Total met coal domestic volume	Mt	0.1	0.0	(0.1)	(65.6)%	0.1	0.0	(0.1)	(65.6)%
Thermal coal domestic	Mt	0.0	0.0	0.0	11.0%	0.0	0.0	0.0	11.0%
Total domestic volume	Mt	0.2	0.1	(0.1)	(50.1)%	0.2	0.1	(0.1)	(50.1)%
Export sales volume (incl. purchased)									
HCC export	Mt	0.1	0.4	0.3	259.0%	0.1	0.4	0.3	259.0%
PCI coal export	Mt	–	0.0	0.0	nmf	–	0.0	0.0	nmf
Total met coal export volume	Mt	0.1	0.4	0.3	267.5%	0.1	0.4	0.3	267.5%
Thermal coal export	Mt	0.1	0.0	(0.0)	(17.1)%	0.1	0.0	(0.0)	(17.1)%
Total export volume	Mt	0.2	0.5	0.3	170.9%	0.2	0.5	0.3	170.9%
Total sales volume	Mt	0.3	0.6	0.2	63.6%	0.3	0.6	0.2	63.6%
Sales price									
Domestic HCC	\$/t	98.2	120.9	22.7	23.1%	98.2	120.9	22.7	23.1%
Domestic thermal coal	\$/t	62.5	50.9	(11.6)	(18.5)%	62.5	50.9	(11.6)	(18.5)%
Export HCC	\$/t	79.2	114.8	35.6	45.0%	79.2	114.8	35.6	45.0%
Export PCI coal	\$/t	–	91.8	91.8	nmf	–	91.8	91.8	nmf
Export thermal coal	\$/t	50.3	58.6	8.3	16.6%	50.3	58.6	8.3	16.6%
Index prices (Wood Mackenzie)									
HCC	\$/t	108.7	190.1	81.4	74.9%	108.7	190.1	81.4	74.9%
PCI coal	\$/t	88.6	145.5	56.9	64.3%	88.6	145.5	56.9	64.3%
Thermal coal	\$/t	51.0	63.0	12.0	23.5%	51.0	63.0	12.0	23.5%

Coal revenues

Pro forma and statutory coal revenues increased by \$31.8 million, or 116.1%, in FY2017 to \$59.2 million, as compared to \$27.4 million in FY2016. The increase in pro forma and statutory coal revenues was primarily driven by increased market prices for most products. The total increase in pro forma and statutory coal revenues was primarily driven by the following products:

- an increase in HCC pro forma and statutory export sales volume of 0.3 Mt, or 259.0%, in FY2017, was accompanied by an increase in pro forma and statutory export sales price of \$35.6 per tonne, or 45.0%, in FY2017; and
- an increase in HCC pro forma and statutory domestic sales price of \$22.7 per tonne, or 23.1%, in FY2017.

Growth in pro forma and statutory price per tonne in FY2017 was driven by the increase in market demand, leading to higher sales prices for both export and domestic coal.

The increase in sales volume can be attributed to the opening of an additional Midland surface mine, leading to approximately 0.2 Mt increase in production in FY2017 in response to an increase in market demand.

EBITDA

Pro forma and statutory EBITDA increased by \$10.2 million to \$3.4 million in FY2017, as compared to a loss of \$6.8 million in FY2016. The increase in EBITDA was primarily driven by an increase in pro forma and statutory coal revenues, partially offset by an increase in pro forma and statutory cost of coal revenues of \$18.7 million, or 56.7%, in FY2017 to \$51.7 million, as compared to \$33.0 million in FY2016. The increase in pro forma cost of coal revenues was primarily a result of an increase in total sales volume of 0.2 Mt for FY2017, as compared to 0.3 Mt in FY2016.

Cost of coal revenues

Table 66 sets out a summary of the pro forma and statutory historical production metrics for FY2016 and FY2017 for the Greenbrier segment.

Table 66: Summary of pro forma and statutory historical production metrics for FY2017 compared to FY2016 for the Greenbrier segment

	Unit	Pro forma Historical				Statutory Historical			
		FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
ROM tonnes	Mt	0.4	1.0	0.6	132.3%	0.4	1.0	0.6	132.3%
Cost of coal revenues	\$m	33.0	51.7	18.7	56.7%	33.0	51.7	18.7	56.7%
Total sales volume	Mt	0.3	0.6	0.2	63.6%	0.3	0.6	0.2	63.6%
Cost per tonne sold	\$/t	96.5	92.4	(4.1)	(4.2)%	96.5	92.4	(4.1)	(4.2)%

Pro forma and statutory cost of coal revenues increased by \$18.7 million, or 56.7%, in FY2017 to \$51.7 million, as compared to \$33.0 million in FY2016. The increase was primarily driven by an increase in total sales volume of 0.2 Mt, or 63.6% for FY2017, to 0.6 Mt, as compared to 0.3 Mt for FY2016. The decrease in average pro forma and statutory cost per tonne is primarily driven by the change in the production mix and cost improvements at the underground operation.

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4.8.4 Pro Forma and Statutory Historical Cash Flow Information for FY2017 compared to FY2016

Table 67 sets out a summary of the Pro Forma and Statutory Historical Cash Flow Information for FY2017 compared to FY2016.

Table 67: Summary of Pro Forma and Statutory Historical Cash Flow Information for FY2017 compared to FY2016

\$m	Pro forma Historical				Statutory Historical			
	FY2016	FY2017	Change	%	FY2016	FY2017	Change	%
Net income	(6.1)	286.3	292.4	4,793.4%	36.5	142.4	105.9	290.1%
Depreciation, depletion and amortisation	152.0	165.5	13.5	8.9%	59.7	75.5	15.8	26.5%
Amortisation of Stanwell below market CSA	(30.5)	(31.5)	(1.0)	(3.3)%	–	–	–	nmf
Other non-cash items	23.6	3.1	(20.5)	(86.9)%	4.9	(5.2)	(10.1)	(206.1)%
Reclamation of asset retirement obligations	(6.4)	(1.4)	5.0	78.1%	(2.3)	(1.2)	1.1	47.8%
Non-cash income tax	73.0	52.7	(20.3)	(27.8)%	–	–	–	nmf
Changes in operating assets and liabilities	(189.4)	67.6	257.0	135.7%	(78.4)	44.2	122.6	156.4%
Net cash provided by operating activities	16.2	542.3	526.1	3,247.5%	20.4	255.7	235.3	1,153.4%
Capital expenditure	(102.7)	(109.3)	(6.6)	(6.4)%	(37.6)	(63.9)	(26.3)	(69.9)%
Net redemption (purchase) of deposits and reclamation bonds	(1.3)	3.7	5.0	(384.6)%	(1.3)	3.7	5.0	(384.6)%
Proceeds from disposal of property, plant and equipment	0.5	2.2	1.7	340.0%	0.3	0.9	0.6	200.0%
Acquisitions	–	–	–	nmf	(425.8)	–	425.8	100.0%
Net cash used in investing activities	(103.5)	(103.4)	0.1	0.1%	(464.4)	(59.3)	405.1	87.2%
Proceeds from borrowings	3.3	5.9	2.6	78.8%	3.3	175.6	172.3	5,221.2%
Debt issuance costs and other financing costs	–	–	–	nmf	–	(5.8)	(5.8)	nmf
Repayment of borrowings	(4.8)	(10.2)	(5.4)	(112.5)%	(4.8)	(44.9)	(40.1)	(835.4)%
Members' contributions (distributions), including non-controlling interest	0.1	(383.1)	(383.2)	nmf	500.1	(383.1)	(883.2)	(176.6)%
Net cash provided by (used in) financing activities	(1.4)	(387.4)	(386.0)	nmf	498.6	(258.2)	(756.8)	(151.8)%
Net cash flow movement	(88.7)	51.5	140.2	158.1%	54.6	(61.8)	(116.4)	(213.2)%
Reconciliation of Free Cash Flow:								
Net cash provided by operating activities	16.2	542.3	526.1	3,247.5%	20.4	255.7	235.3	1,153.4%
Capital expenditure	(102.7)	(109.3)	(6.6)	(6.4)%	(37.6)	(63.9)	(26.3)	(69.9)%
Operating Free Cash Flow	(86.5)	433.0	519.5	600.6%	(17.2)	191.8	209.0	1,215.1%
Repayment of borrowings	(4.8)	(10.2)	(5.4)	(112.5)%	(4.8)	(44.9)	(40.1)	(835.4)%
Free Cash Flow	(91.3)	422.8	514.1	563.1%	(22.0)	146.9	168.9	767.7%

4.8.4.1 Pro forma and statutory operating cash flows for FY2017 compared to FY2016

Pro forma operating cash flows increased by \$526.1 million in FY2017 to \$542.3 million, from \$16.2 million in FY2016, driven by the following movements:

- net income increased by \$292.4 million, as discussed in Section 4.8.2;
- depreciation, depletion and amortisation increased by \$13.5 million;
- non-cash amortisation of the Stanwell below market CSA increased by \$1.0 million (refer to Section 4.8.3.1);
- other non-cash items reduced by \$20.5 million in FY2017 to \$3.1 million, offset by a decrease in ARO estimate of \$5.0 million in FY2017 from \$6.4 million to \$1.4 million (cash outflow);
- pro forma non-cash income tax relating to non-cash pro forma entries to recognise the tax impact of historical Coronado Curragh operating results prior to the acquisition on 29 March 2018 (\$20.3 million reduction in FY2017 compared to FY2016); and
- changes in operating assets and liabilities of \$257.0 million (positive impact on operating cash flow) in FY2017 compared to FY2016, driven by an initiative to collect accounts receivable in a more timely manner, particularly in the US, from the beginning of FY2017, which led to a \$37.9 million decrease in trade receivables in the year, compared to a \$106.6 million increase in FY2016 aligned to the increase in export sales on shorter receivable terms at Buchanan.

Statutory operating cash flows increased by \$235.3 million in FY2017 to \$255.7 million, driven by the following movements:

- net income increase of \$105.9 million, or 290.1%, as discussed in Section 4.8.2; and
- changes in Working Capital, driven by an initiative to collect accounts receivable in a more timely manner, particularly in the US, from the beginning of FY2017, as discussed above.

4.8.4.2 Pro forma and statutory investing cash flows for FY2017 compared to FY2016

Pro forma investing cash outflows reduced by \$0.1 million, or 0.1%, in FY2017 from negative \$103.5 million in FY2016 to negative \$103.4 million in FY2017. The cash outflow of \$103.4 million for the period was driven by:

- capital expenditure, which was consistent year on year across the business at a pro forma level.

Statutory investing cash flow increased by \$405.1 million, or 87.2%, in FY2017, representing a cash outflow of \$59.3 million for the period, primarily driven by:

- statutory capital expenditure increasing by \$26.3 million, or 69.9%, in FY2017, in line with additional expenditure through ownership of Buchanan for the full year in FY2017 compared to only nine months in FY2016; and
- acquisition costs of \$425.8 million in FY2016 (not repeated in FY2017) in relation to the Buchanan acquisition, which is excluded from the pro forma results (which assumes continuous ownership throughout the historical period). This was financed by the \$500.1 million capital contribution in FY2016 from members of the Seller (refer to Section 4.8.4.3 below).

4.8.4.3 Pro forma and statutory financing cash flows for FY2017 compared to FY2016

Pro forma financing cash outflows increased by \$386.0 million in FY2017, from \$1.4 million in FY2016, representing a cash outflow of \$387.4 million in FY2017, primarily relating to distributions paid to members of the Seller of \$383.1 million in FY2017 (\$nil was paid in FY2016).

Statutory financing cash outflows increased by \$756.8 million, or 151.8% in FY2017, representing a cash outflow of \$258.2 million in FY2017 compared to \$498.6 million cash inflow in FY2016, primarily driven by:

- net proceeds from borrowings of \$175.6 million in FY2017;
- as noted in Section 4.8.4.2 above, members of the Seller contributed \$500.1 million in FY2016 to fund the acquisition of Buchanan. For pro forma purposes this is treated as having occurred prior to the period presented and accordingly is not part of the cash flow movements in the year; and
- distribution paid to members of the Seller of \$383.1 million in FY2017 (\$nil was paid in FY2016).

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4.8.5 Pro Forma and Statutory Historical Results for 1H2018 compared to 1H2017

Table 68 sets out a summary of the Pro Forma and Statutory Historical Results for 1H2018 compared to 1H2017.

Table 68: Summary of Pro Forma and Statutory Historical Results for 1H2018 compared to 1H2017

\$m	Pro forma Historical				Statutory Historical			
	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Revenues:								
Coal revenues	1,065.6	1,097.3	31.7	3.0%	391.0	784.3	393.3	100.6%
Other revenues	20.6	18.5	(2.1)	(10.2)%	5.1	15.3	10.2	200.0%
Total revenues	1,086.2	1,115.8	29.6	2.7%	396.1	799.6	403.5	101.9%
Costs and expenses:								
Cost of coal revenues (exclusive of items shown separately below)	509.9	569.9	60.0	11.8%	229.3	424.6	195.3	85.2%
Freight expenses	74.9	81.9	7.0	9.3%	6.7	45.2	38.5	574.6%
Depreciation, depletion and amortisation	84.5	86.9	2.4	2.8%	41.3	64.4	23.1	55.9%
Selling, general and administrative expenses	13.0	18.4	5.4	41.5%	8.6	52.3	43.7	508.1%
Stanwell rebates	52.0	75.9	23.9	46.0%	–	32.8	32.8	100.0%
Other royalties	86.7	112.2	25.5	29.4%	18.2	83.0	64.8	356.0%
Total costs and expenses	821.0	945.2	124.2	15.1%	304.1	702.3	398.2	130.9%
Operating income	265.2	170.6	(94.6)	(35.7)%	92.0	97.3	5.3	5.8%
Other income (expenses):								
Interest expense	(6.9)	(8.8)	(1.9)	(27.5)%	(1.2)	(25.5)	(24.3)	(2,025.0)%
Loss on debt extinguishment	–	–	–	nmf	–	(3.9)	(3.9)	nmf
Other, net	2.3	(3.4)	(5.7)	(247.8)%	0.1	(26.8)	(26.9)	nmf
Total other income (expenses), net	(4.6)	(12.2)	(7.6)	(165.2)%	(1.1)	(56.2)	(55.1)	(5,009.1)%
Net income before tax	260.6	158.4	(102.2)	(39.2)%	90.9	41.1	(49.8)	(54.8)%
Income tax benefit (expense)	(79.8)	(45.3)	34.5	43.2%	–	(5.5)	(5.5)	(100.0)%
Net income	180.8	113.1	(67.7)	(37.4)%	90.9	35.6	(55.3)	(60.8)%
Less: Net loss attributable to non- controlling interest	–	–	–	nmf	–	–	–	nmf
Net income attributable to Coronado	180.8	113.1	(67.7)	(37.4)%	90.9	35.6	(55.3)	(60.8)%

\$m	Pro forma Historical				Statutory Historical			
	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Reconciliation to EBITDA:								
Net income	180.8	113.1	(67.7)	(37.4)%	90.9	35.6	(55.3)	(60.8)%
Add: Income tax (benefit) expense	(79.8)	(45.3)	34.5	43.2%	–	(5.5)	(5.5)	(100.0)%
Add: Loss on debt extinguishment	–	–	–	nmf	–	(3.9)	(3.9)	nmf
Add: Interest expense	(6.9)	(8.8)	(1.9)	(27.5)%	(1.2)	(25.5)	(24.3)	(2,025.0)%
EBIT	267.5	167.2	(100.3)	(37.5)%	92.1	70.5	(21.6)	(23.5)%
Add: Depreciation, depletion and amortisation	84.5	86.9	2.4	2.8%	41.3	64.4	23.1	55.9%
EBITDA	352.0	254.1	(97.9)	(27.8)%	133.4	134.9	1.5	1.1%

Coal revenues

Pro forma coal revenues increased by \$31.7 million, or 3.0%, for 1H2018 to \$1,097.3 million, as compared to \$1,065.6 million for 1H2017. This growth was driven by an increase in the Average Realised Price explained by a combination of market demand and higher price and product mix specific to the US Operations.

Statutory coal revenues increased by \$393.3 million, or 100.6%, in 1H2018 to \$784.3 million, as compared to \$391.0 million in 1H2017. This increase was largely driven by the acquisition of Coronado Curragh on 29 March 2018, whereas Coronado Curragh's revenue from 30 March 2018 to 30 June 2018 is included in the statutory revenue in 1H2018 with no revenue for Coronado Curragh included in 1H2017 statutory revenue. Additionally, an increase in statutory coal revenues in 1H2018 as compared to in 1H2017 is explained by volume and Average Realised Price growth across the US Operations, driven by the market demand and resulting growth in production volumes.

EBITDA

Pro forma EBITDA decreased by \$97.9 million, or 27.8%, to \$254.1 million for 1H2018, as compared to \$352.0 million in 1H2017. The decrease in EBITDA was driven by a \$121.8 million increase in total costs and expenses (excluding depreciation, depletion and amortisation), which offset the revenue growth described above. The increase in total costs and expenses (excluding depreciation, depletion and amortisation) was primarily due to:

- an increase in cost of coal revenues of \$60.0 million, or 11.8% from \$509.9 million in 1H2017 to \$569.9 million in 1H2018 driven by higher mine cash costs associated with higher production volumes in the US, and also increased cost per tonne sold in Curragh (extra explosives costs in 1H2018 compared to 1H2017 due to building up of blasted inventory following depletion of stock in earlier periods under the cell mining methodology) and at the US Operations, due to increases in costs of materials and a wage increase;
- an increase in the Stanwell rebate of \$23.9 million, or 46.0% from \$52.0 million in 1H2017 to \$75.9 million in 1H2018 due to an increase in the reference price on which the calculation of Stanwell rebate is based; and
- an increase in other royalty expenses of \$25.5 million, or 29.4% from \$86.7 million in 1H2017 to \$112.2 million in 1H2018, driven by higher average sales price and export volumes specific to the US Operations.

Other factors include the completion account adjustments and maintenance expenditure increase.

Statutory EBITDA increased by \$1.5 million, or 1.1%, to \$134.9 million for 1H2018, as compared to \$133.4 million for 1H2017, driven by the factors discussed above, including inclusion of three months of earnings of Coronado Curragh in Coronado's statutory results for 1H2018 from the date of acquisition on 29 March 2018, whereas no results of Coronado Curragh were included in Coronado's statutory 1H2017 results.

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Depreciation, depletion and amortisation

Pro forma depreciation, depletion and amortisation increased by \$2.4 million, or 2.8%, from \$84.5 million in 1H2017 to \$86.9 million in 1H2018 due to an increased fixed assets base.

Statutory depreciation, depletion and amortisation increased by \$23.1 million, or 55.9%, from \$41.3 million in 1H2017 to \$64.4 million in 1H2018 due to the acquisition of Coronado Curragh on 29 March 2018, depreciation, depletion and amortisation for which are included in the statutory results from the date of acquisition.

EBIT

Pro forma EBIT decreased by \$100.3 million, or 37.5%, from \$267.5 million in 1H2017 to \$167.2 million in 1H2018, reflecting a decrease in EBITDA of \$97.9 million, partially offset by an increase in depreciation, depletion and amortisation of \$2.4 million.

Statutory EBIT decreased by \$21.6 million, or 23.5%, from \$92.1 million in 1H2017 to \$70.5 million in 1H2018, reflecting an increase in depreciation, depletion and amortisation of \$23.1 million resulting from the acquisition of Coronado Curragh on 29 March 2018, partially offset by a small \$1.5 million increase in statutory EBITDA.

Net other expense

Pro forma net other expense increased by \$7.6 million, or 165.2%, from \$4.6 million in 1H2017 to \$12.2 million in 1H2018 primarily due to higher other income.

Statutory net other expenses increased by \$55.1 million from \$1.1 million in 1H2017 to \$56.2 million in 1H2018, as a result of an increase in interest expense of \$24.3 million and other expenses of \$26.9 million associated primarily with the acquisition of Coronado Curragh on 29 March 2018.

Income tax expense

Income tax expense on a pro forma basis decreased by \$34.5 million, or 43.2%, from \$79.8 million in 1H2017 to \$45.3 million in 1H2018 due to lower profitability of operations in 1H2018 compared to 1H2017, primarily due to increase in total costs and expenses due to the reasons discussed above.

Statutory income tax expense increased by \$5.5 million from \$nil in 1H2017 to \$5.5 million in 1H2018 following the acquisition of Coronado Curragh on 29 March 2018 and associated tax on earnings from 30 March 2018. Other than the income tax for Coronado Curragh, the Seller had no income tax expense as it elected to be treated as a partnership for US income tax purposes and accordingly no taxes were paid by this entity, with taxes instead paid by members of the partnership.

Net income

Net income on a pro forma basis decreased by \$67.7 million, or 37.4%, from \$180.8 million in 1H2017 to \$113.1 million in 1H2018, reflecting a \$100.3 million decrease in EBIT, and a \$1.9 million increase in interest costs, offset in part by a decrease of \$34.5 million in income tax expense.

Statutory net income decreased by \$55.3 million, or 60.8%, from \$90.9 million in 1H2017 to \$35.6 million in 1H2018, reflecting an increase in interest expenses and other expenses, referred to above, following the acquisition of Coronado Curragh on 29 March 2018.

4.8.6 Pro forma and statutory segment information for 1H2018 compared to 1H2017

Table 69 sets out a summary of the pro forma and statutory historical revenue, EBITDA, production and Average Realised Price for 1H2018 compared to 1H2017.

Table 69: Summary of pro forma and statutory segment information for 1H2018 compared to 1H2017

		Pro forma Historical				Statutory Historical			
	Unit	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Revenue by segment									
Curragh	\$m	690.1	703.5	13.4	1.9%	–	387.3	387.3	nmf
Buchanan	\$m	254.9	260.5	5.6	2.2%	254.9	260.5	5.6	2.2%
Logan	\$m	113.8	112.7	(1.1)	(1.0)%	113.8	112.7	(1.1)	(1.0)%
Greenbrier	\$m	26.3	38.2	11.9	45.2%	26.3	38.2	11.9	45.2%
Corporate & other	\$m	1.1	0.9	(0.2)	(18.2)%	1.1	0.9	(0.2)	(18.2)%
Total revenue	\$m	1,086.2	1,115.8	29.6	2.7%	396.1	799.6	403.5	101.9%
EBITDA									
Curragh	\$m	221.4	168.4	(53.0)	(23.9)%	–	100.0	100.0	nmf
Buchanan	\$m	125.5	99.7	(25.8)	(20.6)%	125.5	99.7	(25.8)	(20.6)%
Logan	\$m	14.9	15.5	0.6	4.0%	14.9	15.5	0.6	4.0%
Greenbrier	\$m	1.5	1.0	(0.5)	(33.3)%	1.5	1.0	(0.5)	(33.3)%
Corporate & other	\$m	(11.3)	(30.5)	(19.2)	(169.9)%	(8.5)	(81.3)	(72.8)	(856.5)%
Total EBITDA	\$m	352.0	254.1	(97.9)	(27.8)%	133.4	134.9	1.5	1.1%
Sales volume by segment									
Curragh	Mt	6.0	5.9	(0.1)	(1.7)%	–	3.0	3.0	nmf
Buchanan	Mt	2.7	2.4	(0.3)	(11.1)%	2.7	2.4	(0.3)	(11.1)%
Logan	Mt	1.4	1.3	(0.1)	(7.1)%	1.4	1.3	(0.1)	(7.1)%
Greenbrier	Mt	0.2	0.4	0.2	100.0%	0.2	0.4	0.2	100.0%
Total sales volume	Mt	10.3	10.0	(0.3)	(2.9)%	4.3	7.1	2.8	65.1%
Average Realised Price by segment									
Curragh	\$/t	115.0	119.2	4.2	3.7%	–	129.1	129.1	nmf
Buchanan	\$/t	94.4	108.5	14.1	15.0%	94.4	108.5	14.1	15.0%
Logan	\$/t	81.3	86.7	5.4	6.7%	81.3	86.7	5.4	6.7%
Greenbrier	\$/t	131.5	95.5	(36.0)	(27.4)%	131.5	95.5	(36.0)	(27.4)%
Total Average Realised Price	\$/t	105.5	111.6	6.1	5.8%	92.1	112.6	20.5	22.3%

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4.8.6.1 Pro forma and statutory segment information for 1H2018 compared to pro forma and statutory segment information for 1H2017 for the Curragh segment

Table 70 sets out a summary of the pro forma and statutory historical sales metrics for 1H2018 and the pro forma and statutory historical sales metrics for 1H2017 for the Curragh segment.

Table 70: Summary of pro forma and statutory historical sales and operating metrics for 1H2018 compared to pro forma and statutory historical sales and operating metrics for 1H2017 for the Curragh segment

	Unit	Pro forma				Statutory			
		1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Coal revenues, export (incl. FX)	\$m	636.4	646.6	10.2	1.6%	–	352.7	352.7	nmf
Coal revenues, domestic	\$m	38.2	40.9	2.7	7.1%	–	21.8	21.8	nmf
Other revenues	\$m	15.5	16.0	0.5	3.2%	–	12.8	12.8	nmf
Total revenues	\$m	690.1	703.5	13.4	1.9%	–	387.3	387.3	nmf
EBITDA	\$m	221.4	168.4	(53.0)	(23.9)%	–	100.0	100.0	nmf
KPIs									
Sales volume (incl. purchased)									
<i>Export sales volume (incl. purchased)</i>									
HCC	Mt	1.8	2.1	0.3	14.1%	–	1.1	1.1	nmf
Semi	Mt	0.8	0.5	(0.3)	(33.3)%	–	0.3	0.3	nmf
PCI coal	Mt	1.6	1.6	0.1	4.3%	–	0.8	0.8	nmf
Total met coal export volume	Mt	4.1	4.2	0.1	1.6%	–	2.2	2.2	nmf
Thermal coal export	Mt	0.3	0.1	(0.2)	(68.0)%	–	0.0	0.0	nmf
Total export volume	Mt	4.4	4.3	(0.1)	(2.4)%	–	2.2	2.2	nmf
Thermal coal domestic	Mt	1.6	1.6	(0.1)	(3.2)%	–	0.8	0.8	nmf
Total sales volume	Mt	6.0	5.9	(0.2)	(2.6)%	–	3.0	3.0	nmf
Sales price									
Export met coal price (weighted average)	\$/t	152.0	151.0	(1.0)	(0.7)%	–	155.9	155.9	nmf
Export thermal coal price	\$/t	69.0	103.7	34.7	50.2%	–	99.4	99.4	nmf
<i>Index prices (Wood Mackenzie)</i>									
Export met coal index price (weighted average)	\$/t	200.2	179.5	(20.7)	(10.3)%	–	186.2	186.2	nmf
Export thermal coal benchmark price	\$/t	88.6	97.1	8.5	9.6%	–	97.1	97.1	nmf

Notes

1. Statutory reporting incorporates the operating results of Coronado Curragh since its acquisition on 29 March 2018.
2. Export sales revenue (including FX) represents coal revenues, including purchased coal exports and amounts recognised attributable to FX movements.
3. The export met index price (weighted average) has been calculated on weighted average sales volumes using various Wood Mackenzie benchmarks for the sales products in the table above.

The results for Coronado Curragh were not reported in Coronado's statutory results for the 1H2017 as Coronado only acquired Coronado Curragh on 29 March 2018. Coronado's statutory results for 1H2018 include the results of Coronado Curragh from the acquisition on 29 March 2018.

Coal revenues

Pro forma coal revenues, including export and domestic together, increased by \$12.9 million, or 1.9%, in 1H2018 to \$687.5 million, as compared to \$674.6 million in 1H2017, primarily driven by a 1.6% increase in the volume of export met sales from 4.1 Mt in 1H2017 to 4.2 Mt in 1H2018.

Export sales volumes in 1H2017 were adversely impacted by Cyclone Debbie, which resulted in a rail outage from 28 March 2017 to 10 April 2017 and disrupted port activity. Exports sales volumes in 1H2018 were adversely impacted by rail disruption arising from two major events:

- a derailment in the Blackwater system resulted in Aurizon Network, the rail network owner and operator, declaring force majeure and suspending rail movements from 24 January 2018 to 29 January 2018. As a consequence, Aurizon Network cancelled all of Curragh's rail services during this period; and
- in February 2018, Aurizon Network implemented a revised maintenance regime following the interim ruling by the QCA on the rate of return Aurizon Network can charge on its coal network. The final ruling is expected to be delivered by the QCA following the hearing of Aurizon Network's judicial review application, which is due to commence in the Queensland Supreme Court on 22 October 2018. The changes in maintenance regime have caused a reduction in available rail capacity in the Blackwater system.

Congestion and vessel laytime at the Port of Gladstone, the location of RGTCT and WICET, increased during 1H2018 following the impact sustained by the changes in Aurizon Network's maintenance regime. During April and May 2018, vessel bookings were reduced due to rail uncertainty, resulting in increased port stock inventories, which is currently being reduced.

As the Curragh segment has historically reported in AUD, an additional movement in coal revenues (excluding Stanwell) is attributable to FX recognised on the recognition and receipt of export coal revenues as well as inter-account cash transfers between USD and AUD accounts (Coronado Curragh incurred hedge loss expenditure in FY2017). Hedge activity ceased upon acquisition of Coronado Curragh, providing a favourable variance in FY2018. The net impact of FX was negative \$9.8 million and positive \$4.9 million for 1H2017 and 1H2018, respectively.

Statutory coal revenues, including export and domestic together, increased by \$374.5 million, from \$nil in 1H2017 to \$374.5 million in 1H2018 and represent revenue earned between 30 March 2018 and 30 June 2018 following acquisition of Coronado Curragh on 29 March 2018.

This increase was driven by 2.2 Mt of export met coal sales at an average price of \$155.9 per tonne.

As the Curragh segment has historically reported in AUD, an additional movement in coal revenues is attributable to FX recognised on the recognition and receipt of export coal revenues as well as inter-account cash transfers between USD and AUD accounts. The net impact of FX was \$5.3 million expense for 1H2018.

Other revenues

Pro forma other revenues increased by \$0.5 million, or 3.2%, in 1H2018 to \$16.0 million, as compared to \$15.5 million in 1H2017. Pro forma other revenue includes non-cash unwinding of the Stanwell below market CSA recognised upon acquisition of Coronado Curragh and measured in accordance with the volume of thermal coal forecast to be supplied to Stanwell under the arrangement between the parties, with fluctuations year on year driven by movements in the USD/AUD exchange rate.

Statutory other revenue in 1H2018 includes the \$12.5 million unwinding of the Stanwell below market CSA allocated as part of the purchase price allocation following the acquisition of Coronado Curragh on 29 March 2018, as well as minor sundry items of \$0.3 million.

4. Financial Information

EBITDA

Pro forma EBITDA reduced by \$53.0 million, or 23.9%, in 1H2018 to \$168.4 million, as compared to \$221.4 million in 1H2017, primarily driven by an increase in Stanwell rebate expenses of \$23.9 million from \$52.0 million in 1H2017 to \$75.9 million in 1H2018 (including higher reference price on calculation of Stanwell royalties) and a \$42.3 million, or 15.1%, increase in cost of coal revenues from \$280.6 million in 1H2017 to \$322.9 million in 1H2018 (driven by mine cash costs).

Overall reduced year-on-year pro forma EBITDA was a result of higher cost of coal mining, movements in the provision for inventory obsolescence and additional blasting related costs to facilitate dragline overburden removal in future periods. Additionally, the Stanwell rebate (higher export coal sales volume and higher reference price) and demurrage costs increased.

Statutory EBITDA increased by \$100.0 million following acquisition of Coronado Curragh on 29 March 2018, from \$nil in 1H2017 to \$100.0 million in 1H2018, due to the earnings of Coronado Curragh from 29 March 2018 to 30 June 2018.

Cost of coal revenues

Table 71 sets out a summary of the pro forma and statutory historical production metrics for 1H2017 and 1H2018 for the Curragh segment.

Table 71: Summary of pro forma and statutory production metrics for 1H2018 compared to pro forma and statutory production metrics for 1H2017 for the Curragh segment

	Unit	Pro forma				Statutory			
		1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Overburden removed	Mbcm	89.1	83.0	(6.1)	(6.8)%	–	42.4	42.4	nmf
Strip ratio		12.1	10.9	(1.2)	(9.8)%	–	10.3	10.3	nmf
ROM tonnes	Mt	7.4	7.6	0.2	3.3%	–	4.1	4.1	nmf
Cost of coal revenues	\$m	280.6	322.9	42.3	15.1%	–	177.7	177.7	nmf
Total sales volume	Mt	6.0	5.9	(0.2)	(2.6)%	–	3.0	3.0	nmf
Cost per tonne sold	\$/t	46.5	55.0	8.5	18.2%	–	58.6	58.6	nmf

Pro forma cost of coal revenues increased by \$42.3 million, or 15.1%, in 1H2018 to \$322.9 million, as compared to \$280.6 million in 1H2017, primarily driven by an increase in cost per tonne sold of \$8.5 per tonne, or 18.2%, in 1H2018 to \$55.0 per tonne, as compared to \$46.5 per tonne in 1H2017.

Pro forma cost per tonne sold of \$55.0 in 1H2018 was higher than 1H2017, reflecting one-off stock obsolescence, planned blasting and maintenance costs, which are expected to lead to an increase in costs despite a reduction in overburden removal of 6.1 mbcm, or 6.8%, in 1H2018 to 83.0 mbcm, as compared to 89.1 mbcm in 1H2017.

Statutory cost of coal revenues of \$177.7 million for 1H2018 was driven by 42.4 mbcm overburden removal and further production costs in relation to 3.0 Mt of saleable coal products from the date of the acquisition of Coronado Curragh. Statutory cost per tonne sold of \$58.6 in 1H2018 reflects Coronado Curragh's costs of coal revenues per tonne in 1H2018 from the date of acquisition of Coronado Curragh on 29 March 2018.

4.8.6.2 Pro forma segment information for 1H2018 compared to pro forma segment information for 1H2017 for the Buchanan segment

Table 72 sets out a summary of the pro forma and statutory historical sales and operating metrics for 1H2017 and 1H2018 for the Buchanan segment.

Table 72: Summary of pro forma and statutory historical sales and operating metrics for 1H2018 compared to pro forma and statutory historical sales and operating metrics for 1H2017 for the Buchanan segment

		Pro forma				Statutory			
	Units	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Revenues:									
Coal revenues	\$m	254.9	260.5	5.6	2.2%	254.9	260.5	5.6	2.2%
Other revenues	\$m	–	–	–	nmf	–	–	–	nmf
Total revenues	\$m	254.9	260.5	5.6	2.2%	254.9	260.5	5.6	2.2%
EBITDA	\$m	125.5	99.7	(25.8)	(20.6)%	125.5	99.7	(25.8)	(20.6)%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	0.6	0.3	(0.3)	(44.5)%	0.6	0.3	(0.3)	(44.5)%
PCI coal domestic	Mt	–	0.1	0.1	nmf	–	0.1	0.1	nmf
Total met coal domestic volume	Mt	0.6	0.4	(0.2)	(31.2)%	0.6	0.4	(0.2)	(31.2)%
Thermal coal domestic	Mt	0.1	0.1	0.0	7.9%	0.1	0.1	0.0	7.9%
Total domestic volume	Mt	0.7	0.5	(0.2)	(25.3)%	0.7	0.5	(0.2)	(25.3)%
Expot sales volume (incl. purchased)									
HCC export	Mt	1.9	1.3	(0.6)	(34.0)%	1.9	1.3	(0.6)	(34.0)%
PCI coal export	Mt	0.1	0.6	0.5	1,006.3%	0.1	0.6	0.5	1,006.3%
Total met coal export volume	Mt	2.0	1.9	(0.1)	(5.3)%	2.0	1.9	(0.1)	(5.3)%
Thermal coal export	Mt	–	–	–	nmf	–	–	–	nmf
Total export volume	Mt	2.0	1.9	(0.1)	(5.3)%	2.0	1.9	(0.1)	(5.3)%
Total sales volume	Mt	2.7	2.4	(0.3)	(10.6)%	2.7	2.4	(0.3)	(10.6)%
Sales price									
Domestic HCC	\$/t	78.0	94.3	16.3	20.9%	78.0	94.3	16.3	20.9%
Domestic PCI coal	\$/t	–	70.9	70.9	nmf	–	70.9	70.9	nmf
Domestic thermal coal	\$/t	61.1	61.1	0.0	0.0%	61.1	61.1	0.0	0.0%
Export HCC	\$/t	103.7	118.1	14.4	13.9%	103.7	118.1	14.4	13.9%
Export PCI coal	\$/t	77.5	113.6	36.1	46.6%	77.5	113.6	36.1	46.6%
Export thermal coal	\$/t	–	–	–	nmf	–	–	–	nmf
Index prices (Wood Mackenzie)									
HCC	\$/t	190.1	184.9	(5.2)	(2.7)%	190.1	184.9	(5.2)	(2.7)%
PCI coal	\$/t	145.5	141.4	(4.0)	(2.8)%	145.5	141.4	(4.0)	(2.8)%
Thermal coal	\$/t	63.0	64.0	1.0	1.6%	63.0	64.0	1.0	1.6%

4. Financial Information

Coal revenues

Pro forma and statutory coal revenues increased by \$5.6 million, or 2.2%, in 1H2018 to \$260.5 million, as compared to \$254.9 million in 1H2017. The increase in pro forma coal revenues was primarily driven by an increase in the pro forma average sales price of all products, offset by a decrease in statutory total sales volume of 0.3 Mt, or 10.6%.

The total increase in pro forma coal revenues was primarily driven by the following products:

- an increase in pro forma PCI coal export sales volume of 0.5 Mt, or 1,006.3%, in 1H2018, accompanied by an increase in pro forma PCI coal export sales price of \$36.1 per tonne, or 46.6% in 1H2018; and
- an increase in pro forma PCI coal domestic sales volume of 0.1 Mt, in 1H2018, accompanied by an increase in pro forma PCI coal domestic sales price of \$70.9 per tonne in 1H2018.

In connection with the acquisition of Buchanan, Coronado assumed several legacy contracts with fixed prices that expire over time through 2021. For certain thermal quality legacy contracts, Coronado has been able to increase production coal available for the met coal market by purchasing thermal coal from third parties to ship on the legacy contract.

EBITDA

Pro forma and statutory EBITDA decreased by \$25.8 million, or 20.6%, in 1H2018 to \$99.7 million, as compared to \$125.5 million in 1H2017. The decrease in pro forma EBITDA is primarily attributable to a 0.3 Mt, or 10.6%, decrease in sales volume; an increase in pro forma and statutory cost of coal revenues; and an increase in pro forma other royalty expenses. The increase in pro forma cost and statutory of coal revenues of \$5.3 million, or 4.5%, in 1H2018 to \$123.9 million as compared to \$118.6 million in 1H2017 is primarily a result of an increase in the pro forma cost per tonne sold of \$7.5 per tonne, or 16.8%, for 1H2018 to \$52.0 per tonne, as compared to \$44.5 for 1H2017, as outlined below.

Cost of coal revenues

Table 73 sets out a summary of the pro forma and statutory historical production metrics for 1H2017 and 1H2018 for the Buchanan segment.

Table 73: Summary of pro forma and statutory production metrics for 1H2018 compared to pro forma and statutory production metrics for 1H2017 for the Buchanan segment

	Unit	Pro forma				Statutory			
		1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
ROM tonnes	Mt	3.8	3.6	(0.1)	(3.8)%	3.8	3.6	(0.1)	(3.8)%
Cost of coal revenues	\$m	118.6	123.9	5.3	4.5%	118.6	123.9	5.3	4.5%
Total sales volume	Mt	2.7	2.4	(0.3)	(10.6)%	2.7	2.4	(0.3)	(10.6)%
Cost per tonne sold	\$/t	44.5	52.0	7.5	16.8%	44.5	52.0	7.5	16.8%

Pro forma and statutory cost of coal revenues increased by \$5.3 million, or 4.5%, in 1H2018 to \$123.9 million, as compared to \$118.6 million in 1H2017, primarily driven by an increase in the cost per tonne sold of \$7.5 per tonne for 1H2018 to \$52.0 per tonne, as compared to \$44.5 per tonne in 1H2017.

Pro forma and statutory cost per tonne sold was higher in 1H2018 compared to 1H2017 for a number of reasons, including:

- an unforeseen geological condition (a rock intrusion in the coal seam) was first encountered in January 2018. In 1H2018, the longwall mined through the rock intrusion in two different panels which resulted in an estimated 0.2 Mt of lost production;
- additional roof support and mitigation costs incurred related to the geological conditions (the rock intrusion) in the current district; and
- increased demand for labour led management to introduce revised remuneration packages including wage increases and updated healthcare plans to retain employees.

4.8.6.3 Pro forma segment information for 1H2018 compared to pro forma segment information for 1H2017 for the Logan segment

Table 74 sets out a summary of the pro forma and statutory historical sales and operating metrics for 1H2017 and 1H2018 for the Logan segment.

Table 74: Summary of pro forma and statutory historical sales and operating metrics for 1H2018 compared to pro forma and statutory historical sales and operating metrics for 1H2017 for the Logan segment

		Pro forma				Statutory			
	Unit	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Revenues:									
Coal revenues	\$m	110.3	112.7	2.4	2.2%	110.3	112.7	2.4	2.2%
Other revenues	\$m	3.5	–	(3.5)	(100.0)%	3.5	–	(3.5)	(100.0)%
Total revenues	\$m	113.8	112.7	(1.1)	(1.0)%	113.8	112.7	(1.1)	(1.0)%
EBITDA	\$m	14.9	15.5	0.6	4.0%	14.9	15.5	0.6	4.0%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
Logan County A domestic	Mt	0.1	0.7	0.6	626.3%	0.1	0.7	0.6	626.3%
HVA domestic	Mt	0.3	–	(0.3)	(100.0)%	0.3	–	(0.3)	(100.0)%
HVB domestic	Mt	0.1	–	(0.1)	(100.0)%	0.1	–	(0.1)	(100.0)%
Total met coal domestic volume	Mt	0.5	0.7	0.2	30.7%	0.5	0.7	0.2	30.7%
Thermal coal domestic	Mt	0.1	0.1	0.0	8.6%	0.1	0.1	0.0	8.6%
Total domestic volume	Mt	0.6	0.8	0.2	26.4%	0.6	0.8	0.2	26.4%
Export sales volume (incl. purchased)									
Logan County A export	Mt	0.4	0.1	(0.3)	(65.1)%	0.4	0.1	(0.3)	(65.1)%
HVA export	Mt	–	0.1	0.1	nmf	–	0.1	0.1	nmf
HVB export	Mt	–	0.0	0.0	nmf	–	0.0	0.0	nmf
Total met coal export volume	Mt	0.4	0.2	(0.2)	(40.0)%	0.4	0.2	(0.2)	(40.0)%
Thermal coal export	Mt	0.3	0.3	(0.0)	(13.2)%	0.3	0.3	(0.0)	(13.2)%
Total export volume	Mt	0.7	0.5	(0.2)	(27.7)%	0.7	0.5	(0.2)	(27.7)%
Total sales volume	Mt	1.4	1.3	(0.0)	(2.7)%	1.4	1.3	(0.0)	(2.7)%
Sales price									
Domestic Logan County A	\$/t	83.6	97.8	14.2	17.0%	83.6	97.8	14.2	17.0%
Domestic HVA	\$/t	93.9	–	(93.9)	(100.0)%	93.9	–	(93.9)	(100.0)%
Domestic HVB	\$/t	119.5	–	(119.5)	(100.0)%	119.5	–	(119.5)	(100.0)%
Domestic thermal coal	\$/t	59.6	67.4	7.8	13.0%	59.6	67.4	7.8	13.0%
Export Logan County A	\$/t	95.7	125.5	29.8	31.2%	95.7	125.5	29.8	31.2%
Export HVA	\$/t	–	92.2	92.2	nmf	–	92.2	92.2	nmf
Export thermal coal	\$/t	54.5	42.4	(12.1)	(22.2)%	54.5	42.4	(12.1)	(22.2)%
Index prices (Wood Mackenzie)									
HCC	\$/t	185.7	184.8	(0.9)	(0.5)%	185.7	184.8	(0.9)	(0.5)%
Logan County A	\$/t	197.9	185.7	(12.2)	(6.1)%	197.9	185.7	(12.2)	(6.1)%
HVA	\$/t	197.9	185.7	(12.2)	(6.1)%	197.9	185.7	(12.2)	(6.1)%
HVB	\$/t	157.2	157.1	(0.1)	(0.1)%	157.2	157.1	(0.1)	(0.1)%
PCI coal	\$/t	145.5	141.4	(4.0)	(2.8)%	145.5	141.4	(4.0)	(2.8)%
Thermal coal	\$/t	63.0	64.0	1.0	1.6%	63.0	64.0	1.0	1.6%

4. Financial Information

Pro forma and statutory coal revenues increased by \$2.4 million, or 2.2%, in 1H2018 to \$112.7 million, as compared to \$110.3 million in 1H2017. The total increase in pro forma coal revenues was primarily driven by the following product factors:

- an increase in Logan County A domestic pro forma sales volume of 0.6 Mt, or 626.3%, in 1H2018, was accompanied by an increase in pro forma sales price of \$14.2 per tonne, or 17.0%, in 1H2018; and
- an increase in HVA export pro forma sales volume of 0.1 Mt, from nil Mt in 1H2017 to 0.1 Mt in 1H2018, realised at pro forma sales price of \$92.2 per tonne in 1H2018.

Growth in pro forma and statutory total sales volume and price per tonne in 1H2018 as compared to 1H2017 was driven by the increase in market demand leading to higher sales prices and an increase in production as a response to the higher price per tonne for both export and domestic coal. In addition to the increase in market demand, Coronado as a whole is moving towards maximising the production of export HCC and export PCI coal due to the higher margins historically associated with those specific products as compared to other products offered.

EBITDA

Pro forma and statutory EBITDA increased by \$0.6 million, or 4.0%, in 1H2018 to \$15.5 million, as compared to \$14.9 million in 1H2017, primarily driven by an increase in pro forma coal revenues discussed above, which was partially offset by an increase in pro forma cost and statutory of coal revenues of \$1.5 million, or 1.7%, in 1H2018 to \$89.2 million, as compared to \$87.7 million in 1H2017.

Cost of coal revenues

Table 75 sets out a summary of the pro forma and statutory historical production metrics for 1H2017 and 1H2018 for the Logan segment.

Table 75: Summary of pro forma and statutory production metrics for 1H2018 compared to pro forma and statutory production metrics for 1H2017 for the Logan segment

	Unit	Pro forma				Statutory			
		1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
ROM tonnes	Mt	3.6	3.7	0.1	1.6%	3.6	3.7	0.1	1.6%
Cost of coal revenues	\$m	87.7	89.2	1.5	1.7%	87.7	89.2	1.5	1.7%
Total sales volume	Mt	1.4	1.3	(0.0)	(2.7)%	1.4	1.3	(0.0)	(2.7)%
Cost per tonne sold	\$/t	64.2	67.1	2.9	4.5%	64.2	67.1	2.9	4.5%

Pro forma and statutory costs of coal revenues increased by \$1.5 million, or 1.7%, for 1H2018 to \$89.2 million, as compared to \$87.7 million for 1H2017. 1H2018 performance was impacted by the transition of operations from a thermal surface area mine to a contour and high-wall mining operation at the Toney Fork mine, which will deliver higher production volumes in 2H2018.

4.8.6.4 Pro forma segment information for 1H2018 compared to pro forma segment information for 1H2017 for the Greenbrier segment

Table 76 sets out a summary of the pro forma and statutory historical production metrics for 1H2017 and 1H2018 for the Greenbrier segment.

Table 76: Summary of pro forma and statutory historical sales and operating metrics for 1H2018 compared to pro forma and statutory historical sales and operating metrics for 1H2017 for the Greenbrier segment

		Pro forma				Statutory			
	Unit	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Revenues:									
Coal revenues	\$m	25.8	36.7	10.9	42.2%	25.8	36.7	10.9	42.2%
Other revenues	\$m	0.5	1.5	1.0	200.0%	0.5	1.5	1.0	200.0%
Total revenues	\$m	26.3	38.2	11.9	45.2%	26.3	38.2	11.9	45.2%
EBITDA	\$m	1.5	1.0	(0.5)	(33.3)%	1.5	1.0	(0.5)	(33.3)%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	0.0	0.1	0.1	885.8%	0.0	0.1	0.1	885.8%
Total met coal domestic volume	Mt	0.0	0.1	0.1	885.8%	0.0	0.1	0.1	885.8%
Thermal coal domestic	Mt	0.0	0.0	(0.0)	(60.0)%	0.0	0.0	(0.0)	(60.0)%
Total domestic volume	Mt	0.0	0.1	0.1	379.8%	0.0	0.1	0.1	379.8%
Export sales volume (incl. purchased)									
HCC export	Mt	0.2	0.2	0.0	18.9%	0.2	0.2	0.0	18.9%
PCI coal export	Mt	–	0.0	0.0	nmf	–	0.0	0.0	nmf
Total met coal export volume	Mt	0.2	0.2	0.1	30.8%	0.2	0.2	0.1	30.8%
Thermal coal export	Mt	0.0	0.0	(0.0)	(63.5)%	0.0	0.0	(0.0)	(63.5)%
Total export volume	Mt	0.2	0.2	0.0	17.2%	0.2	0.2	0.0	17.2%
Total sales volume	Mt	0.2	0.4	0.1	55.0%	0.2	0.4	0.1	55.0%
Sales price									
Domestic HCC	\$/t	154.1	107.6	(46.5)	(30.2)%	154.1	107.6	(46.5)	(30.2)%
Domestic thermal coal	\$/t	68.5	27.0	(41.6)	(60.6)%	68.5	27.0	(41.6)	(60.6)%
Export HCC	\$/t	120.3	104.3	(16.0)	(13.3)%	120.3	104.3	(16.0)	(13.3)%
Export PCI coal	\$/t	–	83.8	83.8	nmf	–	83.8	83.8	nmf
Export thermal coal	\$/t	54.8	54.0	(0.8)	(1.5)%	54.8	54.0	(0.8)	(1.5)%
Index prices (Wood Mackenzie)									
HCC	\$/t	190.1	184.9	(5.2)	(2.7)%	190.1	184.9	(5.2)	(2.7)%
PCI coal	\$/t	145.5	141.4	(4.0)	(2.8)%	145.5	141.4	(4.0)	(2.8)%
Thermal coal	\$/t	63.0	64.0	1.0	1.6%	63.0	64.0	1.0	1.6%

4. Financial Information

Coal revenues

Pro forma and statutory coal revenues increased by \$10.9 million, or 42.2%, in 1H2018 to \$36.7 million, as compared to \$25.8 million for 1H2017. The increase in pro forma coal revenues was primarily driven by an increase in pro forma and statutory total sales volume of 0.1 Mt, or 55.0%. The total increase in pro forma coal revenues was primarily driven by an increase in HCC pro forma and statutory domestic revenue sales volume of 0.1 Mt, or 885.8%, in 1H2018, partially offset by a decrease in pro forma and statutory HCC domestic sales price of \$46.5 per tonne, or 30.2% in 1H2018.

Growth in pro forma and statutory total sales volume and price per tonne in 1H2018 was driven by the increase in market demand for Greenbrier's Mid-Vol coal, leading to higher sales prices and an increase in production as a response to the higher price per tonne for both export and domestic coal.

EBITDA

Pro forma and statutory EBITDA decreased by \$0.5 million, or 33.3%, in 1H2018 to \$1.0 million, as compared to \$1.5 million in 1H2017, primarily driven by a decrease in the pro forma sales price of all products sold in 1H2018, as compared to 1H2017. The decrease in sales price was accompanied by the increase in pro forma and statutory total costs of coal revenues of \$10.9 million, or 47.4% in 1H2018 to \$33.9 million, as compared to \$23.0 million in 1H2017. EBITDA for 2H2018 is expected to benefit from higher realised prices associated with selling greater volumes into the spot market.

Cost of coal revenues

Table 77 sets out a summary of the pro forma and statutory historical production metrics for 1H2017 and 1H2018 for the Greenbrier segment.

Table 77: Summary of pro forma and statutory production metrics for 1H2018 compared to pro forma and statutory production metrics for 1H2017 for the Greenbrier segment

	Unit	Pro forma				Statutory			
		1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
ROM tonnes	Mt	0.4	0.6	0.2	51.3%	0.4	0.6	0.2	51.3%
Cost of coal revenues	\$m	23.0	33.9	10.9	47.4%	23.0	33.9	10.9	47.4%
Total sales volume	Mt	0.2	0.4	0.1	55.0%	0.2	0.4	0.1	55.0%
Cost per tonne sold	\$/t	98.5	93.7	(4.8)	(4.9)%	98.5	93.7	(4.8)	(4.9)%

Pro forma and statutory costs of coal revenues increased by \$10.9 million, or 47.4%, for 1H2018 to \$33.9 million, as compared to \$23.0 million for 1H2017, primarily driven by the increase in sales volume of 0.1 Mt, of 55.0% for 1H2018 to 0.4 Mt, as compared to 0.2 Mt in 1H2017. This increase in sales volume was accompanied by a decrease in the cost per tonne sold of \$4.8 per tonne, or 4.9%, in 1H2018 to \$93.7 per tonne, as compared to \$98.5 per tonne in 1H2017.

Pro forma and statutory cost per tonne sold in 1H2018 decreased compared to 1H2017, due to improved mining conditions and higher clean coal yield at the underground mine.

4.8.7 Pro Forma and Statutory Historical Cash Flow Information for 1H2018 compared 1H2017

Table 78 sets out a summary of the Pro Forma and Statutory Cash Flow Information for 1H2018 compared to 1H2017.

Table 78: Pro Forma and Statutory Historical Cash Flow Information for 1H2018 compared to 1H2017

\$m	Pro forma				Statutory			
	1H2017	1H2018	Change	%	1H2017	1H2018	Change	%
Net Income	180.8	113.1	(67.7)	(37.4)%	90.9	35.6	(55.3)	(60.8)%
Depreciation, depletion and amortisation	84.5	86.9	2.4	2.8%	41.3	64.4	23.1	55.9%
Amortisation of Curragh Stanwell below market CSA	(15.5)	(15.8)	(0.3)	(1.9)%	–	(12.6)	(12.6)	nmf
Other non-cash items	(3.2)	17.4	20.6	643.8%	(6.3)	18.3	24.6	390.5%
Reclamation of asset retirement obligations	(0.4)	(1.8)	(1.4)	(350.0)%	(0.3)	(1.4)	(1.1)	(366.7)%
Non-cash income tax	29.7	45.7	16.0	53.9%	–	5.4	5.4	nmf
Changes in operating assets and liabilities	93.2	(12.3)	(105.5)	(113.2)%	52.9	31.8	(21.1)	(39.9)%
Net cash provided by operating activities	369.1	233.2	(135.9)	(36.8)%	178.5	141.5	(37.0)	(20.7)%
Capital expenditure	(56.7)	(59.4)	(2.7)	(4.8)%	(32.1)	(46.8)	(14.7)	(45.8)%
Net redemption/(purchase) of deposits and reclamation bonds	3.7	(0.3)	(4.0)	(108.1)%	3.7	(0.3)	(4.0)	(108.1)%
Proceeds from disposal of property, plant, and equipment	1.3	(0.9)	(2.2)	(169.2)%	0.1	–	(0.1)	(100.0)%
Acquisitions	–	–	–	nmf	–	(537.2)	(537.2)	nmf
Net cash provided used by investing activities	(51.7)	(60.6)	(8.9)	(17.2)%	(28.3)	(584.3)	(556.0)	(1,964.7)%
Proceeds from borrowings	5.9	28.3	22.4	379.7%	175.6	748.3	572.7	326.1%
Debt issuance costs and other financing costs	–	–	–	nmf	(5.8)	(42.0)	(36.2)	(624.1)%
Repayment of borrowings	(3.1)	(5.0)	(1.9)	(61.3)%	(3.1)	(156.7)	(153.6)	(4,954.8)%
Members' contributions/(distributions), including NCI	(358.1)	151.4	509.5	142.3%	(358.1)	151.4	509.5	142.3%
Net cash provided by (used in) financing activities	(355.3)	174.7	530.0	149.2%	(191.4)	701.0	892.4	466.2%
Net cash flow movement	(37.9)	347.3	385.2	1,016.4%	(41.2)	258.2	299.4	726.7%
Reconciliation of Free cash flow:								
Net cash provided by operating activities	369.1	233.2	(135.9)	(36.8)%	178.5	141.5	(37.0)	(20.7)%
Capital expenditure	(56.7)	(59.4)	(2.7)	(4.8)%	(32.1)	(46.8)	(14.7)	(45.8)%
Operating free cash flow	312.4	173.8	(138.6)	(44.4)%	146.4	94.7	(51.7)	(35.3)%
Repayment of borrowings	(3.1)	(5.0)	(1.9)	(61.3)%	(3.1)	(156.7)	(153.6)	(4,954.8)%
Free cash flow	309.3	168.8	(140.5)	(45.4)%	143.3	(62.0)	(205.3)	(143.3)%

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4.8.7.1 Pro forma and statutory operating cash flows for 1H2018 compared to 1H2017

Pro forma operating cash inflow reduced by \$135.9 million, or 36.8%, in 1H2018 to \$369.1 million, driven by the following movements:

- net income reduced \$67.7 million, or 37.4%, as discussed in Section 4.8.5; and
- operating assets and liabilities changes were driven by an initiative to collect accounts receivable in a more timely manner, particularly in the US, from the beginning of FY2017. Inventory was built at Logan, totaling approximately \$4 million, in line with increased production but lower sales in 1H2018.

Statutory operating cash flows reduced by \$37.0 million, or 20.7%, in 1H2018 to \$141.5 million, primarily driven by a \$55.3 million reduction in net income in 1H2018 compared to 1H2017 from \$90.9 million to \$35.6 million.

4.8.7.2 Pro forma and statutory investing cash flows for 1H2018 compared to 1H2017

Pro forma investing cash outflows increased by \$8.9 million, or 17.2%, representing a cash outflow of \$60.6 million, primarily driven by:

- an increase in net redemption (purchases) of deposits and reclamation bonds of \$4.0 million, or 108.1%, to \$0.3 million in 1H2018 from \$3.7 million net redemption in 1H2017; and
- capital expenditure increase of \$2.7 million, or 4.8%, to \$59.4 million in 1H2018 from \$56.7 million in 1H2017.

Statutory investing cash outflow increased by \$556.0 million, representing a cash outflow of \$584.3 million, primarily driven by:

- an increase in statutory capital expenditure of \$14.7 million, or 45.8%, in line with ownership of the Coronado Curragh business for three months in the 1H2018 period; and
- acquisition costs of \$537.2 million in relation to the Coronado Curragh Acquisition, which is excluded from the pro forma results (which assumes continuous ownership throughout the historical period)

4.8.7.3 Pro forma and statutory financing cash flows for H12018 compared to H12017

Pro forma financing cash flows increased by \$530.0 million, or 149.2%, in 1H2018, representing a cash inflow of \$174.7 million for the period, primarily relating to distributions having been paid to members of the Seller of \$358.1 million in 1H2017, compared to contributions paid in by members of the Seller of \$151.4 million in 1H2018.

Statutory financing cash flows increased by \$892.4 million, or 466.2%, in 1H2018, representing a cash inflow of \$701.0 million for the period, primarily driven by:

- net proceeds from borrowings of \$591.6 million in 1H2018, which represents the net of \$748.3 million in proceeds used to fund the acquisition of Coronado Curragh and refinance existing facilities, offset by repayments made on existing debt facilities of \$156.7 million; and
- net contributions of members of the Seller of \$151.4 million in relation to the funding of the Coronado Curragh Acquisition.

4.9 FORECAST FINANCIAL INFORMATION

The basis of the preparation of the Forecast Financial Information is set out in Section 4.2.

This Section 4.9 sets out the assumptions specific to the forecast period, as well as the general assumptions adopted in preparing the Forecast Financial Information. Assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Coronado and its Directors and are not reliably predictable. Accordingly, no assurance can be given that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions with a material consequential impact on the Forecast Financial Information.

The general and specific assumptions described in Sections 4.9.1 and 4.9.2 should be read in conjunction with this Prospectus as a whole, including the basis of preparation of the Forecast Financial Information set out in Section 4.2, the risk factors set out in Section 5 and the Limited Assurance Investigating Accountant's Report on the Forecast Financial Information in Section 8. In addition, to assist investors in assessing the impact of key assumptions on the Forecast Financial Information, Section 4.10 provides an analysis of the sensitivity of certain Forecast Financial Information to changes in a number of key assumptions.

Forecast Financial Information for the years ending 31 December 2018 and 31 December 2019 is presented in nominal terms and in USD in this Section 4.9.

4.9.1 General assumptions

The following general assumptions are relevant to the Forecast Financial Information:

- there is no material change in the competitive and operating environments in which Coronado operates;
- there are no material losses of customers or contracts beyond those incorporated in the forecasts;
- there are no significant disruptions to the continuity of operations of Coronado and there are no changes in Coronado's business;
- there are no major weather events that may materially impact on the operation of Coronado, or its key customers and suppliers;
- there is no change in applicable US GAAP that would have a material impact on Coronado's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure requirements;
- there are no material changes in government regulation, policy, legislation, or tax legislation that will have a material impact of Coronado's financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure requirements;
- there is no significant deviation from current market expectations of the broader economic conditions (including exchange rates) relevant to the Australian, US and international sectors in which Coronado and its key customers operate;
- there is no material amendment to any material agreement relating to Coronado's business other than as discussed in this Prospectus;
- no material acquisitions or divestments are completed;
- there are no material changes to Coronado's corporate funding structure other than as set out in, or contemplated by, this Prospectus;
- there is no loss of key management personnel, and Coronado will maintain the ongoing ability to recruit and retain required personnel;
- there is no material litigation that will arise or be settled to the benefit or detriment of Coronado;
- there are no material contingent liabilities that will arise or be realised to the detriment of Coronado;
- the Offer proceeds are received in accordance with the key dates set out in this Prospectus; and
- none of the risks set out in Section 5 occurs, or if they do, none of them has a material adverse impact on Coronado's operations.

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4.9.2 Specific assumptions

The Forecast Financial Information is based on a number of specific assumptions, of which the key assumptions are set out below. The assumptions set out below are a summary only and do not represent all factors that may affect Coronado's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information for FY2018 incorporates Coronado's actual results for the six months ended 30 June 2018 and forecast results for the remaining six months ending 31 December 2018.

The basis of the specific assumptions that have been used in the preparation of the Forecast Financial Information are set out below.

4.9.2.1 Group assumptions

The Forecast Financial Information is based on the following group assumptions:

- foreign exchange rate assumption of USD0.7254 to AUD1 from September 2018 throughout the remainder of FY2018 and FY2019 based on the spot rate as of 1 September 2018 sourced from Bloomberg;
- inflation assumptions of:
 - Australia: 2% – 2.5%; and
 - United States: 0%.
- tax assumptions:
 - the Company is a tax resident of both the United States and Australia;
 - no franking credits will be available in respect of Australian tax paid prior to Settlement, on the basis that the relevant entities will become 'former exempting entities' within the meaning of Section 208-50 of the Income Tax Assessment Act 1997 (Cth) upon Settlement;
 - Australia: corporate tax rate of 30%; and
 - United States: federal corporate tax rate of 21%;
- the Directors have adopted the applicable quarterly forecast benchmark prices from the latest available Wood Mackenzie price forecast reports as at August 2018 (issued in September 2018) as the benchmark price for each coal specification;
- dividends of 100% of net cash from operating activities less capital expenditure, acquisition expenditure, amounts reserved for capital expenditure and acquisition expenditure and amounts required for debt servicing;
- interest expense assumption of approximately 1.43% on the undrawn balance of \$350 million for facility A; and
- WICET refinancing is resolved such that there is no adverse financial impact in the forecast period, with a US\$2.6 per tonne (A\$3.64 per tonne) increase to the Terminal Handling Charge factored in from October 2018.

4.9.2.2 Coal revenue key assumptions

The Forecast Financial Information is based on the following key coal revenue assumptions:

- forecast sales volumes are based on the Directors' best estimates of expected sales outcomes for the forecast period for each product specification based on the production volumes according to the mine plan. Expected sales outcomes are more specifically based on the following:
 - Curragh: Export sales volumes of 9.0 Mt and 9.7 Mt in FY2018 and FY2019, respectively are based on product specifications appropriate to customers. Volumes are based on annualised contract volumes by product specification (where available) and known renegotiations for contracted and volume framework customers. Some 85% of export sales volumes for the remainder of FY2018 are based on signed customer agreements and approximately 45% forecast for FY2019. The volume of forecast spot sales (i.e. not contracted and not covered by the existing volume framework agreements) reflect a surplus of produced inventory as per the mine production plan;
 - Curragh: Domestic thermal coal sales to Stanwell are made under the terms of the CSA and equate to approximately 2.4 - 2.5 Mtpa of base tonnage, plus optional tonnage of up to 1 Mtpa (of which FY2018 and FY2019 forecast includes 0.6 - 0.7 Mtpa), based on the total requirements aligned with Stanwell. These sales are long-term contracted due to the nature of the relationship between Curragh and Stanwell, but at a much lower price compared to other coal sales. The pricing mechanism on thermal coal sales to Stanwell is fixed and agreed contractually, consistent with the historical period; and
 - US Operations: Sales volumes have been allocated between domestic and export sales. For the remainder of FY2018, customer volumes are estimated based on annualised contract volumes by product specification (where available) and known renegotiations, which occurred in 2H2017 for FY2018. In relation to the forecast sales volumes for 2H2018, 58% of forecast sales are based on signed customer agreements executed in 2H2017 with fixed prices agreed. Some 16% of sales volumes forecast for FY2019 are based on pricing and volumes which are expected to be committed;
- forecast prices for thermal coal sales to Stanwell are fixed, subject to CPI and consistent with the historical period;
- forecast prices for export volumes and uncontracted domestic volumes at the US Operations are based on an estimated discount to the industry benchmark price. The Directors have adopted the Wood Mackenzie price forecast as at August 2018 (issued in September 2018) as the quarterly benchmark price applicable to each product specification for the remainder of FY2018 and for FY2019 based on a quarterly pricing forecast. Where applicable, a discount to the relative industry benchmark, based on the coal specification and expected customers, has been applied based on the current and historical experience of discounts negotiated with the customers and expected changes over the remainder of FY2018 and for FY2019.

The benchmarks utilised for each product are as follows:

Australian Operations

- Queensland HCC FOB benchmark for HCC;
- a combination of hard coking coal and NSW SSCC coal benchmarks for Semi;
- Queensland ULV PCI FOB benchmark for PCI coal; and
- Newcastle 6,000 kcal/kg NAR for export thermal coal; and

US Operations

- US Hampton Roads Low-Mid-Vol FOB USEC for met coal at Buchanan;
- US Hampton Roads High Vol-A FOB USEC for relevant met coal at Logan;
- US Hampton Roads High Vol-B FOB USEC for relevant met coal at Logan;
- US Hampton Roads Low-Mid Vol FOB USEC for relevant met coal at Greenbrier;
- Queensland ULV PCI FOB for relevant PCI coal at relevant mines; and
- 12500 BTUs OTC, CSX, FOR for relevant thermal coal at relevant mines.

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Table 79 sets out benchmark prices forecast by Wood Mackenzie and used by management in preparation of forecast financial information.

Table 79: Wood Mackenzie benchmark prices

Mine	Benchmark	Wood Mackenzie benchmark price (USD/t)					
		Q3 FY2018	Q4 FY2018	Q1 FY2019	Q2 FY2019	Q3 FY2019	Q4 FY2019
Australian Operations (nominal benchmark)							
Curragh	Queensland HCC FOB	\$190.00	\$173.00	\$180.90	\$173.72	\$176.61	\$173.40
Curragh	Newcastle SSCC	\$129.20	\$117.64	\$123.01	\$118.13	\$120.09	\$117.91
Curragh	ULV PCI FOB	\$142.00	\$128.00	\$134.00	\$129.00	\$131.00	\$128.00
Curragh	Newcastle 6000 kcal/kg NAR	\$97.00	\$89.29	\$89.35	\$88.73	\$88.45	\$89.07
US Operations (real benchmark)							
Buchanan and Greenbrier	US Hampton Roads Low-Mid-Vol FOB USEC	\$186.33	\$171.33	\$174.99	\$168.15	\$171.08	\$168.05
Logan	US Hampton Roads High-Vol A FOB USEC	\$187.27	\$174.75	\$178.90	\$171.08	\$174.01	\$171.15
Logan	US Hampton Roads High-Vol B FOB USEC	\$146.80	\$140.40	\$152.17	\$146.29	\$148.81	\$145.45
Logan and Greenbrier	12500 BTUs OTC, CSX, FOR	\$66.17	\$64.96	\$63.02	\$62.08	\$61.76	\$61.82

Note: Benchmark prices above are stated in nominal US\$ terms, as applied for the Australian Operations, and in real US\$ terms, as applied for the US Operations in the financial forecasts.

- further adjustments are made to the relevant Wood Mackenzie benchmark prices to achieve a realised FOB mine price estimate for the Australian Operations and FOR price estimate for the US Operations per agreements with customers as set out in Table 80:

Table 80: Adjustments to Wood Mackenzie benchmark prices

Australian Operations (Curragh)	Description	Adjustment to benchmark
Coal quality adjustments	Quality discounts on all HCC products for Curragh	6%-16% (average of adjustments being at 12% for 2H2018 and FY2019)
	Quality discounts on all Semi products for Curragh	5%-15% of the relevant index price (average of adjustments being at 23% of the HCC index price for 2H2018 and FY2019)
	Quality discounts for Curragh on PCI coal	4%-12% (majority of adjustments being at 5% of the relevant index price for 2H2018 and FY2019)

US Operations	Description	Adjustment to benchmark
Coal quality adjustments	Quality discounts on HCC	3%-20% (majority of adjustments being at 10% for 2H2018 and FY2019)
	Quality premiums on PCI and Mid-Vol coal products	1%-8% (majority of adjustments being at 8% for 2H2018 and FY2019)
Ocean freight differential	Fixed price ocean freight differential assumption (where differential = US East Coast to Asia versus USEC to Europe/Non-Asia) for sales to Asia, only applicable to Asian Low-Vol product	~8% (expected to relate to 10% and 12% of tonnes sold in 2H2018 and FY2019, respectively)
Rail charge	Fixed price rail charge for export sales	20% for HCC and 27% for PCI coal (expected to relate to 29% and 13% of tonnes sold in 2H2018 and 65% and 12% of tonnes sold in FY2019, respectively)
Port charge	Fixed price port charge for export sales	\$3.85 per tonne and \$4.41 per tonne at Pier IX in 2H2018 and FY2019, respectively \$2.20 per tonne at other US ports for 2H2018 and FY2019

- thermal products at the US Operations are sold at FOR mine, and are thus not subject to rail and port fees and are assumed to be sold at close to the benchmark price;
- no material changes in the forecast benchmark coal prices, shipping and rail freight costs and port fees. The discount to the relative industry benchmark has been estimated for each coal specification, and is based on current freight (rail and ocean) and port fees and estimates of any changes over FY2018 and FY2019; and
- Stanwell subsidy: based on the expected release of approximately \$31 million of the Stanwell below market CSA (as coal is sold to Stanwell below cost in accordance with the CSA). This is recorded in other revenue.

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4.9.2.3 Total cost and expenses key assumptions

The Forecast Financial Information is based on the following cost and expense key assumptions:

- cost of coal revenues:
 - based on production tonnes per the mine production plan. Curragh costs are based on the ROM and production tonnes, the estimated strip ratio and volume of overburden removed;
 - diesel fuel costs are based on gas oil futures and are currently unhedged;
 - labour costs are based on the expected headcount and applicable actual and forecast hourly wage and salary employees;
 - raw materials are based on the expected volumes and costs required to deliver the tonnes produced in the mine plan;
 - allocated cash costs include preparation, refuse and load-out costs and are based on the number of raw tonnes and clean tonnes produced as applicable;
- freight expense: based on contracted prices and capacities with existing providers (providers predominantly rail and port operators) and forecast sales volumes, assuming all associated take-or-pay capacity will be utilised. Demurrage and despatch costs in relation to associated laytime with the loading of vessels are forecast based on contractual rates. No changes are assumed for Aurizon;
- selling, general and administration expenses: consist of applicable production-based taxes, labour administration and office expenses;
- Stanwell rebate expense: based on contractual arrangements with Stanwell, forecast sales volumes and average realised sales prices;
- other royalty expenses: based on various contracted arrangements in place, forecast sales volumes and the average realised sales price. The US Operations have private royalties which have been calculated based on the applicable royalties applied to the areas to be mined according to the mine plan;
- depreciation: based on the expected property, plant and equipment balance depreciated over their estimated useful lives; and
- depletion and amortisation: based on the mining assets depreciated over their estimated useful lives.

4.9.2.4 Capital expenditure

Forecast capital expenditure of \$139.6 million for FY2018 and \$160.1 million for FY2019 is based on the following key assumptions:

- Curragh: forecast capital expenditure is all SIB capital expenditure based on the life of mine plan, expected equipment utilisation and the age of the fleet. SIB capital expenditure of \$12.0 million in FY2018 relates to infrastructure and plant and equipment acquisitions, with \$19.2 million in FY2019 specific to box cuts at the Curragh North Mining Area in order to access new reserves as part of the life of mine plan; and
- US Operations: forecast capital expenditure is all SIB capital expenditure for new and replacement equipment and is based on the life of mine plan, expected equipment utilisation and the age of the fleet. FY2019 capital expenditure includes \$15.0 million at Buchanan for equipment at the facility and \$15.7 million for production facility development and equipment replacement at Logan.

4.9.2.5 Working Capital

Working Capital is based on the expected movement in trade and other receivables, inventories and trade and other payables. Working Capital is based on the following key assumptions:

- trade and other receivables: based on expected customer payment terms of 40 days at Curragh and, at the US Operations, ranging from 30 to 90 days for domestic customers to 30 to 45 days for export customers;
- inventories: based on estimated movements in coal inventories and applicable costs. Stores inventories have been assumed to be consistent for the duration of the forecast period; and
- trade and other payables: based on expected supplier payment terms of 45 days at Curragh and 30 days at the US Operations.

4.9.3 Pro Forma and Statutory Forecast Results for FY2018 compared to Pro Forma and Statutory Historical Results for FY2017

Table 81 sets out a summary of the Pro Forma and Statutory Forecast Results for FY2018 compared to Pro Forma and Statutory Historical Results for FY2017.

Table 81: Pro Forma and Statutory Forecast Results for FY2018 compared to Pro Forma and Statutory Historical Results for FY2017

\$m	Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Revenues:								
Coal revenues	2,130.8	2,242.5	111.7	5.2%	756.4	1,929.6	1,173.2	155.1%
Other revenues	43.3	36.6	(6.7)	(15.5)%	11.8	33.3	21.5	182.2%
Total revenues	2,174.1	2,279.1	105.0	4.8%	768.2	1,962.9	1,194.7	155.5%
Costs and expenses:								
Cost of coal revenues (exclusive of items shown separately below)	1,073.7	1,141.2	67.5	6.3%	463.6	995.9	532.3	114.8%
Freight expenses	161.0	159.7	(1.3)	(0.8)%	15.9	122.9	107.0	673.0%
Depreciation, depletion and amortisation	165.5	168.0	2.5	1.5%	75.5	145.5	70.0	92.7%
Selling, general and administrative expenses	30.0	37.1	7.1	23.7%	21.8	70.2	48.4	222.0%
Stanwell rebate	147.7	165.7	18.0	12.2%	–	122.6	122.6	nmf
Other royalties	171.4	196.9	25.5	14.9%	39.5	167.7	128.2	324.6%
Total costs and expenses	1,749.3	1,868.6	119.3	6.8%	616.3	1,624.8	1,008.5	163.6%
Operating income	424.8	410.5	(14.3)	(3.4)%	151.9	338.1	186.2	122.6%
Other income (expenses):								
Interest expense	(14.6)	(23.9)	(9.3)	46.0%	(10.0)	(111.5)	(101.5)	1,015.0%
Loss on debt extinguishment	–	–	–	nmf	–	(3.9)	(3.9)	nmf
Other, net	2.3	(0.8)	(3.1)	(134.8)%	0.5	(24.2)	(24.7)	(4,940.0)%
Total other income (expense), net	(12.3)	(24.7)	(12.4)	(100.8)%	(9.5)	(139.6)	(130.1)	(1,369.5)%
Net income before tax	412.5	385.8	(26.7)	(6.5)%	142.4	198.5	56.1	39.4%
Income tax benefit (expense)	(126.2)	(110.2)	16.0	12.7%	–	(32.4)	(32.4)	nmf
Net income	286.3	275.6	(10.7)	(3.7)%	142.4	166.1	23.7	16.6%
Less: Net loss attributable to non-controlling interest	(0.1)	–	0.1	(100.0)%	(0.1)	–	0.1	(100.0)%
Net income attributable to Coronado	286.4	275.6	(10.8)	(3.8)%	142.5	166.1	23.6	16.6%
Reconciliation to EBITDA:								
Net income	286.3	275.6	(10.7)	(3.7)%	142.4	166.1	23.7	16.6%
Add: Income tax benefit (expense)	126.2	110.2	(16.0)	(32.7)%	–	32.4	32.4	nmf
Add: Loss on debt extinguishment	–	–	–	nmf	–	3.9	3.9	nmf
Add: Interest income (expense)	14.6	23.9	9.3	63.7%	10.0	111.5	101.5	1,015.0%
EBIT	427.1	409.7	(17.4)	(4.1)%	152.4	313.9	161.5	106.0%
Add: Depreciation, depletion and amortisation	165.5	168.0	2.5	1.5%	75.5	145.5	70.0	92.7%
EBITDA	592.6	577.7	(14.9)	(2.5)%	227.9	459.4	231.5	101.6%

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Coal revenues

Pro forma coal revenues are forecast to increase by \$111.7 million, or 5.2%, for FY2018 to \$2,242.5 million, as compared to \$2,130.8 million for FY2017. The increase is assumed to be driven by:

- an increase of the Average Realised Price of 4.3%, driven by a higher share of export sales from the US; offset by
- a sales volume increase of 0.1 Mt, or 0.5%, driven by Logan and Greenbrier.

Higher production and sales volumes in FY2018 compared to FY2017 are based on the mine production plans and coal marketing plans for the remainder of FY2018.

Statutory coal revenues are forecast to increase by \$1,173.2 million, or 155.1%, to \$1,929.6 million for FY2018, primarily due to the acquisition of Coronado Curragh on 29 March 2018.

EBITDA

Pro forma EBITDA is forecast to decrease by \$14.9 million, or 2.5%, to \$577.7 million for FY2018, as compared to \$592.6 million for FY2017. The decrease in EBITDA is expected to be driven by a \$119.3 million increase in total costs and expenses (excluding depreciation, depletion and amortisation), which offset the revenue growth described above. The forecast increase in total costs and expenses (excluding depreciation, depletion and amortisation) is assumed to be primarily due to:

- an expected increase in cost of coal revenues of \$67.5 million, or 6.3%, from \$1,073.7 million in FY2017 to \$1,141.2 million in FY2018 driven by higher production cost per tonne in FY2018;
- an expected increase in selling, general and administrative expenses of \$7.1 million, or 23.7%, from \$30.0 million in FY2017 to \$37.1 million in FY2018 driven by the acquisition of Coronado Curragh and associated enlargement of the group;
- an expected increase in the Stanwell rebate of \$18.0 million, or 12.2%, from \$147.7 million in FY2017 to \$165.7 million in FY2018 due to higher realised prices; and
- an expected increase in other royalty expenses of \$25.5 million, or 14.9%, from \$171.4 million in FY2017 to \$196.9 million in FY2018, driven by higher realised sales prices.

Statutory EBITDA is forecast to increase by \$231.5 million, or 101.6%, to \$459.4 million for FY2018, as compared to \$227.9 million for FY2017. The expected increase in EBITDA is assumed to be primarily driven by the acquisition of Coronado Curragh on 29 March 2018. The financial results of the acquired entity have been included in statutory financial information from the acquisition on 29 March 2018..

Depreciation, depletion and amortisation

Pro forma depreciation, depletion and amortisation is forecast to increase by \$2.5 million or 1.5%, from \$165.5 million in FY2017 to \$168.0 million in FY2018.

Statutory depreciation, depletion and amortisation is forecast to increase by \$70.0 million, or 92.7%, from \$75.5 million in FY2017 to \$145.5 million in FY2018 due to the acquisition of Coronado Curragh on 29 March 2018.

EBIT

Pro forma EBIT is forecast to decrease by \$17.4 million, or 4.1%, from \$427.1 million in FY2017 to \$409.7 million in FY2018, reflecting a forecast decrease in EBITDA of \$14.9 million and an increase in depreciation, depletion and amortisation of \$2.5 million.

Statutory EBIT is forecast to increase by \$161.5 million, or 106.0%, from \$152.4 million in FY2017 to \$313.9 million in FY2018, reflecting a forecast increase in statutory EBITDA of \$231.5 million, partially offset by an increase in depreciation, depletion and amortisation of \$70.0 million. This reflects the inclusion of the Coronado Curragh results post acquisition within the statutory financial statements for FY2018.

Net other expense

Pro forma net other expense is forecast to increase by \$12.4 million, or 100.8%, from \$12.3 million in FY2017 to \$24.7 million in FY2018 due to the increase in interest expense of \$9.3 million and an increase in other expenses of \$3.1 million.

Statutory net other expense is forecast to increase by \$130.1 million from \$9.5 million in FY2017 to \$139.6 million in FY2018, primarily due to the inclusion of the Coronado Curragh costs from 29 March 2018 and an increase in interest expense of \$101.5 million from \$10.0 million in FY2017 to \$111.5 million in FY2018.

Income tax expense

Income tax expense on a pro forma basis is forecast to decrease by \$16.0 million, or 12.7%, in FY2018 from \$126.2 million in FY2017 to \$110.2 million in FY2018, as a result of a forecast decrease in net income.

The statutory income tax expense in FY2017 is \$nil, as Coronado, as a Delaware limited liability corporation, was not a tax-paying entity in this period but will be in FY2018 (with \$32.4 million forecast statutory income tax in FY2018, driven by the acquisition of Coronado Curragh on 29 March 2018).

Net income

Net income on a pro forma basis is forecast to decrease by \$10.7 million, or 3.7%, from \$286.3 million in FY2017 to \$275.6 million in FY2018, reflecting a \$17.4 million assumed decrease in EBIT and an assumed increase of \$9.3 million in interest costs and decrease in tax expense of \$16.0 million.

Statutory net income is forecast to increase by \$23.7 million, or 16.6%, from \$142.4 million in FY2017 to \$166.1 million in 2018, reflecting a \$161.5 million increase in forecast EBIT, offset by a forecast increase of \$101.5 million in interest expense and a forecast increase of \$32.4 million in income tax expense.

4.9.4 Pro forma and statutory forecast segment information for FY2018 compared to FY2017

Table 82 sets out a summary of the pro forma and statutory historical revenue, EBITDA, production and Average Realised Price by segment for FY2018 compared to FY2017.

Table 82: Pro forma and statutory forecast segment Information for FY2018 compared to FY2017

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Units	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Revenue by segment									
Curragh	\$m	1,405.9	1,422.0	16.1	1.1%	–	1,105.9	1,105.9	nmf
Buchanan	\$m	465.0	513.9	48.9	10.5%	465.0	513.9	48.9	10.5%
Logan	\$m	242.0	259.1	17.1	7.1%	242.0	259.1	17.1	7.1%
Greenbrier	\$m	60.1	81.4	21.3	35.4%	60.1	81.4	21.3	35.4%
Corporate and other	\$m	1.1	2.7	1.6	145.5%	1.1	2.6	1.5	136.4%
Total revenue	\$m	2,174.1	2,279.1	105.0	4.8%	768.2	1,962.9	1,194.7	155.5%
EBITDA									
Curragh	\$m	370.0	363.3	(6.7)	(1.8)%	–	295.0	295.0	nmf
Buchanan	\$m	211.2	209.0	(2.2)	(1.0)%	211.2	209.0	(2.2)	(1.0)%
Logan	\$m	34.9	49.9	15.0	43.0%	34.9	49.9	15.0	43.0%
Greenbrier	\$m	3.4	5.3	1.9	55.9%	3.4	5.3	1.9	55.9%
Corporate and other	\$m	(26.9)	(49.8)	(22.9)	(85.1)%	(21.6)	(99.8)	(78.2)	(362.0)%
Total EBITDA	\$m	592.6	577.7	(14.9)	(2.5)%	227.9	459.4	231.5	101.6%
Sales volumes by segment									
Curragh	Mt	12.3	12.2	(0.1)	(0.8)%	–	9.4	9.4	nmf
Buchanan	Mt	5.0	4.8	(0.2)	(4.0)%	5.0	4.8	(0.2)	(4.0)%
Logan	Mt	2.9	3.1	0.2	6.9%	2.9	3.1	0.2	6.9%
Greenbrier	Mt	0.6	0.8	0.2	33.3%	0.6	0.8	0.2	33.3%
Total sales volumes	Mt	20.8	20.9	0.1	0.5%	8.5	18.1	9.6	112.9%
Average realised price by segment									
Curragh	\$/t	114.3	116.6	2.3	2.0%	–	117.6	117.6	nmf
Buchanan	\$/t	93.0	107.1	14.1	15.1%	93.0	107.1	14.1	15.1%
Logan	\$/t	83.4	83.6	0.1	0.2%	83.4	83.6	0.1	0.2%
Greenbrier	\$/t	100.2	101.8	1.6	1.6%	100.2	101.8	1.6	1.6%
Total average realised price	\$/t	104.5	109.0	4.5	4.3%	90.4	108.4	18.1	20.0%

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4.9.4.1 Pro forma and statutory forecast segment information for FY2018 compared to pro forma and statutory historical segment information for FY2017 for the Curragh segment

Table 83 sets out a summary of the pro forma and statutory historical sales metrics for FY2017 and the pro forma and statutory forecast sales metrics for FY2018 for the Curragh segment.

Table 83: Summary of pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Curragh segment

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Unit	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Coal revenues, export (incl. FX)	\$m	1,294.3	1,313.6	19.3	1.5%	–	1,019.9	1,019.9	nmf
Coal revenues, domestic	\$m	80.1	76.9	(3.2)	(4.0)%	–	57.7	57.7	nmf
Other revenues	\$m	31.5	31.5	–	0.0%	–	28.3	28.3	nmf
Total revenues	\$m	1,405.9	1,422.0	16.1	1.1%	–	1,105.9	1,105.9	nmf
EBITDA	\$m	370.0	363.3	(6.7)	(1.8)%	–	295.0	295.0	nmf
KPIs									
Sales volume (incl. purchased)									
<i>Export sales volume (incl. purchased)</i>									
HCC	Mt	4.0	4.1	0.2	4.1%	–	3.3	3.3	nmf
Semi	Mt	1.3	1.1	(0.2)	(18.6)%	–	0.8	0.8	nmf
PCI coal	Mt	3.2	3.3	0.1	2.3%	–	2.5	2.5	nmf
Total met coal export volume	Mt	8.5	8.5	(0.0)	(0.1)%	–	6.6	6.6	nmf
Thermal coal export	Mt	0.5	0.5	(0.1)	(11.7)%	–	0.4	0.4	nmf
Total export volume	Mt	9.1	9.0	(0.1)	(0.7)%	–	7.0	7.0	nmf
Thermal coal domestic	Mt	3.2	3.2	(0.0)	(1.1)%	–	2.4	2.4	nmf
Total sales volume	Mt	12.3	12.2	(0.1)	(0.8)%	–	9.4	9.4	nmf
Sales price									
Export met coal price (weighted average)	\$/t	148.0	148.5	0.5	0.4%	–	147.1	147.1	nmf
Export thermal coal price	\$/t	83.2	93.9	10.7	12.9%	–	92.6	92.6	nmf
<i>Index prices (Wood Mackenzie)</i>									
Export met coal index price (weighted average)	\$/t	182.1	174.8	(7.3)	(4.0)%	–	175.9	175.9	nmf
Export thermal coal benchmark price	\$/t	88.6	95.1	6.5	7.3%	–	95.1	95.1	nmf

Notes

1. Statutory reporting incorporates the operating results of Coronado Curragh since its acquisition on 29 March 2018.
2. Export sales revenue (including FX) represents coal revenues, including purchased coal exports and amounts recognised attributable to FX movements.
3. The export met index price (weighted average) has been calculated on weighted average sales volumes using various Wood Mackenzie benchmarks for the sales products in the table above.

Coal revenues

Pro forma coal revenues (including export and domestic coal) are forecast to increase by \$16.1 million, or 1.2%, in FY2018 from \$1,374.4 million in FY2017 to \$1,390.5 million in FY2018, resulting from changes in the product mix towards more expensive HCC (the average realised price for which is forecast to increase, driven by the related benchmarks) and an increase in the average realised export thermal coal price driven by benchmarks.

Statutory coal revenues of \$1,077.6 million are forecast for FY2018, reflecting the operating results of Coronado Curragh since its acquisition on 29 March 2018.

Other revenues

Pro forma other revenues include the non-cash unwinding of the Stanwell below market CSA recognised on acquisition at 29 March 2018 and measured in accordance with the volume of thermal coal forecast to be supplied to Stanwell under the arrangement between the parties, with fluctuations year on year driven by movements in the USD/AUD exchange rate.

Statutory other revenues for FY2018 are forecast to be \$28.3 million and reflect the nine-month period post acquisition of Coronado Curragh to 31 December 2018.

EBITDA

Pro forma EBITDA is forecast to reduce by \$6.7 million, or 1.8%, in FY2018 to \$363.3 million, as compared to \$370.0 million in FY2017, driven primarily by expected higher operating costs in FY2018 compared to FY2017. The increase in operating costs is assumed to be driven by:

- increased warehouse stock obsolescence and site maintenance;
- extra costs in relation to building blasted inventory depleted in the previous periods;
- increased demurrage, a result of rail infrastructure maintenance schedule changes; and
- increased Stanwell rebate costs, which represent variable costs and see inflation in line with the increase in sales volume and average sales price, as well as any agreed changes in the reference prices.

Statutory EBITDA is forecast at \$295.0 million for the nine-month period ended 31 December 2018, reflecting results from the date of acquisition of Coronado Curragh and the key assumptions related to Curragh outlined above.

Cost of coal revenues

Table 84 sets out a summary of the pro forma and statutory historical production metrics for FY2017 and the pro forma and statutory forecast production metrics for FY2018 for the Curragh segment.

Table 84: Summary of pro forma and statutory forecast production metrics for FY2018 compared to pro forma and statutory historical production metrics for FY2017 for the Curragh segment

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Unit	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Overburden removed	Mbcm	174.8	164.4	(10.4)	(6.0)%	–	123.7	123.7	nmf
Strip ratio		11.4	10.4	(1.0)	(8.6)%	–	10.0	10.0	nmf
ROM tonnes	Mt	15.4	15.8	0.4	2.9%	–	12.3	12.3	nmf
Cost of coal revenues	\$m	610.1	619.3	9.2	1.5%	–	474.0	474.0	nmf
Total sales volume	Mt	12.3	12.2	(0.1)	(0.8)%	–	9.4	9.4	nmf
Cost per tonne sold	\$/t	49.8	51.0	1.2	2.4%	–	50.4	50.4	nmf

Pro forma cost of coal revenues is forecast to increase by \$9.2 million, or 1.5%, for FY2018 to \$619.3 million, as compared to \$610.1 million for FY2017. The expected increase in cost of coal revenues is due to a planned blasting, and one-off stock obsolescence and maintenance costs, which are expected to lead to an increase in costs despite a reduction in overburden removal of 10.4 Mbcm, or 6.0%, in FY2018 to 164.4 Mbcm, as compared to 174.8 Mbcm in FY2017.

Statutory cost of coal revenues is forecast at \$474.0 million for the 12 month period ending 31 December 2018, post-acquisition of Coronado Curragh, underpinned by forecast overburden removal of 123.7 Mbcm in FY2018 and a forecast cost per tonne sold of \$50.4 per tonne.

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4.9.4.2 Pro forma and statutory forecast segment information for FY2018 compared to pro forma and statutory historical segment information for FY2017 for the Buchanan segment

Table 85 sets out a summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Buchanan segment.

Table 85: Summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Buchanan segment

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Unit	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Revenues:									
Coal revenues	\$m	464.9	513.1	48.2	10.4%	464.9	513.1	48.2	10.4%
Other revenues	\$m	0.1	0.8	0.7	700.0%	0.1	0.8	0.7	700.0%
Total revenues	\$m	465.0	513.9	48.9	10.5%	465.0	513.9	48.9	10.5%
EBITDA	\$m	211.2	209.0	(2.2)	(1.0)%	211.2	209.0	(2.2)	(1.0)%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	1.0	0.7	(0.3)	(29.3)%	1.0	0.7	(0.3)	(29.3)%
PCI coal domestic	Mt	0.1	0.2	0.1	50.0%	0.1	0.2	0.1	50.0%
Total met coal domestic volume	Mt	1.1	0.9	(0.2)	(18.9)%	1.1	0.9	(0.2)	(18.9)%
Thermal coal domestic	Mt	0.2	0.2	0.0	15.3%	0.2	0.2	0.0	15.3%
Total domestic volume	Mt	1.3	1.1	(0.2)	(13.5)%	1.3	1.1	(0.2)	(13.5)%
Export sales volume (incl. purchased)									
HCC export	Mt	2.9	2.5	(0.4)	(14.2)%	2.9	2.5	(0.4)	(14.2)%
PCI coal export	Mt	0.7	1.2	0.5	63.8%	0.7	1.2	0.5	63.8%
Total met coal export volume	Mt	3.6	3.7	0.0	1.1%	3.6	3.7	0.0	1.1%
Thermal coal export	Mt	–	–	–	nmf	–	–	–	nmf
Total export volume	Mt	3.6	3.7	0.0	1.1%	3.6	3.7	0.0	1.1%
Total sales volume	Mt	5.0	4.8	(0.1)	(2.8)%	5.0	4.8	(0.1)	(2.8)%
HCC domestic	\$m	78.4	88.7	10.3	13.1%	78.4	88.7	10.3	13.1%
PCI coal domestic	\$m	64.9	69.2	4.3	6.6%	64.9	69.2	4.3	6.6%
Thermal coal domestic	\$m	60.9	78.1	17.2	28.3%	60.9	78.1	17.2	28.3%
HCC export	\$m	103.1	115.9	12.8	12.4%	103.1	115.9	12.8	12.4%
PCI coal export	\$m	90.6	108.3	17.7	19.5%	90.6	108.3	17.7	19.5%
Index prices (Wood Mackenzie)									
HCC	\$/t	190.1	186.4	(3.7)	(1.9)%	190.1	186.4	(3.7)	(1.9)%
PCI coal	\$/t	145.5	143.3	(2.2)	(1.5)%	145.5	143.3	(2.2)	(1.5)%
Thermal coal	\$/t	63.0	67.5	4.5	7.1%	63.0	67.5	4.5	7.1%

Coal revenues

Pro forma and statutory coal revenues are forecast to increase by \$48.2 million, or 10.4%, in FY2018 to \$513.1 million, as compared to \$464.9 million in FY2017. This forecast increase is assumed to be primarily driven by a forecast increase in the aggregate statutory and pro forma weighted average sales price of all products as compared to FY2017, offset by a reduction in total sales volume of 0.1 Mt, or 2.8%.

The expected average realisable price increase is due to a number of legacy contracts from previous CONSOL Energy ownership which were agreed at a time of lower coal market prices and resulted in a lower Average Realised Price in FY2017. As the contracts expire, the Average Realised Price is expected to increase in FY2018.

Buchanan's primary market focus is the highest margin HCC market. However, some volume is sold in the PCI coal market to maintain production stability. Due to Buchanan's low-ash high quality PCI, prices realised for PCI coal are assumed to result in a premium compared to the PCI coal benchmark.

EBITDA

Pro forma and statutory EBITDA is forecast to decrease by \$2.2 million, or 1.0%, to \$209.0 million in FY2018, as compared to \$211.2 million in FY2017, driven by a forecast increase in pro forma coal revenues as described above, being offset by a forecast increase in pro forma and statutory cost of coal revenues of \$30.7 million, or 13.3%, in FY2018 to \$260.7 million, as compared to \$230.0 million in FY2017 and a forecast increase in pro forma other royalty expenses attributed to higher realisation per tonne and a mark-to-market adjustment to Buchanan's contingent price consideration (royalty) obligation.

Cost of coal revenues

Table 86 sets out a summary of the pro forma and statutory forecast production metrics for FY2018 compared to pro forma and statutory historical production metrics for FY2017 for the Buchanan segment.

Table 86: Summary of the pro forma and statutory forecast production metrics for FY2018 compared to pro forma and statutory historical production metrics for FY2017 for the Buchanan segment

US\$m	Unit	Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
		FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
ROM tonnes	Mt	7.3	7.0	(0.3)	(3.9)%	7.3	7.0	(0.3)	(3.9)%
Cost of coal revenues	\$m	230.0	260.7	30.7	13.3%	230.0	260.7	30.7	13.3%
Total sales volume	Mt	5.0	4.8	(0.1)	(2.8)%	5.0	4.8	(0.1)	(2.8)%
Cost per tonne sold	\$/t	46.3	53.9	7.7	16.6%	46.3	53.9	7.7	16.6%

Pro forma and statutory cost of coal revenues are forecast to increase by \$30.7 million, or 13.3%, in FY2018 to \$260.7 million, as compared to \$230.0 million in FY2017, primarily driven by a forecast increase in the cost per tonne sold of \$7.7 per tonne for FY2018 to \$53.9 per tonne, as compared to \$46.3 per tonne in FY2017. Cost per tonne sold is forecast to be higher in FY2018 compared to FY2017 due to assumed increases in labour costs and production costs:

- an unforeseen geological condition (a rock intrusion in the coal seam) was first encountered in January 2018. In 1H2018, the longwall mined through the rock intrusion in two different panels which resulted in an estimated 0.2 Mt of lost production;
- additional roof support and mitigation costs incurred related to the geological conditions (the rock intrusion) in the current district; and
- increased demand for labour led management to introduce revised remuneration packages including wage increases to retain employees.

4.9.4.3 Pro forma and statutory forecast segment information for FY2018 compared to pro forma and statutory historical segment information for FY2017 for the Logan segment

Table 87 sets out a summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Logan segment.

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Table 87: Summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Logan segment

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Unit	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Revenues:									
Coal revenues	\$m	232.3	259.1	26.8	11.5%	232.3	259.1	26.8	11.5%
Other revenues	\$m	9.7	–	(9.7)	(100.0)%	9.7	–	(9.7)	(100.0)%
Total revenues	\$m	242.0	259.1	17.1	7.1%	242.0	259.1	17.1	7.1%
EBITDA	\$m	34.9	49.9	15.0	43.0%	34.9	49.9	15.0	43.0%
KPIs									
Sales volume (incl. purchased)									
<i>Domestic sales volume (incl. purchased)</i>									
Logan County A domestic	Mt	0.2	0.8	0.6	347.9%	0.2	0.8	0.6	347.9%
HVA domestic	Mt	0.7	0.2	(0.5)	(69.3)%	0.7	0.2	(0.5)	(69.3)%
HVB domestic	Mt	0.2	0.3	0.1	40.5%	0.2	0.3	(0.1)	(40.5)%
Total met coal domestic volume	Mt	1.0	1.3	0.3	24.5%	1.0	1.3	0.3	24.5%
Thermal coal domestic	Mt	0.3	0.9	0.6	234.8%	0.3	0.9	0.6	234.8%
Total domestic volume	Mt	1.3	2.2	0.9	65.9%	1.3	2.2	0.9	65.9%
<i>Export sales volume (incl. purchased)</i>									
Logan County A export	Mt	0.8	0.4	(0.4)	(51.3)%	0.8	0.4	(0.4)	(51.3)%
HVA export	Mt	–	0.1	0.1	nmf	–	0.1	0.1	nmf
HVB export	Mt	0.1	0.1	0.1	85.5%	0.1	0.1	0.1	85.5%
PCI coal export	Mt	–	–	–	nmf	–	–	–	nmf
Total met coal export volume	Mt	0.9	0.6	(0.3)	(32.1)%	0.9	0.6	(0.3)	(32.1)%
Thermal coal export	Mt	0.7	0.3	(0.4)	(56.4)%	0.7	0.3	(0.4)	(56.4)%
Total export volume	Mt	1.6	0.9	(0.7)	(42.4)%	1.6	0.9	(0.7)	(42.4)%
Total sales volume	Mt	2.9	3.1	0.2	6.6%	2.9	3.1	0.2	6.6%
Sales price									
Logan County A domestic	\$/t	90.4	103.2	12.8	14.2%	90.4	103.2	12.8	14.2%
HVA domestic	\$/t	93.8	109.1	15.3	16.3%	93.8	109.1	15.3	16.3%
HVB domestic	\$/t	104.1	99.2	(4.9)	(4.7)%	104.1	99.2	(4.9)	(4.7)%
Thermal coal domestic	\$/t	50.0	52.3	2.3	4.7%	50.0	52.3	2.3	4.7%
Logan County A export	\$/t	96.0	105.1	9.1	9.5%	96.0	105.1	9.1	9.5%
HVA export	\$/t	–	128.6	128.6	nmf	–	128.6	128.6	nmf
HVB export	\$/t	104.1	98.9	(5.2)	(5.0)%	104.1	98.9	(5.2)	(5.0)%
Thermal coal export	\$/t	46.4	43.4	(3.0)	(6.5)%	46.4	43.4	(3.0)	(6.5)%
<i>Index prices (Wood Mackenzie)</i>									
Logan County A	\$/t	197.9	186.8	(11.1)	(5.6)%	197.9	186.8	(11.1)	(5.6)%
HVA	\$/t	197.9	186.8	(11.1)	(5.6)%	197.9	186.8	(11.1)	(5.6)%
HVB	\$/t	157.2	157.1	(0.1)	(0.1)%	157.2	157.1	(0.1)	(0.1)%
Thermal coal	\$/t	63.0	67.5	4.5	7.1%	63.0	67.5	4.5	7.1%

Coal revenues

Pro forma and statutory coal revenues are forecast to increase by \$26.8 million, or 11.5%, in FY2018 to \$259.1 million, as compared to \$232.3 million in FY2017. The increase in the forecast pro forma and statutory coal revenues was assumed to be primarily driven by a forecast increase in the average realised sales prices.

EBITDA

Pro forma and statutory EBITDA is forecast to increase by \$15.0 million, or 43.0%, to \$49.9 million in FY2018, as compared to \$34.9 million in FY2017, primarily driven by a forecast increase in pro forma coal revenues as described above, partially offset by a forecast increase in cost of coal revenues and other royalty expenses. The forecast increase in pro forma other royalty expenses is assumed to be primarily attributable to an expected increase in the per tonne realisable value of sales in the period.

Cost of coal revenues

Table 88 sets out a summary of the pro forma and statutory forecast production metrics for FY2018 compared to pro forma and statutory historical production metrics for FY2017 for the Logan segment.

Table 88: Summary of pro forma and statutory production metrics for FY2018 compared to pro forma and statutory production metrics for FY2017 for the Logan segment

	Unit	Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
		FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
ROM tonnes	Mt	7.1	7.6	0.5	7.5%	7.1	7.6	0.5	7.5%
Cost of coal revenues	\$m	181.9	191.5	9.6	5.3%	181.9	191.5	9.6	5.3%
Total sales volume	Mt	2.9	3.1	0.2	6.6%	2.9	3.1	0.2	6.6%
Cost per tonne sold	\$/t	62.9	62.1	(0.8)	(1.3)%	62.9	62.1	(0.8)	(1.3)%

Pro forma and statutory cost of coal revenues are forecast to increase by \$9.6 million, or 5.3%, in FY2018 to \$191.5 million, as compared to \$181.9 million in FY2017, which is assumed to be primarily driven by a forecast decrease the cost per tonne sold of \$0.8 per tonne in FY2018 from \$62.9 per tonne in FY2017 to \$62.1 per tonne in FY2018.

The increase in cost per tonne is envisioned as a result of specific geological conditions of mining in FY2018, in particular in 2H2018, and restricted pit widths.

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4.9.4.4 Pro forma and statutory forecast segment information for FY2018 compared to pro forma and statutory historical segment information for FY2017 for the Greenbrier segment

Table 89 sets out a summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Greenbrier segment.

Table 89: Summary of the pro forma and statutory forecast sales and operating metrics for FY2018 compared to pro forma and statutory historical sales and operating metrics for FY2017 for the Greenbrier Segment

		Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
	Unit	FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
Revenues									
Coal revenues	\$m	59.2	79.9	20.7	35.0%	59.2	79.9	20.7	35.0%
Other revenues	\$m	0.9	1.5	0.6	66.7%	0.9	1.5	0.6	66.7%
Total revenues	\$m	60.1	81.4	21.3	35.4%	60.1	81.4	21.3	35.4%
EBITDA	\$m	3.4	5.3	1.9	55.9%	3.4	5.3	1.9	55.9%
KPIs									
Sales volume (incl. purchased)									
<i>Domestic sales volume (incl. purchased)</i>									
HCC domestic volume	Mt	0.0	0.2	0.2	420.0%	0.0	0.2	0.2	420.0%
Total met coal domestic volume	Mt	0.0	0.3	0.2	464.8%	0.0	0.3	0.2	464.8%
Thermal domestic volume	Mt	0.0	0.0	(0.0)	(0.0)%	0.0	0.0	(0.0)	(0.0)%
Total domestic volume	Mt	0.1	0.3	0.2	216.7%	0.1	0.3	0.2	216.7%
<i>Export sales volume (incl. purchased)</i>									
HCC export volume	Mt	0.4	0.5	0.0	10.3%	0.4	0.5	0.0	10.3%
PCI export volume	Mt	0.0	0.0	0.0	(0.0)%	0.0	0.0	0.0	(0.0)%
Total met coal export volume	Mt	0.4	0.5	0.1	12.7%	0.4	0.5	0.1	12.7%
Thermal export volume	Mt	0.0	0.0	(0.0)	(0.0)%	0.0	0.0	(0.0)	(0.0)%
Total export volume	Mt	0.5	0.5	0.0	3.3%	0.5	0.5	0.0	3.3%
Total sales volume	Mt	0.6	0.8	0.2	34.9%	0.6	0.8	0.2	34.9%
Sales price									
Domestic HCC	\$/t	121.4	110.1	(11.4)	(9.4)%	121.4	110.1	(11.4)	(9.4)%
Domestic Thermal	\$/t	50.7	72.0	21.3	42.0%	50.7	72.0	21.3	42.0%
Export HCC	\$/t	114.9	108.8	(6.1)	(5.3)%	114.9	108.8	(6.1)	(5.3)%
Export PCI	\$/t	93.6	83.7	(9.9)	(10.6)%	93.6	83.7	(9.9)	(10.6)%
Export Thermal	\$/t	59.0	54.0	(5.0)	(8.5)%	59.0	54.0	(5.0)	(8.5)%
<i>Benchmark prices (Wood Mackenzie)</i>									
HCC	\$/t	190.1	186.4	(3.7)	(1.9)%	190.1	186.4	(3.7)	(1.9)%
PCI	\$/t	145.5	143.3	(2.2)	(1.5)%	145.5	143.3	(2.2)	(1.5)%
Thermal coal	\$/t	63.0	67.5	4.5	7.1%	63.0	67.5	4.5	7.1%

Coal revenues

Pro forma and statutory coal revenues are forecast to increase by \$20.7 million, or 35.0%, in FY2018 to \$79.9 million, as compared to \$59.2 million in FY2017. The expected increase in pro forma coal revenues is primarily driven by a forecast increase in pro forma and statutory forecast total sales volume of 0.2 Mt from 0.6 Mt in FY2017 to 0.8 Mt in FY2018. The expected increase in total sales volume is due to domestic met coal sales with total revenues increasing despite the expected decrease in average realised sales price.

EBITDA

Pro forma and statutory EBITDA is forecast to increase by \$1.9 million, or 55.9%, to \$5.3 million in FY2018, as compared to \$3.4 million in FY2017, primarily driven by a forecast increase in coal revenues as described above, offset by an increase in pro forma and statutory cost of coal revenues of \$18.0 million, or 34.8%, in FY2018 to \$69.7 million, as compared to \$51.7 million in FY2017.

Cost of coal revenues

Table 90 sets out a summary of the pro forma and statutory forecast production metrics for FY2018 compared to pro forma and statutory historical production metrics for FY2017 for Greenbrier segment.

Table 90: Summary of pro forma and statutory production metrics for FY2018 compared to pro forma and statutory production metrics for FY2017 for the Greenbrier segment

	Unit	Pro forma Historical	Pro forma Forecast			Statutory Historical	Statutory Forecast		
		FY2017	FY2018	Change	%	FY2017	FY2018	Change	%
ROM tonnes	Mt	1.0	1.2	0.2	20.0%	1.0	1.2	0.2	20.0%
Cost of coal revenues	\$m	51.7	69.7	18.0	34.8%	51.7	69.7	18.0	34.8%
Total sales volume	Mt	0.6	0.8	0.2	34.9%	0.6	0.8	0.2	34.9%
Cost per tonne sold	\$/t	92.4	92.4	(0.1)	(0.1)%	92.4	92.4	(0.1)	(0.1)%

Pro forma and statutory cost of coal revenues are forecast to increase by \$18.0 million, or 34.8%, in FY2018 to \$69.7 million, as compared to \$51.7 million in FY2017, primarily driven by a forecast increase in the total coal sales volume of 0.2 Mt from 0.6 Mt in FY2017 to 0.8 Mt in FY2018.

4. Financial Information

4.9.5 Statutory Forecast Results for FY2019 compared to Pro Forma and Statutory Forecast Results for FY2018

Table 91 sets out a summary of the Pro Forma and Statutory Forecast Results for FY2019 compared to the Pro Forma and Statutory Results for FY2018.

Table 91: Summary of the Statutory Forecast Results for FY2019 compared to Pro Forma and Statutory Forecast Results for FY2018

\$m	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
					FY2018	FY2019		
Revenues:								
Coal revenues	2,242.5	2,309.2	66.7	3.0%	1,929.6	2,309.2	379.6	19.7%
Other revenues	36.6	34.2	(2.4)	(6.6)%	33.3	34.2	0.9	2.7%
Total Revenue	2,279.1	2,343.4	64.3	2.8%	1,962.9	2,343.4	380.5	19.4%
Costs and expenses:								
Cost of coal revenues (exclusive of items shown separately below)	1,141.2	1,094.1	(47.1)	(4.1)%	995.9	1,094.1	98.2	9.9%
Freight expenses	159.7	161.9	2.2	1.4%	122.9	161.9	39.0	31.7%
Depreciation, depletion and amortisation	168.0	171.7	3.7	2.2%	145.5	171.7	26.2	18.0%
Selling, general and administrative expenses	37.1	38.1	1.0	2.7%	70.2	38.1	(32.1)	(45.7)%
Stanwell rebate	165.7	153.4	(12.3)	(7.4)%	122.6	153.4	30.8	25.1%
Other royalties	196.9	158.6	(38.3)	(19.5)%	167.7	158.6	(9.1)	(5.4)%
Total costs and expenses	1,868.6	1,777.8	(90.8)	(4.9)%	1,624.8	1,777.8	153.0	9.4%
Operating income	410.5	565.6	155.1	37.8%	338.1	565.6	227.5	67.3%
Other income (expenses):								
Interest expense	(23.9)	(35.7)	(11.8)	(49.4)%	(111.5)	(35.7)	75.8	68.0%
Loss on debt extinguishment	–	–	–	0.0%	(3.9)	–	3.9	(100.0)%
Other, net	(0.8)	–	0.8	(100.0)%	(24.2)	–	24.2	(100.0)%
Total other income (expenses), net	(24.7)	(35.7)	(11.0)	(44.5)%	(139.6)	(35.7)	103.9	74.4%
Net income before tax	385.8	529.9	144.1	37.4%	198.5	529.9	331.4	167.0%
Income tax benefit (expense)	(110.2)	(145.5)	(35.3)	(32.0)%	(32.4)	(145.5)	(113.1)	(349.1)%
Net income	275.6	384.4	108.8	39.5%	166.1	384.4	218.3	131.4%
Less: Net loss attributable to non-controlling interest	–	–	–	0.0%	–	–	–	0.0%
Net income attributable to Coronado	275.6	384.4	108.8	39.5%	166.1	384.4	218.3	131.4%
Reconciliation to EBITDA:								
Net income	275.6	384.4	108.8	39.5%	166.1	384.4	218.3	131.4%
Add: Income tax (benefit) expense	110.2	145.5	35.3	32.0%	32.4	145.5	113.1	349.1%
Add: Loss on debt extinguishment	–	–	–	0.0%	3.9	–	(3.9)	(100.0)%
Add: Interest expense	23.9	35.7	11.8	49.4%	111.5	35.7	(75.8)	(68.0)%
EBIT	409.7	565.6	155.9	38.1%	313.9	565.6	251.7	80.2%
Add: Depreciation, depletion and amortisation	168.0	171.7	3.7	2.2%	145.5	171.7	26.2	18.0%
EBITDA	577.7	737.3	159.6	27.6%	459.4	737.3	277.9	60.5%

Coal revenues

Coal revenues are forecast to increase by \$66.7 million, or 3.0%, to \$2,309.2 million for FY2019 (statutory), as compared to \$2,242.5 million for FY2018 (pro forma). The increase is assumed to be driven by an assumed sales volume increase of 0.6 Mt, supported by higher production. Higher production and sales volumes in FY2019 compared to FY2018 are in accordance with the mine production plans.

EBITDA

EBITDA is forecast to increase by \$159.6 million, or 27.6%, to \$737.3 million for FY2019 (statutory), as compared to \$577.7 million for FY2018 (pro forma). The expected increase in EBITDA is assumed to be driven by a \$94.5 million decrease in total costs and expenses (excluding depreciation, depletion and amortisation) in addition to the revenue gains described above. The forecast decrease in total costs and expenses (excluding depreciation, depletion and amortisation) is assumed to be primarily due to:

- an expected decrease in cost of coal revenues of \$47.1 million, or 4.1%, from \$1,141.2 million in FY2018 (pro forma) to \$1,094.1 million in FY2019 (statutory), driven primarily by cost efficiency initiatives at Curragh;
- an expected decrease in the Stanwell rebate of \$12.3 million, or 7.4%, from \$165.7 million in FY2018 (pro forma) to \$153.4 million in FY2019 (statutory), due to lower average realised export sales prices at Curragh; and
- an expected decrease in other royalty expenses of \$38.3 million, or 19.5%, from \$196.9 million in FY2018 (pro forma) to \$158.6 million in FY2019 (statutory), driven by lower realised sales prices at Curragh and Buchanan (explained by benchmark prices reducing).

Statutory EBITDA is forecast to increase by \$277.9 million, or 60.5%, to \$737.3 million for FY2019, as compared to \$459.4 million for FY2018. The forecast increase in EBITDA is assumed to be primarily driven by the increase in sales volumes and Average Realised Price as noted above, and by the full-year effect of Coronado Curragh trading within the Coronado Group in FY2019 as opposed to trading for only a part of the year in FY2018 from the date of the acquisition on 29 March 2018.

Depreciation, depletion and amortisation

Depreciation, depletion and amortisation is forecast to increase by \$3.7 million, or 2.2%, from \$168.0 million in FY2018 (proforma) to \$171.7 million in FY2019 (statutory), due to additions to the property, plant and equipment resulting from capital expenditure.

Statutory depreciation, depletion and amortisation is forecast to increase by \$26.2 million, or 18.0%, from \$145.5 million in FY2018 to \$171.7 million in FY2019, due to the acquisition of Coronado Curragh on 29 March 2018.

EBIT

EBIT is forecast to increase by \$155.9 million, or 38.1%, from \$409.7 million in FY2018 (pro forma) to \$565.6 million in FY2019 (statutory), reflecting a forecast increase in EBITDA of \$159.6 million.

Statutory EBIT is forecast to increase by \$251.7 million, or 80.2%, from \$313.9 million in FY2018 to \$565.6 million in FY2019, reflecting an expected increase in statutory EBITDA of \$277.9 million, partially offset by an expected increase in depreciation, depletion and amortisation of \$26.2 million. This reflects the inclusion of the results of the acquired entities within the statutory financial information.

Net other expenses

Net other expense is forecast to increase by \$11.0 million, or 44.5%, from \$24.7 million in FY2018 (pro forma) to \$35.7 million in FY2019 (statutory), primarily due to increased interest expenses of \$11.8 million, offset by a reduction in other expenses of \$0.8 million.

Statutory net other expense is forecast to decrease by \$103.9 million, or 74.4%, from \$139.6 million in FY2018 to \$35.7 million in FY2019 primarily due to a \$75.8 million reduction in interest expense following debt extinguishment, and a reduction in other expenses of \$24.2 million.

Income tax expense

Income tax expense is forecast to increase by \$35.3 million, or 32.0%, from \$110.2 million in FY2018 (pro forma) to \$145.5 million in FY2019 (statutory), due to increased profitability.

Statutory income tax expense is forecast to increase by \$113.1 million, or 349.1%, from \$32.4 million in FY2018 to \$145.5 million in FY2019, due to increased earnings and the full-year impact of acquisition of Coronado Curragh in FY2018

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Net income

Net income is forecast to increase by \$108.8 million, or 39.5%, from \$275.6 million in FY2018 (pro forma) to \$384.4 million in FY2019 (statutory), reflecting a \$155.9 million increase in EBIT, offset by a \$11.8 million increase in interest costs and \$35.3 million increase in tax expense.

Statutory net income is forecast to increase by \$218.3 million, or 131.4%, from \$166.1 million in FY2018 to \$384.4 million in FY2019, reflecting the acquisition of Curragh in FY2018.

4.9.6 Pro forma and statutory forecast segment information for FY2019 compared to FY2018

Table 92 sets out a summary of the pro forma and statutory historical revenue, EBITDA, production and Average Realised Price for FY2019 compared to FY2018.

Table 92: Summary of the pro forma and statutory historical revenue, EBITDA, production and Average Realised Price for FY2019 compared to FY2018

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Revenue by segment									
Curragh	\$m	1,422.0	1,422.7	0.7	0.0%	1,105.9	1,422.7	316.8	28.6%
Buchanan	\$m	513.9	503.6	(10.3)	(2.0)%	513.9	503.6	(10.3)	(2.0)%
Logan	\$m	259.1	316.0	56.9	22.0%	259.1	316.0	56.9	22.0%
Greenbrier	\$m	81.4	97.6	16.2	19.9%	81.4	97.6	16.2	19.9%
Corporate & other	\$m	2.7	3.5	0.8	29.6%	2.6	3.5	0.9	34.6%
Total revenue	\$m	2,279.1	2,343.4	64.3	2.8%	1,962.9	2,343.4	380.5	19.4%
EBITDA									
Curragh	\$m	363.3	419.8	56.5	15.6%	295.0	419.8	124.8	42.3%
Buchanan	\$m	209.0	236.0	27.0	12.9%	209.0	236.0	27.0	12.9%
Logan	\$m	49.9	104.0	54.1	108.4%	49.9	104.0	54.1	108.4%
Greenbrier	\$m	5.3	17.4	12.1	228.3%	5.3	17.4	12.1	228.3%
Corporate & other	\$m	(49.8)	(39.9)	9.9	19.9%	(99.8)	(39.9)	59.9	60.0%
Total EBITDA	\$m	577.7	737.3	159.6	27.6%	459.4	737.3	277.9	60.5%
Sales volume by segment									
Curragh	Mt	12.2	12.8	0.6	4.9%	9.4	12.8	3.4	36.2%
Buchanan	Mt	4.8	4.8	–	0.0%	4.8	4.8	–	0.0%
Logan	Mt	3.1	3.1	–	0.0%	3.1	3.1	–	0.0%
Greenbrier	Mt	0.8	0.8	–	0.0%	0.8	0.8	–	0.0%
Total sales volume	Mt	20.9	21.5	0.6	2.9%	18.1	21.5	3.4	18.8%
Average Realised Price by segment									
Curragh	\$/t	116.6	111.1	(5.4)	(4.6)%	117.6	111.1	(6.5)	(5.5)%
Buchanan	\$/t	107.1	104.9	(2.1)	(2.0)%	107.1	104.9	(2.1)	(2.0)%
Logan	\$/t	83.6	101.9	18.4	22.0%	83.6	101.9	18.4	22.0%
Greenbrier	\$/t	101.8	122.0	20.3	19.9%	101.8	122.0	20.3	19.9%
Total Average Realised Price	\$/t	109.0	109.0	(0.1)	0.0%	108.4	109.0	0.5	0.5%

4.9.6.1 Statutory forecast segment information for FY2019 compared to pro forma and statutory forecast segment information for FY2018 for the Curragh segment

Table 93 sets out a summary of the pro forma and statutory forecast sales and operating metrics for FY2018 and the statutory forecast sales and operating metrics for FY2019 for the Curragh segment.

Table 93: Summary of statutory forecast sales and operating metrics for FY2019 compared to pro forma and statutory forecast sales and operating metrics for FY2018 for the Curragh segment

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Coal revenues, export (incl. FX)	\$m	1,313.6	1,318.8	5.2	0.4%	1,019.9	1,318.8	298.9	29.3%
Coal revenues, domestic	\$m	76.9	73.2	(3.7)	(4.8)%	57.7	73.2	15.5	26.9%
Other revenues	\$m	31.5	30.7	(0.8)	(2.5)%	28.3	30.7	2.4	8.5%
Total revenues	\$m	1,422.0	1,422.7	0.7	0.0%	1,105.9	1,422.7	316.8	28.6%
EBITDA	\$m	363.3	419.8	56.5	15.6%	295.0	419.8	124.8	42.3%
KPIs									
Sales volume (incl. purchased)									
<i>Export sales volume (excl. purchased)</i>									
HCC	Mt	4.1	4.5	0.4	9.1%	3.3	4.5	1.3	38.4%
Semi	Mt	1.1	1.8	0.7	65.6%	0.8	1.8	0.9	112.2%
PCI coal	Mt	3.3	2.9	(0.4)	(13.2)%	2.5	2.9	0.4	14.8%
Total met coal export volume	Mt	8.5	9.2	0.6	7.6%	6.6	9.2	2.6	38.8%
Thermal coal export	Mt	0.5	0.6	0.1	20.8%	0.4	0.6	0.1	35.2%
Total export volume	Mt	9.0	9.7	0.7	8.2%	7.0	9.7	2.7	38.6%
Thermal coal domestic	Mt	3.2	3.1	(0.1)	(2.1)%	2.4	3.1	0.7	29.5%
Total sales volume	Mt	12.2	12.8	0.7	5.5%	9.4	12.8	3.4	36.3%
Sales price									
Export met coal price (weighted average)	\$/t	148.5	138.6	(9.9)	(6.7)%	147.1	138.6	(8.6)	(5.8)%
Export thermal coal price	\$/t	93.9	85.7	(8.2)	(8.7)%	92.6	85.7	(6.9)	(7.5)%
<i>Index prices (Wood Mackenzie)</i>									
Export met coal index price (weighted average)	\$/t	174.8	160.5	(14.3)	(8.2)%	175.9	160.5	(15.5)	(8.8)%
Export thermal coal benchmark price	\$/t	95.1	88.9	(6.2)	(6.5)%	95.1	88.9	(6.2)	(6.5)%

Notes:

1. Statutory reporting incorporates the operating results of Coronado Curragh since its acquisition on 29 March 2018.
2. Export sales revenue (including FX) represents coal revenues, including purchased coal exports and amounts recognised attributable to FX movements.
3. The export met index price (weighted average) has been calculated on weighted average sales volumes using various Wood Mackenzie benchmarks for the sales products in the table above.

4. Financial Information

Coal revenues

Pro forma coal revenues (export and domestic) are forecast to increase by \$1.5 million for FY2019 to \$1,392.0 million, as compared to \$1,390.5 million for FY2018. The forecast increase in revenue from customers is assumed to be primarily attributable to the forecast increase in sales volume, supported by the increase in production volume and contracted sales volume, and offset by a reduction in the average realised sales price (driven by reduction in benchmark coal prices):

- an expected increase in Semi export volume of 0.7 Mt, or 65.6%; and
- an expected increase in HCC export sales volume of 0.4 Mt, or 9.1%.

The expected forecast increase in production volume reflects the mine production plan in FY2019 that incorporates expansion to take advantage of economies of scale in operations.

The expected increase in forecast export sales volume is partially offset by a forecast reduction in the average sales price across the product portfolio, primarily due to the expected decrease in the Wood Mackenzie benchmark export coal prices in FY2019 as compared to FY2018, as seen in Table 93.

Additionally, as the Curragh segment has historically reported in Australian dollars, an additional expected movement in coal revenues is attributable to FX recognised on the recognition and receipt of export coal revenues as well as inter-account cash transfers between US dollar and Australian dollar accounts. The assumed net pro forma impact of FX was positive \$4.9 million in FY2018 and \$nil in FY2019.

Statutory coal revenues are forecast to increase by \$314.4 million, or 29.2%, in FY2019 to \$1,392.0 million, as compared to \$1,077.6 million forecast for FY2018. This increase in statutory revenue from customers is assumed to be primarily driven by the full-year impact of Coronado Curragh's operating results on FY2019 results (in FY2018, Coronado Curragh's results are only included from the acquisition on 29 March 2018).

Other revenue

Pro forma other revenue, representing non-cash amortisation of the Stanwell below market CSA is forecast to reduce by \$0.8 million, or 2.5%, from \$31.5 million in FY2018 to \$30.7 million in FY2019 assumed to be primarily as a result of the impact of forecast US\$/A\$ exchange rate changes.

Statutory other revenue, also representing non-cash amortisation of the Stanwell below market CSA, is forecast to increase by \$2.4 million, or 8.5%, from \$28.3 million in FY2018 to \$30.7 million in FY2019, due to the full-year impact on FY2019 of the acquisition of Coronado Curragh in FY2018.

EBITDA

Pro forma EBITDA is forecast to increase by \$56.5 million, or 15.6%, for FY2019 to \$419.8 million, as compared to pro forma EBITDA of \$363.3 million for FY2018, assumed to be primarily driven by an increase in coal revenues and a planned reduction in the cost per tonne sold due to higher production and associated economies of scale, procurement initiatives and yield improvements in the CHPPs (as shown in Table 90).

Statutory EBITDA is forecast to increase by \$124.8 million, or 42.3%, for FY2019 to \$419.8 million as compared to statutory EBITDA of \$295.0 million for FY2018. The forecast increase is assumed to be primarily driven by the full-year impact of the Coronado Curragh operating results in FY2019, as well as the same improvements as discussed for pro forma EBITDA.

Cost of coal revenues

Table 94 sets out a summary of the pro forma and statutory forecast production metrics for FY2018 and the statutory forecast production metrics for FY2019 for the Curragh segment.

Table 94: Summary of statutory forecast production metrics for FY2019 compared to pro forma and statutory forecast production metrics for FY2018

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Overburden removed	Mbcm	164.4	165.9	1.6	0.9%	123.7	165.9	42.2	34.1%
Strip ratio		10.4	10.4	0.0	0.5%	10.0	10.4	0.4	3.9%
ROM tonnes	Mt	15.8	15.9	0.1	0.5%	12.3	15.9	3.6	29.1%
Cost of coal revenues	\$m	619.3	572.8	(46.5)	(7.5)%	474.0	572.8	98.8	20.8%
Total sales volume	Mt	12.2	12.8	0.7	5.5%	9.4	12.8	3.4	36.3%
Cost per tonne sold	\$/t	51.0	44.7	(6.3)	(12.4)%	50.4	44.7	(5.7)	(11.3)%

Pro forma cost of coal revenues is forecast to reduce by \$46.5 million, or 7.5%, for FY2019 to \$572.8 million, as compared to \$619.3 million for the pro forma FY2018 period. The forecast reduction in cost of coal revenues is driven by the economies of scale expected from an estimated 5.5% increase in total sales volume, as well as procurement initiatives being implemented resulting in third-party cost reductions; efficiencies in CHPPs following FY2018 capital investment made, and lower planned cost of blasting in FY2019 compared to FY2018.

Statutory cost of coal revenues is forecast to increase by \$98.8 million, or 20.8%, for FY2019 to \$572.8 million, as compared to \$474.0 million for FY2018. The forecast increase is assumed to be primarily driven by the full-year impact of the Coronado Curragh costs in FY2019 following the acquisition in FY2018.

4.9.6.2 Statutory forecast segment information for FY2019 compared to pro forma and statutory forecast segment information for FY2018 for the Buchanan segment

Table 95 sets out a summary of the pro forma forecast and statutory sales and operating metrics for FY2018 and the statutory forecast sales and operating metrics for FY2019 for the Buchanan segment.

4. Financial Information

Table 95: Summary of statutory forecast sales and operating metrics for FY2019 compared to pro forma and statutory forecast sales and operating metrics for FY2018 for the Buchanan segment

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Revenues:	\$m								
Coal revenues	\$m	513.1	503.6	(9.5)	(1.9)%	513.1	503.6	(9.5)	(1.9)%
Other revenues	\$m	0.8	–	(0.8)	(100.0)%	0.8	–	(0.8)	(100.0)%
Total revenues	\$m	513.9	503.6	(10.3)	(2.0)%	513.9	503.6	(10.3)	(2.0)%
EBITDA	\$m	209.0	236.0	27.0	12.9%	209.0	236.0	27.0	12.9%
KPIs									
Sales volume (incl. purchased)									
<i>Domestic sales volume (incl. purchased)</i>									
HCC domestic	Mt	0.7	–	(0.7)	(100.0)%	0.7	–	(0.7)	(100.0)%
PCI coal domestic	Mt	0.2	–	(0.2)	(100.0)%	0.2	–	(0.2)	(100.0)%
Total met coal domestic volume	Mt	0.9	–	(0.9)	(100.0)%	0.9	–	(0.9)	(100.0)%
Thermal coal domestic	Mt	0.2	0.3	0.0	4.2%	0.2	0.3	0.0	4.2%
Total domestic volume	Mt	1.1	0.3	(0.9)	(77.8)%	1.1	0.3	(0.9)	(77.8)%
<i>Export sales volume (incl. purchased)</i>									
HCC export	Mt	2.5	3.0	0.5	19.0%	2.5	3.0	0.5	19.0%
PCI coal export	Mt	1.2	1.6	0.4	36.9%	1.2	1.6	0.4	36.9%
Total met coal export volume	Mt	3.7	4.6	0.9	24.7%	3.7	4.6	0.9	24.7%
Thermal coal export	Mt	–	–	–	nmf	–	–	–	nmf
Total export volume	Mt	3.7	4.6	0.9	24.7%	3.7	4.6	0.9	24.7%
Total sales volume	Mt	4.8	4.8	0.0	0.3%	4.8	4.8	0.0	0.3%
Sales price									
HCC domestic	\$/t	88.7	–	(88.7)	(100.0)%	88.7	–	(88.7)	(100.0)%
PCI coal domestic	\$/t	69.2	–	(69.2)	(100.0)%	69.2	–	(69.2)	(100.0)%
Thermal coal domestic	\$/t	78.1	59.5	(18.6)	(23.8)%	78.1	59.5	(18.6)	(23.8)%
HCC export	\$/t	115.9	110.1	(5.8)	(5.0)%	115.9	110.1	(5.8)	(5.0)%
PCI coal export	\$/t	108.3	99.2	(9.1)	(8.4)%	108.3	99.2	(9.1)	(8.4)%
<i>Index prices (Wood Mackenzie)</i>									
HCC	\$/t	186.4	170.6	(15.8)	(8.5)%	186.4	170.6	(15.8)	(8.5)%
PCI coal	\$/t	143.3	127.6	(15.7)	(11.0)%	143.3	127.6	(15.7)	(11.0)%
Thermal coal	\$/t	67.5	62.2	(5.3)	(7.8)%	67.5	62.2	(5.3)	(7.8)%

Coal revenues

Pro forma and statutory coal revenues are forecast to decrease by \$9.5 million, or 1.9%, in FY2019 to \$503.6 million, as compared to \$513.1 million in FY2018. The impact of higher export sales volume is fully offset by the forecast reduction in the average realised sales price, driven by the forecast reduction in benchmark prices in FY2019 as compared to FY2018. Due to the expiry of low price legacy contracts, which are forecast to be replaced, a change in product mix is forecast in FY2019 compared to FY2018 in favour of export met volumes.

Legacy domestic contracts for Buchanan were assumed on acquisition and have prices significantly below current market prices. Coronado is forecasting FY2019 uncommitted sales volumes to be sold in the export market at spot prices; however, it maintains the option to sell domestically if this market provides a better opportunity.

EBITDA

Pro forma and statutory EBITDA is forecast to increase by \$27.0 million, or 12.9%, to \$236.0 million in FY2019, as compared to \$209.0 million in FY2018, assumed to be primarily driven by a forecast decrease in pro forma other royalty expense. The forecast decrease in royalty expense is assumed to be primarily attributed to a mark-to-market adjustment to Buchanan's contingent price consideration (royalty) obligation to CONSOL Energy (the seller) recorded in June 2018. Additionally, a decrease in pro forma and statutory forecast cost of coal revenues is forecast, which is associated with a forecast decrease in the cost per tonne sold of \$0.5 per tonne for FY2019 to \$53.4 per tonne, as compared to \$53.9 per tonne for FY2018.

Cost of coal revenues

Table 96 sets out a summary of the pro forma and statutory forecast production metrics for FY2018 and the statutory forecast production metrics for FY2019 for the Buchanan segment.

Table 96: Summary of statutory forecast production metrics for FY2019 compared to pro forma and statutory forecast production metrics for FY2018 for the Buchanan segment

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
ROM tonnes	Mt	7.0	6.7	(0.3)	(4.3)%	7.0	6.7	(0.3)	(4.3)%
Cost of coal revenues	\$m	260.7	259.1	(1.6)	(0.6)%	260.7	259.1	(1.6)	(0.6)%
Total sales volume	Mt	4.8	4.8	0.0	0.3%	4.8	4.8	0.0	0.3%
Cost per tonne sold	\$/t	53.9	53.4	(0.5)	(1.0)%	53.9	53.4	(0.5)	(1.0)%

Pro forma and statutory cost of coal revenues are forecast to decrease by \$1.6 million, or 0.6%, in FY2019 to \$259.1 million, as compared to \$260.7 million in FY2018, assumed to be primarily driven by a forecast decrease in the cost per tonne sold of \$0.5 per tonne for FY2019 to \$53.4 per tonne, as compared to \$53.9 per tonne in FY2018.

4. Financial Information

4.9.6.3 Statutory forecast segment information for FY2019 compared to pro forma and statutory forecast segment information for FY2018 for the Logan segment

Table 97 sets out a summary of the pro forma forecast sales metrics for FY2018 and the statutory forecast sales metrics for FY2018 and FY2019 for the Logan segment.

Table 97: Summary of statutory forecast sales and operating metrics for FY2019 compared to pro forma and statutory forecast sales and operating metrics for FY2018 for the Logan segment

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Revenues:									
Coal revenues	\$m	259.1	316.0	56.9	22.0%	259.1	316.0	56.9	22.0%
Other revenues	\$m	–	–	–	nmf	–	–	–	nmf
Total revenues	\$m	259.1	316.0	56.9	22.0%	259.1	316.0	56.9	22.0%
EBITDA	\$m	49.9	104.0	54.1	108.4%	49.9	104.0	54.1	108.4%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
Logan County A domestic	Mt	0.8	–	(0.8)	(100.0)%	0.8	–	(0.8)	(100.0)%
HVA domestic	Mt	0.2	–	(0.2)	(100.0)%	0.2	–	(0.2)	(100.0)%
HVB domestic	Mt	0.3	–	(0.3)	(100.0)%	0.3	–	(0.3)	(100.0)%
Total met coal domestic volume	Mt	1.3	–	(1.3)	(100.0)%	1.3	–	(1.3)	(100.0)%
Thermal coal domestic	Mt	0.9	1.1	0.3	31.1%	0.9	1.1	0.3	31.1%
Total domestic volume	Mt	2.2	1.1	(1.0)	(48.0)%	2.2	1.1	(1.0)	(48.0)%
Export sales volume (incl. purchased)									
Logan County A export	Mt	0.4	1.7	1.3	319.5%	0.4	1.7	1.3	319.5%
HVA export	Mt	0.1	–	(0.1)	(100.0)%	0.1	–	(0.1)	(100.0)%
HVB export	Mt	0.1	0.3	0.1	104.3%	0.1	0.3	0.1	104.3%
Total met coal export volume	Mt	0.6	2.0	1.4	222.4%	0.6	2.0	1.4	222.4%
Thermal coal export	Mt	0.3	–	(0.3)	(100.0)%	0.3	–	(0.3)	(100.0)%
Total export volume	Mt	0.9	2.0	1.1	119.2%	0.9	2.0	1.1	119.2%
Total sales volume	Mt	3.1	3.1	0.1	1.9%	3.1	3.1	0.1	1.9%

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						Statutory FY2018	Statutory FY2019		
Sales price									
Logan County A domestic	\$/t	103.2	–	(103.2)	(100.0)%	103.2	–	(103.2)	(100.0)%
HVA domestic	\$/t	109.1	–	(109.1)	(100.0)%	109.1	–	(109.1)	(100.0)%
HVB domestic	\$/t	99.2	–	(99.2)	(100.0)%	99.2	–	(99.2)	(100.0)%
Thermal coal domestic	\$/t	52.3	55.7	3.4	6.4%	52.3	55.7	3.4	6.4%
Logan County A export	\$/t	105.1	130.1	25.0	23.8%	105.1	130.1	25.0	23.8%
HVA export	\$/t	128.6	–	(128.6)	(100.0)%	128.6	–	(128.6)	(100.0)%
HVB export	\$/t	98.9	102.4	3.5	3.6%	98.9	102.4	3.5	3.6%
Thermal coal export	\$/t	43.4	–	(43.4)	(100.0)%	43.4	–	(43.4)	(100.0)%
Benchmark prices (Wood Mackenzie)									
HVA	\$/t	186.8	173.8	(13.0)	(7.0)%	186.8	173.8	(13.0)	(7.0)%
HVB	\$/t	157.1	148.2	(8.9)	(5.7)%	157.1	148.2	(8.9)	(5.7)%
Thermal coal	\$/t	67.5	62.2	(5.3)	(7.8)%	67.5	62.2	(5.3)	(7.8)%

Coal revenues

Pro forma and statutory coal revenues are forecast to increase by \$56.9 million, or 22.0%, in FY2019 to \$316.0 million, as compared to \$259.1 million in FY2018. The increase in pro forma and statutory coal revenues is assumed to be primarily driven by a forecast increase in the pro forma and statutory average sales price, combined with a forecast increase in pro forma and statutory total met export sales volume of 1.4 Mt, or 222.4%, from 0.6 Mt in FY2018 to 2.0 Mt in FY2019. The increase in total revenues and per tonne revenue in FY2019 is assumed to be primarily due to expiring annual contract volume in FY2018 (priced in 2H2017), being sold on spot basis at higher market prices. In addition, the surface operation is forecast to produce an additional 0.2 Mt tonnes of HVB met coal in FY2019 versus FY2018.

The total increase in forecast pro forma and statutory coal revenues is assumed to be primarily driven by the following:

- an expected increase in Logan County A forecast pro forma and statutory export sales volume of 1.3 Mt, or 319.5%, in FY2019, accompanied by a forecast increase in pro forma and statutory export sales price of \$25.0 per tonne, or 23.8%, in FY2019 compared to FY2018.

The significant increase in Logan County A export volume forecast for FY2019 is due to a management strategy to increase the value of the high quality HVB product by blending with the HVA product to produce the Logan County A blend. This strategy is expected to achieve a higher realisable price per tonne when blended together versus selling HVA and HVB products separately. Management has successfully sold the Logan County A product in prior years.

4. Financial Information

EBITDA

Pro forma and statutory EBITDA is forecast to increase by \$54.1 million, or 108.4%, to \$104.0 million in FY2019, as compared to \$49.9 million in FY2018, assumed to be primarily driven by a forecast increase in pro forma coal revenues as described above, and a reduction in cost of coal revenues of \$2.7 million, or 1.4%, in FY2019 to \$188.8 million, as compared to \$191.5 million in FY2018, and offset by a forecast increase in other royalty expenses due to higher average realised sales price.

Cost of coal revenues

Table 98 sets out a summary of the pro forma forecast production metrics for FY2018 and the statutory forecast production metrics for FY2018 and FY2019 for the Logan segment.

Table 98: Summary of statutory forecast production metrics for FY2019 compared to pro forma and statutory forecast production metrics for FY2018 for the Logan segment

	Units	Pro forma Historical FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						FY2018	FY2019		
ROM tonnes	Mt	7.6	8.1	0.5	6.6%	7.6	8.1	0.5	6.6%
Cost of coal revenues	\$m	191.5	188.8	(2.7)	(1.4)%	191.5	188.8	(2.7)	(1.4)%
Total sales volume	Mt	3.1	3.1	0.1	1.7)%	3.1	3.1	0.1	1.7)%
Cost per tonne sold	\$/t	62.3	60.2	(2.1)	(3.3)%	62.3	60.2	(2.1)	(3.3)%

Pro forma and statutory cost of coal revenues is forecast to reduce by \$2.7 million, or 1.4%, in FY2019 to \$188.8 million, as compared to \$191.5 million in FY2018, assumed to be primarily driven by a forecast reduction in cost per tonne sold of \$1.9 per tonne, or 3.1%, from \$62.1 per tonne in FY2018 to \$60.2 per tonne in FY2019. This expected decrease in cost per tonne sold is primarily due to a change in production mix.

4.9.6.4 Statutory forecast segment information for FY2019 compared to pro forma and statutory forecast segment information for FY2018 for the Greenbrier segment

Table 99 sets out a summary of the pro forma forecast sales metrics for FY2018 and the statutory forecast sales metrics for FY2018 and FY2019 for the Greenbrier segment.

Table 99: Summary of statutory forecast sales and operating metrics for FY2019 compared to pro forma and statutory forecast sales and operating metrics for FY2018 for the Greenbrier segment

	Units	Pro forma Historical FY2018	Pro forma Forecast FY2019	Change	%	Statutory Forecast		Change	%
						FY2018	FY2019		
Revenues:									
Coal revenues	\$m	79.9	97.6	17.7	22.2%	79.9	97.6	17.7	22.2%
Other revenues	\$m	1.5	–	(1.5)	(100.0)%	1.5	–	(1.5)	(100.0)%
Total revenues	\$m	81.4	97.6	16.2	19.9%	81.4	97.6	16.2	19.9%
EBITDA	\$m	5.3	17.4	12.1	228.3%	5.3	17.4	12.1	228.3%
KPIs									
Sales volume (incl. purchased)									
Domestic sales volume (incl. purchased)									
HCC domestic	Mt	0.2	0.0	(0.2)	(97.7)%	0.2	0.0	(0.2)	(97.7)%
Total met coal domestic volume	Mt	0.3	0.0	(0.3)	(97.9)%	0.3	0.0	(0.3)	(97.9)%
Thermal coal domestic	Mt	0.0	–	(0.0)	(100.0)%	0.0	–	(0.0)	(100.0)%
Total domestic volume	Mt	0.3	0.0	(0.3)	(97.9)%	0.3	0.0	(0.3)	(97.9)%
Export sales volume (incl. purchased)									
HCC export	Mt	0.5	0.7	0.3	60.8%	0.5	0.7	0.3	60.8%
PCI coal export	Mt	0.0	0.1	0.1	281.1%	0.0	0.1	0.1	281.1%
Total met coal export volume	Mt	0.5	0.8	0.3	70.5%	0.5	0.8	0.3	70.5%
Thermal coal export	Mt	0.0	–	(0.0)	(100.0)%	0.0	–	(0.0)	(100.0)%
Total export volume	Mt	0.5	0.8	0.3	66.7%	0.5	0.8	0.3	66.7%
Total sales volume	Mt	0.8	0.8	0.1	9.5%	0.8	0.8	0.1	9.5%
Sales price									
HCC domestic	\$/t	110.1	205.6	95.5	86.8%	110.1	205.6	95.5	86.8%
Thermal coal domestic	\$/t	72.0	–	(72.0)	(100.0)%	72.0	–	(72.0)	(100.0)%
HCC export	\$/t	108.8	121.0	12.2	11.2%	108.8	121.0	12.2	11.2%
PCI coal export	\$/t	83.7	86.8	3.1	3.8%	83.7	86.8	3.1	3.8%
Thermal coal export	\$/t	54.0	–	(54.0)	(100.0)%	54.0	–	(54.0)	(100.0)%
Benchmark prices (Wood Mackenzie)									
HCC	\$/t	186.4	170.6	(15.8)	(8.5)%	186.4	170.6	(15.8)	(8.5)%
PCI coal	\$/t	143.3	127.6	(15.7)	(11.0)%	143.3	127.6	(15.7)	(11.0)%
Thermal coal	\$/t	67.5	62.2	(5.3)	(7.8)%	67.5	62.2	(5.3)	(7.8)%

4. Financial Information

Coal revenues

Pro forma and statutory coal revenues are forecast to increase by \$17.7 million, or 22.2%, in FY2019 to \$97.6 million, as compared to \$79.9 million in FY2018. The expected increase in pro forma and statutory coal revenues was assumed to be primarily driven by a forecast increase in the aggregate pro forma average sales price, accompanied with a forecast increase in pro forma and statutory total sales volume of 0.1 Mt, or 9.5%.

EBITDA

Pro forma and statutory EBITDA is forecast to increase by \$12.1 million, or 228.3%, to \$17.4 million in FY2019, as compared to \$5.3 million in FY2018, assumed to be primarily driven by a forecast increase in pro forma coal revenues as described above, partially offset by a forecast increase in pro forma cost of coal revenues of \$3.7 million, or 5.3%, in FY2019 to \$73.4 million, as compared to \$69.7 million in FY2018 and a forecast increase in pro forma other royalty expenses, driven by higher sales volumes and the average realised price. The expected increase in forecast pro forma cost of coal revenues is assumed to primarily result from a forecast increase in total sales volume of 0.1 Mt, offset by a reduction in cost per tonne sold of \$3.5 per tonne from \$92.4 in FY2018 to \$88.9 in FY2019.

Cost of coal revenues

Table 100 sets out a summary of the pro forma forecast production metrics for FY2018 and the statutory forecast production metrics for FY2018 and FY2019 for the Greenbrier segment.

Table 100: Summary of statutory forecast production metrics for FY2019 compared to pro forma and statutory forecast production metrics for FY2018 for the Greenbrier segment

	Units	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
						FY2018	FY2019		
ROM tonnes	Mt	1.2	1.3	0.1	8.3%	1.2	1.3	0.1	8.3%
Cost of coal revenues	\$m	69.7	73.4	3.7	5.3%	69.7	73.4	3.7	5.3%
Total sales volume	Mt	0.8	0.8	0.1	9.5%	0.8	0.8	0.1	9.5%
Cost per tonne sold	\$/t	92.4	88.9	(3.5)	(3.8)%	92.4	88.9	(3.5)	(3.8)%

Pro forma and statutory cost of coal revenues are forecast to increase by \$3.7 million, or 5.3% in FY2019 to \$73.4 million, as compared to \$69.7 million in FY2018, assumed to be primarily driven by a forecast increase in sales volume of 0.1 Mt, or 9.5%, and offset by a reduction in cost per tonne sold of \$3.5 per tonne, or 3.8%, from \$92.4 per tonne in FY2018 to \$88.9 per tonne in FY2019.

4.9.7 Pro Forma and Statutory Forecast Cash Flow Information for FY2018 compared to FY2017

Table 101 sets out a summary of the Pro Forma and Statutory Cash Flow Information for FY2018 compared to FY2017.

Table 101: Summary of Pro Forma and Statutory Forecast Cash Flow Information for FY2018 compared to FY2017

\$m	Pro forma Historical FY2017	Pro forma Forecast FY2018	Change	%	Statutory Historical FY2017	Statutory Forecast FY2018	Change	%
Net income	286.3	275.6	(10.7)	(3.7)%	142.4	166.1	23.7	16.6%
Depreciation, depletion and amortisation	165.5	168.0	2.5	1.5%	75.5	145.5	70.0	92.7%
Amortisation of Stanwell below market CSA	(31.5)	(30.8)	0.7	2.2%	–	(27.6)	(27.6)	nmf
Other non-cash items	3.1	28.0	24.9	803.2%	(5.2)	75.5	80.7	1551.9%
Reclamation of asset retirement obligations	(1.4)	(4.7)	(3.3)	(235.7)%	(1.2)	(4.3)	(3.1)	(258.3)%
Non-cash income tax	52.7	67.2	14.5	27.5%	–	6.3	6.3	nmf
Changes in operating assets and liabilities	67.6	(20.6)	(88.2)	(130.5)%	44.2	(8.5)	(52.7)	(119.2)%
Net cash provided by operating activities	542.3	482.7	(59.6)	(11.0)%	255.7	353.0	97.3	38.1%
Capital expenditure	(109.3)	(139.6)	(30.3)	(27.7)%	(63.9)	(127.0)	(63.1)	(98.7)%
Net redemption (purchase) of deposits and reclamation bonds	3.7	(0.3)	(4.0)	(108.1)%	3.7	(0.3)	(4.0)	(108.1)%
Proceeds from disposal of property, plant and equipment	2.2	(0.9)	(3.1)	(140.9)%	0.9	–	(0.9)	(100.0)%
Acquisitions	–	–	–	nmf	–	(537.2)	(537.2)	nmf
Net cash used in investing activities	(103.4)	(140.8)	(37.4)	(36.2)%	(59.3)	(664.5)	(605.2)	(1,020.6)%
Proceeds from borrowings	5.9	28.3	22.4	379.7%	175.6	748.3	572.7	326.1%
Debt issuance costs and other financing costs	–	–	–	nmf	(5.8)	(56.0)	(50.2)	(865.5)%
Repayment of borrowings	(10.2)	(45.8)	(35.6)	(349.0)%	(44.9)	(896.2)	(851.3)	(1,896.0)%
Members' contributions / (distributions), including non-controlling interest	(383.1)	113.4	496.5	129.6%	(383.1)	113.4	496.5	129.6%
Proceeds from Offer, net	–	–	–	–	–	503.4	503.4	nmf
Net cash provided by (used in) financing activities	(387.4)	95.9	483.3	124.8%	(258.2)	412.9	671.1	259.9%
Net cash flow movement	51.5	437.8	386.3	750.1%	(61.8)	101.4	163.2	264.1%
Reconciliation of Free cash flow:								
Net cash provided by operating activities	542.3	482.7	(59.6)	(11.0)%	255.7	353.0	97.3	38.1%
Capital expenditure	(109.3)	(139.6)	(30.3)	(27.7)%	(63.9)	(127.0)	(63.1)	(98.7)%
Operating Free Cash Flow	433.0	343.1	(89.9)	(20.8)%	191.8	226.0	34.2	17.8%
Repayment of borrowings	(10.2)	(45.8)	(35.6)	(349.0)%	(44.9)	(896.2)	(851.3)	(1,896.0)%
Free Cash Flow	422.8	297.3	(125.5)	(29.7)%	146.9	(670.2)	(817.1)	(556.2)%

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4.9.7.1 Net cash flow from operating activities

Pro forma operating cash flows is forecast to reduce by \$59.6 million, or 11.0%, in FY2018 to \$482.7 million, driven by the following movements:

- net income is forecast to reduce by \$10.7 million, or 3.7%, as discussed in Section 4.9.3;
- depreciation, depletion and amortisation are forecast to increase \$2.5 million, or 1.5%, which is due to an update in the life of mine plan resulting in an adjustment (increase) to the depreciation charge in 2H2018;
- amortisation of the Stanwell below market CSA is forecast to reduce by \$0.7 million from \$31.5 million in FY2017 to \$30.8 million in FY2018, driven by movements in foreign exchange rates;
- other non-cash items are forecast to increase by \$24.9 million;
- non cash income tax is expected to increase by \$14.5 million, or 27.5%; and
- changes in operating assets and liabilities are expected to move from \$67.6 million cash inflow in FY2017 to \$20.6 million cash outflow in FY2018, or \$88.2 million.

Statutory operating cash flows is forecast to increase by \$97.3 million, or 38.1%, in FY2018 to \$353.0 million, driven by the following movements:

- underlying statutory net income is forecast to increase by \$23.7 million, or 16.6%, as discussed in Section 4.9.3;
- depreciation, depletion and amortisation are forecast to increase by \$70.0 million, or 92.7%, which is due to the acquisition of Coronado Curragh and associated property, plant and equipment;
- amortisation of the Stanwell below market CSA is forecast at \$27.6 million in FY2018 following the acquisition of Coronado Curragh and the associated contract;
- non-cash income tax is expected to be \$6.3 million; and
- cash movement from changes in operating assets and liabilities is expected to be \$8.5 million negative in FY2018, as compared to \$44.2 million cash inflow in FY2018, with the \$52.7 million change, or 119.2%, being driven by the movements attributable to the Australian Operations following the acquisition of Coronado Curragh.

4.9.7.2 Net cash flow from investing activities

Pro forma investing cash outflow is forecast to increase by \$37.4 million, or 36.2%, representing a cash outflow of \$140.8 million in FY2018, driven by the following items:

- capital expenditure is forecast to increase by \$30.3 million, or 27.7%, to \$139.6 million in FY2018, which is comprised of SIB capital expenditure. This includes capital expenditure forecast in relation to infrastructure investment and property, plant and equipment in the Curragh segment.

Statutory investing cash outflow is forecast to increase by \$605.2 million, representing a cash outflow of \$664.5 million in FY2018, driven by the following items:

- capital expenditure is forecast to increase \$63.1 million, or 98.7%, to \$127.0 million in FY2018, which is due to both Coronado Curragh's capital expenditure being recognised subsequent to acquisition on 29 March 2018, and the additional capital expenditure, as discussed above; and
- acquisition costs of \$537.2 million in relation to the Coronado Curragh Acquisition, which is excluded from the pro forma results (which assumes continuous ownership throughout the historical period).

4.9.7.3 Net cash flow from financing activities

Pro forma financing cash flows are forecast to increase by \$483.3 million, or 124.8%, in FY2018, representing a cash inflow of \$95.9 million for the period as compared to a financing cash outflow of \$387.4 million in FY2017. The change primarily relates to distributions paid to members of the Seller of \$383.1 million in FY2017, compared to contributions paid in by members of the Seller of \$113.4 million in FY2018.

Statutory financing cash flow is forecast to increase by \$671.2 million, or 259.9%, in FY2018, representing a cash inflow of \$412.9 million for the period, as compared to statutory financing cash outflow of \$258.2 million in FY2017, primarily driven by net contributions of members of the Seller of \$113.4 million in FY2018 as compared to distributions paid to members of the Seller of \$383.1 million in FY2017, as well as net proceeds from the Offer of \$503.4 million.

4.9.8 Statutory Forecast Cash Flow Information for FY2019 compared to Pro Forma and Statutory Cash Flow Information for FY2018

Table 102 sets out a summary of the Statutory Cash Flow Information for FY2019 compared to Pro Forma and Statutory Cash Flow Information to for FY2018.

Table 102: Summary of Forecast Statutory Cash Flow Information for FY2019 compared to Pro Forma and Statutory Cash Flow Information to for FY2018

\$m	Pro forma Forecast FY2018	Statutory Forecast FY2019	Change	%	Statutory Forecast		Change	%
					FY2018	FY2019		
Net income	275.6	384.4	108.8	39.5%	166.1	384.4	218.3	131.4%
Depreciation, depletion and amortisation	168.0	171.7	3.7	2.2%	145.5	171.7	26.2	18.0%
Amortisation of Stanwell below market CSA	(30.8)	(29.8)	1.0	3.2%	(27.6)	(29.8)	(2.2)	(8.0)%
Other non-cash items	28.0	24.5	(3.5)	(12.5)%	75.5	24.5	(51.0)	(67.5)%
Reclamation of asset retirement obligations	(4.7)	(6.6)	(1.9)	(40.4)%	(4.3)	(6.6)	(2.3)	(53.5)%
Non-cash income tax	67.2	3.0	(64.2)	(95.5)%	6.3	3.0	(3.3)	(52.4)%
Changes in operating assets and liabilities	(20.6)	(29.3)	(8.7)	(42.2)%	(8.5)	(29.3)	(20.8)	(244.7)%
Net cash provided by operating activities	482.7	517.9	35.2	7.3%	353.0	517.9	164.9	46.7%
Capital expenditure	(139.6)	(160.1)	(20.5)	(14.7)%	(127.0)	(160.1)	(33.1)	(26.1)%
Net redemption (purchase) of deposits and reclamation bonds	(0.3)	–	0.3	100.0%	(0.3)	–	0.3	100.0%
Proceeds from disposal of property, plant and equipment	(0.9)	–	0.9	100.0%	–	–	–	nmf
Acquisitions	–	–	–	nmf	(537.2)	–	537.2	100.0%
Net cash used in investing activities	(140.8)	(160.1)	(19.3)	(13.7)%	(664.5)	(160.1)	504.4	75.9%
Proceeds from borrowings	28.3	–	(28.3)	(100.0)%	748.3	–	(748.3)	(100.0)%
Debt issuance costs and other financing costs	–	–	–	nmf	(56.0)	–	56.0	100.0%
Repayment of borrowings	(45.8)	(11.0)	34.8	76.0%	(896.2)	(11.0)	885.2	98.8%
Members' contributions/ (distributions), including non-controlling interest	113.4	–	(113.4)	(100.0)%	113.4	–	(113.4)	(100.0)%
Proceeds from the Offer, net	–	–	–	–	503.4	–	(503.4)	(100.0)%
Dividends paid	–	(255.0)	(255.0)	(100.0)%	–	(255.0)	(255.0)	(100.0)%
Net cash provided by (used in) financing activities	95.9	(266.0)	(361.9)	(377.4)%	412.9	(266.0)	(678.9)	(164.4)%
Net cash flow movement	437.8	91.8	(346.0)	(79.0)%	101.4	91.8	(9.6)	(9.5)%
Reconciliation of Free cash flow:								
Net cash provided by operating activities	482.7	517.9	35.2	7.3%	353.0	517.9	164.9	46.7%
Capital expenditure	(139.6)	(160.1)	(20.5)	(14.7)%	(127.0)	(160.1)	(33.1)	(26.1)%
Operating free cash flow	343.1	357.8	14.7	4.3%	226.0	357.8	131.8	58.3%
Repayment of borrowings	(45.8)	(11.0)	34.8	76.0%	(896.2)	(11.0)	885.2	98.8%
Free cash flow	297.3	346.8	49.5	16.6%	(670.2)	346.8	1,017.0	151.7%

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4.9.8.1 Net cash flow from operating activities

Pro forma operating cash inflow is forecast to increase by \$35.2 million, or 7.3%, in FY2019 from \$482.7 million, driven by the following movements:

- net income is forecast to increase by \$108.8 million, or 39.5%, as discussed in Section 4.9.5;
- depreciation, depletion and amortisation are forecast to increase \$3.7 million, or 2.2%, as discussed in Section 4.9.5;
- non cash income tax is forecast to reduce by \$64.2 million, or 95.5%; and
- operating assets and liabilities are expected to change by \$8.7 million, or 42.2%, from net operating cash outflow of \$20.6 million in FY2018 to net cash outflow of \$29.3 million in FY2019, primarily due to changes in inventories as a result of increased sales volumes, which also increases amounts payable for rail, freight and state royalties at the Australian Operations, and royalty payments on the accrued contingent CONSOL Energy royalty at the US Operations.

Statutory operating cash inflow is forecast to increase by \$164.9 million, or 46.7%, in FY2019 to \$517.9 million, driven by the following movements:

- statutory net income is forecast to increase by \$218.3 million, or 131.4%, as discussed in Section 4.9.5;
- depreciation, depletion and amortisation are forecast to increase by \$26.2 million, or 18.0%, which is primarily due to the full-year impact of the acquisition of Coronado Curragh on FY2019 as compared to FY2018 as Coronado Curragh was acquired on 29 March 2018;
- other non-cash items are forecast to reduce by \$51.0 million, or 67.5%;
- cash income tax payable in Australia is forecast to increase from \$12.8 million to \$76.1 million;
- statutory cash outflow from changes in operating assets and liabilities is expected to increase by \$20.8 million, or 244.7%, from operating cash outflow of \$8.5 million in FY2018 to operating cash outflow of \$29.3 million in FY2019.

Statutory reporting incorporates the operating results of Coronado Curragh since its acquisition on 29 March 2018 and hence the statutory FY2018 incorporates only nine months of operating results for Coronado Curragh.

4.9.8.2 Net cash flow from investing activities

Pro forma investing cash outflow is forecast to increase by \$19.3 million, or 13.7%, representing a cash outflow of \$160.1 million, driven by the following items:

- capital expenditure is forecast to increase by \$20.5 million, or 14.7%, to \$160.1 million in FY2019, compared to \$139.6 million in FY2018, which is comprised primarily of SIB capital expenditure. This includes capital expenditure forecast to perform box cuts to access new reserves in the Curragh North mining area.

Statutory investing cash outflow is forecast to reduce by \$504.4 million, or 75.9%, representing a cash outflow of \$160.1 million in FY2019 as compared to statutory investing cash outflow of \$664.5 million in FY2018, driven by the following items:

- statutory capital expenditure is forecast to increase by \$33.1 million, or 26.1%, to \$160.1 million in FY2019, driven by the capital investment described above; and
- acquisition costs of \$537.2 million were incurred in FY2018 in relation to the Coronado Curragh Acquisition, which is excluded from the pro forma results (which assumes continuous ownership throughout the historical period).

4.9.8.3 Net cash flow from financing activities

Pro forma financing cash flow is forecast to decline by \$361.9 million, or 377.4%, in FY2019, representing a cash outflow of \$266.0 million in FY2019 as compared to pro forma financing cash inflow of \$95.9 million in FY2018, primarily relating to net contributions paid by members of the Seller of \$113.4 million in FY2018 (compared to \$nil expected in FY2019), and forecast dividend payments of \$255.0 million in FY2019.

Statutory financing cash outflow is forecast to increase by \$678.9 million, or 164.4%, in FY2019, representing a cash outflow of \$266.0 million in FY2019 as compared to statutory financing cash inflow of \$412.9 million in FY2018, primarily driven by the forecast dividend payments of \$255.0 million in FY2019 and net proceeds from the Offer of \$503.4 million in FY2018.

4.10 SENSITIVITY ANALYSIS

As set out in Sections 4.9.1 and 4.9.2, the Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Coronado. The Forecast Financial Information is also dependent on assumptions with respect to future business developments which may be subject to change. Key general and specific assumptions adopted for the purposes of the Forecast Financial Information are set out in Sections 4.9.1 and 4.9.2.

Set out below is a summary of the key sensitivities of the pro forma forecast net income and EBITDA for FY2018 and statutory forecast net income and EBITDA for FY2019 to changes in a number of key assumptions. The changes in key assumptions set out in the sensitivity analysis are intended as a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purpose of this analysis, each sensitivity is presented in terms of the impact of each sensitivity on FY2018 pro forma forecast net income and forecast EBITDA and FY2019 statutory forecast net income and forecast EBITDA and as set out below.

Table 103 Sensitivity analysis on FY2018 pro forma forecast net income and EBITDA.

Table 103: Sensitivity analysis on FY2018 pro forma forecast net income and EBITDA

\$m	Increase/ Decrease	FY2018 Pro forma Net Income impact	FY2018 Pro forma EBITDA impact
Change in USD benchmark coal price	+/- 10%	26.1 / (27.7)	35.8 / (38.2)
USD/AUD exchange rate	+/- 5%	(7.1) / 6.7	(8.8) / 8.6
Production volume	+/- 5%	10 / (10.4)	13.6 / (14.2)
Variable direct cost of coal revenues	+/- 5%	(5.0) / 5.0	(7.0) / 7.0

Table 104 Sensitivity analysis on FY2019 statutory forecast net income and EBITDA.

Table 104: Sensitivity analysis on FY2019 statutory forecast net income and EBITDA

\$m	Increase/ Decrease	FY2019 Statutory Net Income impact	FY2019 Statutory EBITDA impact
Change in USD benchmark coal price	+/- 10%	128.3 / (142.9)	171.1 / (191.5)
USD/AUD exchange rate	+/- 5%	(20.1) / 20.1	(24.3) / 24.3
Production volume	+/- 5%	39.0 / (40.2)	53.2 / (55)
Variable direct cost of coal revenues	+/- 5%	(24.5) / 24.5	(34.3) / 34.2

4.10.1 Important note regarding sensitivities

Care should be taken in interpreting each sensitivity. The estimated impact of changes in each of these assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the pro forma forecast net income and EBITDA in FY2018 and statutory forecast net income and EBITDA in FY2019. In reality, the effects of movements may be offset or compounded by movements in other variables. Furthermore, in the normal course of business, management would be expected to respond to any adverse changes in these key variable to minimise the net effect on the forecasts. Also, note that the effect of movements in some variables may be non-linear, such that the effect of a movement of 10% in a variable may not be simply 10 times the effect of a movement of 1% in the variable.

In each case the FY2018 pro forma forecast net income and EBITDA sensitivity is calculated based on the application of the sensitivity over the remaining three months of FY2018 from October 2018 to December 2018.

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4.10.2 Change in USD benchmark coal price

Coronado is exporting a higher proportion of its coal in FY2018 and FY2019 and revenue from these export sales are particularly sensitive to movements in the USD benchmark coal price for both met and thermal coal, particularly as the majority of coal sales are exposed to movements in coal prices either through movements in the applicable benchmark price upon which volume contracts are based, or to the spot market as coal sales are agreed with customers.

The met and thermal coal benchmark prices have varied significantly, as indicated in the annual average Wood Mackenzie benchmark index prices over the historical period from FY2016 and forecast by Wood Mackenzie in FY2018 and FY2019. This variation in the historical period as compared to the FY2019 forecast is illustrated in the following table:

Table 105 Comparison of historical and forecast benchmark prices

Table 105: Comparison of historical and forecast benchmark prices

Pro forma	Historical				Forecast		Historical period low (FY2016) vs. FY2019 forecast	Historical period high (1H2017) vs. FY2019 forecast
US\$ per tonne	FY2016	FY2017	1H2017	1H2018	FY2018	FY2019		
Curragh								
(weighted avg.)	100.4	182.1	200.2	179.5	174.8	160.5	(37)%	25%
Buchanan – HCC	108.7	190.1	190.1	184.9	186.4	170.6	(36)%	11%
Buchanan – PCI	88.6	145.5	145.5	141.4	143.3	127.6	(31)%	14%
Logan – HVA	108.0	197.9	197.9	185.7	186.8	173.8	(38)%	14%
Logan – HVB	93.8	157.2	157.2	157.1	157.1	148.2	(37)%	6%
Greenbrier – HCC	108.7	190.1	190.1	184.9	186.4	170.6	(36)%	11%
Greenbrier – PCI	88.6	145.5	145.5	141.4	143.3	127.6	(31)%	14%
Export thermal								
Curragh	65.9	88.6	88.6	97.1	95.1	88.9	(26)%	9%
Buchanan	51.0	63.0	63.0	64.0	67.5	62.2	(18)%	1%
Logan	51.0	63.0	63.0	64.0	67.5	62.2	(18)%	1%
Greenbrier	51.0	63.0	63.0	64.0	67.5	62.2	(18)%	1%

Note: for export thermal coal the historical high point used for comparison of the FY2019 benchmark price is 1H FY2018; for export met coal, the high point achieved in the historical period presented in the table above is 1H2017, as indicated in the table.

The reference to historical period low vs. FY2019 forecast and historical period high vs. FY2019 forecast in the above sensitivity table is intended to compare FY2019 forecast average prices to the lowest and the highest average benchmark prices in the historical period between FY2016 and 1H2018 to illustrate the variance between the forecast FY2019 average price and the highest and the lowest average prices in the historical period, suggesting a degree of variability evidenced in the historical period.

Management's sensitivity is applied to uncontracted export and domestic coal sales, prices for which are linked to benchmark coal prices, across all segments.

4.10.3 USD/AUD exchange rate

The majority of Coronado's Australian cost base in Coronado Curragh (>90%) is in AUD, while approximately 10% of Coronado Curragh's purchases are made with reference to USD, which provides a natural hedge against foreign exchange movements on these purchases (including fuel, the Terminal Handling Charges, demurrage, purchased coal and some insurance premiums). Appreciation of the AUD against USD will increase Coronado Curragh's USD reported cost base and reduce USD reported net income and EBITDA significantly.

4.10.4 Production volumes

As a producer and seller of met coal and thermal coal products, the size of Coronado's revenues is significantly impacted by sales volume, in particular by export sales volume. These sales are, in turn, dependent on the volume of saleable tonnes produced. Reduced production and sales volumes will reduce the USD reported net income and EBITDA significantly.

Management's sensitivity is applied to production tonnes, feet of advance (for the US underground mines), overburden, and clean tonnes produced, as applicable to each mine complex.

4.10.5 Variable direct cost of coal revenues

Cost of coal revenues of Coronado principally relate to the costs incurred in extracting and manufacturing domestic and export coal products. Accordingly, an increase in variable direct production costs will reduce USD reported net income and EBITDA. Management's sensitivity is applied to variable direct production costs incurred at mines and processing plants. Royalties, freight, other tonnage and similar costs are based on sales volumes and prices and are not varied in this sensitivity. In addition, fixed costs are not sensitised (such as fixed labour costs, fixed contract services, property taxes, insurance etc.).

4.11 FINANCIAL RISK MANAGEMENT

Coronado's activities expose it 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. Coronado's overall risk management objective is to minimise potential adverse effects on the financial performance of Coronado from those risks which are not coal price related.

Coronado manages financial risk through Board-approved policies and procedures. These specify the responsibility of the Board and management with regard to the management of financial risk. Financial risks are managed centrally by Coronado's 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. The finance team regularly monitors Coronado's exposure to these financial risks and reports to management and the Board on a regular basis. Policies are reviewed at least annually and amended where appropriate.

Coronado 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. Coronado uses different methods to measure the extent to which it is 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.

4.11.1 Commodity price risk

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

Coronado may be exposed to price risk in relation to other commodities from time to time arising from raw materials used in its 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.

4.11.2 Interest rate risk

Interest rate risk is the risk that a change in interest rates on Coronado's borrowing facilities will have an adverse impact on financial performance, investment decisions and shareholder returns. Coronado's objectives in managing its exposure to interest rates include minimising 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 its financial performance.

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4.11.3 Foreign exchange risk

A significant portion of Coronado's sales are denominated in USD. Foreign exchange risk is the risk that Coronado's earnings or cash flows are adversely impacted by movements in exchange rates of currencies that are not in USD.

Coronado's main exposure is to the AUD/USD exchange rate through its Australian Operations, which have predominantly AUD costs. Under normal market conditions, Coronado would not deem hedging this currency exposure as necessary. However, there may be specific commercial circumstances, such as the hedging of capital expenditure, acquisitions, disposals and other financial transactions, where Coronado may deem foreign exchange hedging as appropriate and where a USD contract cannot be negotiated directly with suppliers and other third parties.

Foreign exchange risk also arises from the movement in the fair value of its assets and liabilities that are denominated in a currency other than the USD. This may include AUD borrowings and cash assets. Coronado does not hedge translation risk.

4.11.4 Liquidity risk

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

Access to capital is also an important feature of liquidity risk management. Coronado manages this risk through proactive management of its funding profile by ensuring that it has access to diverse sources of funds and that it does not have material refinancing risk in any single reporting period.

4.11.5 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.

Coronado is exposed to credit risk when it has 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, Coronado has minimum credit rating requirements with financial institutions it transacts with.

Coronado is also exposed to counterparty credit risk arising from its 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. Coronado monitors the financial performance of counterparties on a routine basis to ensure credit thresholds are achieved. Where required, Coronado 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 Company management.

4.12 CAPITAL MANAGEMENT AND DIVIDEND POLICY

The payment of dividends by Coronado is at the discretion of the 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 Directors may consider relevant.

Coronado's objective in setting its dividend policy is to deliver shareholder returns while maintaining flexibility to pursue the strategic initiatives of the Company within a prudent capital structure. The Company's dividend policy is to distribute between 60% and 100% of free cash flow. However, the Company intends to pay out 100% of free cash flow relating to the period from Settlement to 31 December 2019. Free cash flow 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 Free Cash Flow, at the discretion of the Board of Directors and in light of business and market conditions, Coronado may consider the potential for additional shareholder returns through special dividends and share buy-backs as part of its broader capital management strategy.

The Directors anticipate that the first dividend to Shareholders will be determined in respect of the period from Settlement to 31 December 2018. Coronado expects that it will distribute dividends with the maximum practicable franking credits for the purposes of the Australian dividend imputation system where possible. The extent to which a dividend can be franked will depend on Coronado's franking account balance (which Coronado estimates will be \$4 million at 31 December 2018).

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

The Directors may establish a dividend reinvestment plan in the future under which Shareholders may elect that the dividends payable by the Company be reinvested, in whole or in part, by acquisition of CDIs at a price to be determined by the Board from time to time. The Directors would seek Shareholder approval of the dividends at a general meeting of Shareholders or otherwise subject to regulatory equivalent.

Dividends paid by Coronado may be subject to Australian and/or United States withholding tax. Investors should consult with their tax advisers regarding the particular tax consequences of acquiring, owning and disposing of CDIs in Coronado.

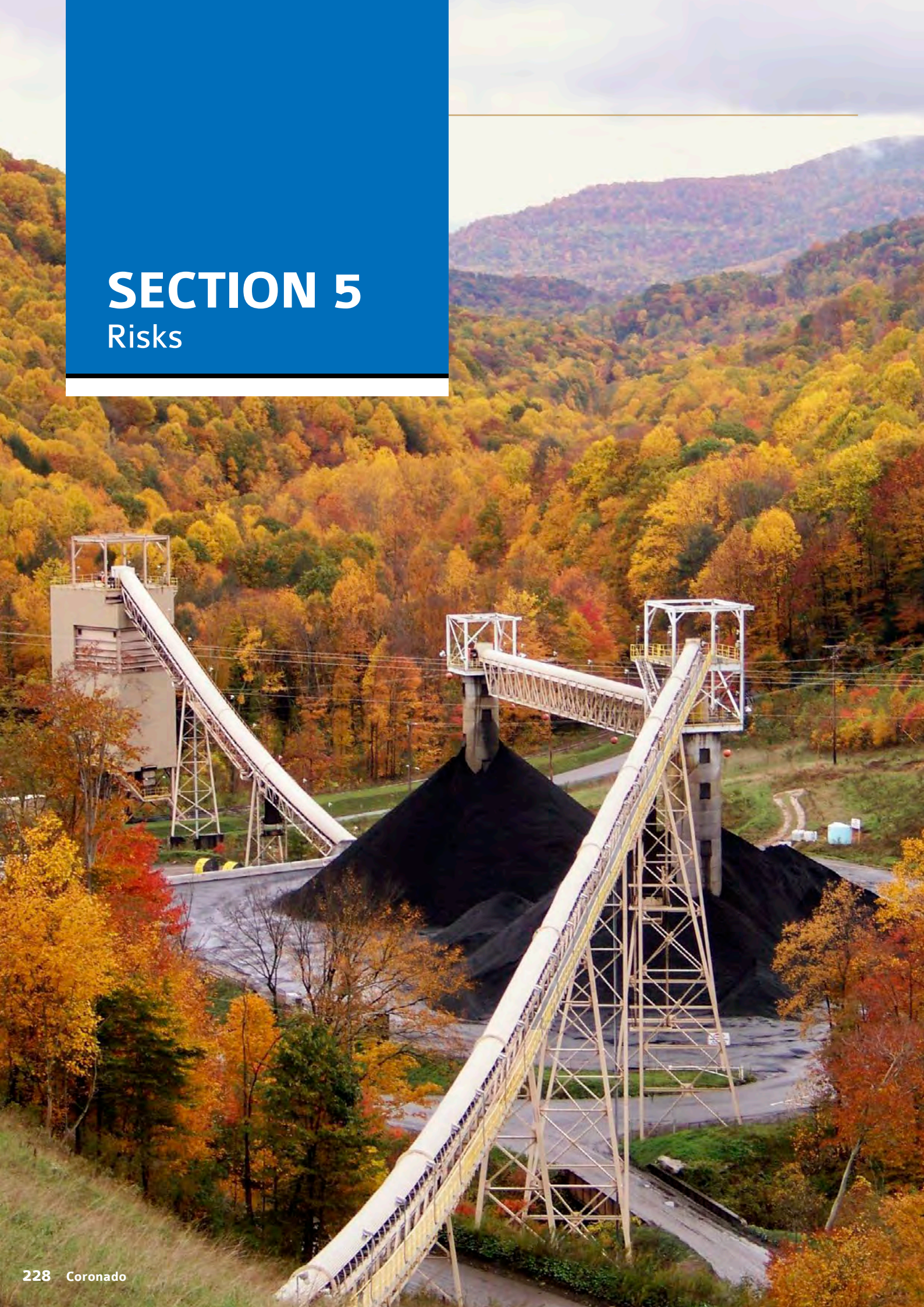
4.13 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates, judgements 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 period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include asset retirement obligations; useful lives for depreciation, depletion and amortisation; purchase price allocation associated with business combinations; and other contingencies. See Appendix A for a discussion of these items subject to such estimates and assumptions.

Coronado adopted ASC 606 in 2018, as discussed at Appendix A. The adoption of ASC 606 required critical accounting estimates. The nature of the contracts gives rise to several types of variable consideration, including variation in quantity of coal delivered, discounts and penalties related to delivery of coal that is out-of-specification. The estimated variable consideration is the most likely amount to which it is expected to be entitled. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and the determination of whether to include estimated amounts in the transaction price are based largely on an assessment of Coronado's anticipated performance and all information (historical, current and forecasted) that is reasonably available.

SECTION 5

Risks



This Section identifies some of the potential risks associated with Coronado's business, the industry in which it operates and an investment in CDIs. It does not purport to be an exhaustive list of every risk faced by Coronado, now or in the future. Many of these risks, or the consequences of them, are outside the control of Coronado, the Directors and Coronado management. If one or more of these risks eventuates, then the future operating performance of Coronado and the value of your investment in CDIs may be adversely affected.

The selection of risks has been based on an assessment of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors and Coronado management as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or other risks or matters that may adversely impact Coronado will not emerge.

There are specific risks which relate directly to Coronado's business. In addition, there are other general risks, many of which are largely beyond the control of Coronado, the Directors and Coronado management. The risks identified in this Section, or other risk factors, may have a material impact on Coronado's business, operating and financial performance and the future investment performance of the CDIs. The risks may also cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in forward-looking statements.

Prospective investors should ensure that they have sufficient awareness of the risks described in this Section 5 and all the other information set out in this Prospectus, and have regard to their investment objectives, financial circumstances and taxation position before deciding whether to invest in CDIs. An investment in Coronado is not risk free and the Directors strongly recommend that investors carefully consider the risk factors identified below, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before deciding whether to apply for CDIs.

5.1 RISKS SPECIFIC TO AN INVESTMENT IN CORONADO

5.1.1 Coal prices and demand

Coronado generates revenue from the sale of coal. In developing its business plan and operating budget, Coronado makes certain assumptions regarding future coal prices and demand for coal. The prices which Coronado receives for its coal depend on numerous market factors beyond its control and, accordingly, some underlying coal price assumptions relied on by Coronado may materially change and actual coal prices and demand may differ materially from those expected. Coronado's 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 its products.

The prices for coal are determined predominantly by world markets, which are affected by numerous factors, including the outcome of future sales contract negotiations, general global, regional and local economic activity, industrial production levels, weather incidents (such as Cyclone Debbie in Queensland, which resulted in a substantial increase in the price of HCC in 2017), changes in energy demand and demand for steel, changes in the supply of seaborne coal, technological changes, changes in global production levels and events interfering with supply, changes in international freight rates or other transportation infrastructure and costs, the costs of other commodities and substitutes for coal, market changes in coal quality requirements, government regulations which restrict the use of coal, and tax impositions on the resources industry, all of which are outside the control of Coronado and its Directors and may have a material adverse impact on coal prices and demand.

In addition, coal prices are highly dependent on the outlook for coal consumption in large Asian economies, such as China, Japan and India, as well as any changes in government policy regarding coal or energy policy in those countries.

In particular, China is an important driver of global demand and pricing for commodities worldwide. The Chinese Government has from time to time implemented regulations and promulgated new laws or restrictions (e.g. coal supply reforms and a 276 working-day policy in 2016), sometimes with little advance notice, which may impact worldwide coal demand, supply and prices. Slower levels of GDP growth in China could also have a negative impact on the demand for coal (including, in particular, met coal), which could have a negative impact on Coronado's business and revenues. Domestic policies in China also have an impact on global demand and pricing. For example, China's decision in 2018 to impose additional restrictions on the imports of coal at some ports partially caused a decrease in seaborne coal trade. China's rapid economic growth, its investment in major infrastructure projects and its shift from being a net exporter of coal to a net importer has been a major contributor to the growth in coal demand over the past decade. The pace of economic growth in China has slowed, and while there is optimism regarding expected demand for met coal from markets such as India in the long term, such potential demand may not be sufficient to replicate the scale of China's demand over the past decade.

5. Risks

Absent offsetting factors, significant and sustained adverse movements in the demand for coal and, consequently, coal prices may have a material adverse impact on Coronado's business, operating and financial performance. Any weakening in coal prices or any deterioration prompted by further reduction in demand or the addition of new tonnes to the seaborne market would have a material adverse impact on Coronado's business, operating and financial performance.

5.1.1.1 Met coal

The majority of the met coal that Coronado produces is sold to steel producers. The steel industry's demand for met coal is affected by a number of factors including the cyclical nature of that industry's business, general economic conditions and demand for steel, technological developments in the steelmaking process and the availability and cost of substitutes for steel such as aluminum, composites and plastics. A significant reduction in the demand for steel products would reduce the demand for met coal, which could have a material adverse effect on Coronado's business, operating and financial performance. There is a risk that new steelmaking technologies or practices could increase the demand for alternative coals or carbon sources. As a result, Coronado may see a reduction in the demand for its met coal. For example, the overall consumption of met coal has declined over time as electric arc furnace steel production (i.e. electronic arc furnace steel production that primarily utilises steel scrap as the primary raw material) has increased its market share.

Similarly, if substitutes for met coal with less expensive ingredients could be developed and integrated into the steel mill process, the demand for met coal would materially decrease, which would also materially adversely affect demand for met coal.

On 8 March 2018, the President of the US, Donald Trump, signed proclamations imposing a 25% tariff on imports of steel mill products and a 10% tariff on imports of wrought and unwrought aluminum into the United States. It is too early to predict the impact these tariffs will have on met coal prices and demand. Coronado's export customers include foreign steel producers who may be affected by the tariffs to the extent their production is imported into the United States. In addition, retaliatory threats by foreign nations to these tariffs, or to more recently announced or proposed tariff and trade measures across other sectors, may limit international trade and adversely impact global economic conditions. As a result, Coronado may see a reduction in the demand for its met coal, which would have a material adverse impact on Coronado's business, operating and financial performance.

5.1.1.2 Thermal coal

Power generation from thermal coal remains a cost-effective form of energy. However, the increasing focus on renewable energy generation and environmental regulations, and the consequential decline in electricity generation from fossil fuels is expected to result in the share of coal power electricity generation reducing over the short to medium term. This reduction in electricity generation may consequently result in lessened demand for thermal coal. Local factors also affect thermal coal prices. For example, China's tightening (and subsequent relaxation) of domestic production restrictions impacted on export thermal coal spot prices, with the introduction of the 276 working-day policy in 2016 resulting in prices for thermal coal increasing significantly in mid-2016.

Thermal coal as a fuel source competes with natural gas, among other fuel sources, and the price of natural gas can therefore affect the demand for thermal coal. The natural gas market has been volatile historically and prices in this market are subject to wide fluctuations in response to relatively minor changes in supply and demand. Changes in supply and demand for natural gas could be prompted by any number of factors, such as worldwide and regional economic and political conditions, the level of global exploration, production and inventories, natural gas prices and transportation availability and costs. If natural gas prices decline significantly, the price decline could lead to reduced thermal coal sales, which could have a material adverse effect on Coronado's business, operating and financial performance. The abundant supply of natural gas in the US has caused a reduction in the demand for thermal coal in the US.

The thermal power generation industry is also affected by the development of alternative energy sources (such as hydro and solar), climate change and global environmental factors. While the majority of global energy consumption is from conventional energy sources such as coal, alternative energy industries are rapidly developing and are gradually gaining widespread acceptance. If alternative energy sources increase their share of global energy production relative to conventional sources such as coal, it could lead to reduced coal sales and have an adverse effect on Coronado's results of operations and cash flows. See Section 5.1.14 for a further discussion of the risks to Coronado associated with climate change.

5.1.2 Operations

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

- a failure to achieve the predicted grades in exploration and mining;
- variations in mining and geological conditions from those predicted, such as variations in coal seam thickness and quality, ground or slope failures, variations in the amount of rock and soil overlaying a coal deposit, variations in rock and other natural materials and variations in geological conditions;
- 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 (including rain) or natural disasters (such as Cyclone Debbie in Queensland in 2017), including seismic activities, ground failures, rock bursts or 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 the Australian Operations in the past);
- security breaches or terrorist acts;
- cyber-attacks that disrupt Coronado's operations or result in the dissemination of proprietary or confidential information about Coronado to its customers or other third parties;
- industrial disputes and labour shortages;
- mine safety accidents, including fires and explosions from methane and other sources;
- competition and conflicts with other natural resource extraction activities and production within overlapping operating areas, such as natural gas extraction or oil and gas development (including the requirement for Coronado to coordinate its mining operations with gas extraction undertaken by CONSOL Energy Inc. (**CONSOL Energy**) at Buchanan as referred to in Section 11.5.5.2); and
- unexpected shortages, or increases in the costs, of consumables, spare parts, plant and equipment.

These risks, conditions and operating difficulties could cause a loss of revenue due to lower production than expected, higher operating and maintenance costs, damage to cargo and assets and ongoing unplanned capital expenditure to meet coal production targets. For example, in 2017 and 2018, the US Department of Labor's Mine Safety and Health Administration (**MSHA**) investigations at Buchanan observed certain geological conditions, including some floor heaving and rib sloughage issues. Although the investigation did not result in any fines, penalties or sanctions and Coronado has responded to the investigation and implemented remedial measures, Coronado may incur additional costs in ongoing monitoring of the specific area which is expected to be mined out by 2019. Any re-emergence of the conditions could also result in short-term cost impacts or delays in the development and recovery of resources and reserves in the subject area.

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

Any such operational conditions or events could also result in disruption to key infrastructure (including infrastructure located at or serving Coronado's 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 the business and results of operations of Coronado.

5. Risks

5.1.2.1 Equipment

Coronado depends on several major pieces of mining equipment to produce and transport coal, including, but not limited to, longwall mining systems, continuous mining units, draglines, CPPs and blending facilities and conveyors. Obtaining and repairing these major pieces of equipment often involves long lead times. If any of these pieces of equipment or facilities suffers major damage or is destroyed by fire, abnormal wear and tear, flooding, incorrect operation or otherwise, Coronado may be unable to replace or repair them in a timely manner or at a reasonable cost, which would impact its ability to produce and transport coal and could materially and adversely affect Coronado's business, operating and financial performance. 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 mining machines. Such changes can impose costs on Coronado and can cause delays if manufacturers and suppliers are unable to make the required changes in compliance with mandated deadlines.

Coronado's 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 Coronado and CONSOL Energy are parties to a gas purchase agreement (**CONSOL Gas Purchase Agreement**), this agreement can be terminated by CONSOL Energy on 30 days' notice and any delay or inability of Coronado to negotiate a replacement agreement would impact on Coronado's costs of production as Coronado would need to change its processing method at Buchanan. See Section 11.5.5.3 for further details on the CONSOL Gas Purchase Agreement.

5.1.2.2 Mine closure

Coronado 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, health and safety or other issues. Such closure or discontinuance of operations could result in significant closure and rehabilitation expenses, employee redundancy costs, contractor demobilisation costs and other costs or loss of revenues. If and when incurred, these closure and rehabilitation costs could exceed Coronado's current estimates. If one or more of Coronado's mines is closed earlier than anticipated, Coronado would be required to fund the reclamation and closure costs on an expedited basis and potentially lose revenues and (for some of its operations) pay for take-or-pay arrangements that it no longer uses, which would have an adverse impact on its operating and financial performance. Many of these costs would also be incurred if a mine was unexpectedly placed on care and maintenance before the end of its planned mine life.

5.1.2.3 Mining in CAPP

Mining in CAPP can be more complex than mining in other areas of the United States and Australia, which increases the costs of Coronado's mining operations and cost structures relative to operations in areas with different geological characteristics. The geological characteristics of CAPP coal reserves, 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 incurred earlier in the mine's production life. These factors could materially and adversely affect Coronado's current and future mining operations, cost structures and financial performance.

5.1.2.4 Mining in the Bowen Basin

Severe local storms or tropical cyclones may cause localised flooding at the Australian Operations or within the transport corridor between Curragh and the Port of Gladstone and associated lightning strikes may cause electric outage or fires. Such weather conditions have the potential to delay production, impact Coronado's ability to supply coal to customers and increase costs, which in turn could adversely impact Coronado's business and results of operations. For example, export sales volumes from the Australian Operations were adversely impacted by Cyclone Debbie, which resulted in a rail outage and disrupted port activity.

5.1.3 Stanwell

As noted in Section 3.3.1.2, Coronado and Stanwell entered into the Supply Deed that permits Coronado to mine the coal reserves contained within the SRA that were previously reserved for the benefit of Stanwell. Under the Supply Deed:

- if the parties do not agree full form documentation by 30 June 2019, the terms of the full form documentation will be determined by an expert, based on the terms of the Binding Terms Sheet and the CSA. While the Binding Terms Sheet is relatively comprehensive, there is a risk that Coronado and Stanwell will not be able to agree the terms of the full form documentation and the terms of the full form documentation may be determined by the expert in a form and manner that is less advantageous to Coronado. In addition, the negotiation of the documentation and any resultant dispute may be time consuming for Coronado's management. If any dispute regarding the form of the documentation is ultimately referred to an expert, Coronado will be exposed to its share of costs associated with the referral and potential further delays and will be bound to comply with the terms of the full form documentation as determined by that expert;
- Coronado may not extract any coal from the SRA until second-ranking security is granted to Stanwell on agreed terms. If the security is not provided by 30 June 2019 (or, if Coronado can demonstrate that it is using its best endeavours to provide the security within a reasonable period, by 30 September 2019 at the latest), Stanwell may elect to either:
 - request Coronado to specifically perform the obligation to provide security; or
 - terminate the NCSA and Coronado must pay the resulting termination amount.

As Coronado would be in breach of the NCSA, the termination amount will be the outstanding value of the SRA (the net present value of which is approximately A\$210 million) plus any top-up amount that may be owed. The top-up amount is based on the difference between the market price of coal at the time of termination and the price included in the financial model. The Company is currently targeting an earlier date for grant of security, in connection with intercreditor arrangements proposed in connection with the Syndicated Facility Agreement considered further in Section 11.5.4.2; and

- Coronado is bound to pay the termination amount on termination of the NCSA even where termination is due to a circumstance outside the control of Coronado and the Directors. On termination of the NCSA for reasons other than Coronado's default, Coronado will be bound to pay an upfront cash amount based on the agreed value of the SRA less the total value of the discount received by Stanwell on coal supplied to it up to the date of termination. If the termination is for Coronado's default, the termination payment will potentially include a top-up amount should the market price of coal at the time of termination be greater than the price included in the financial model.

5.1.4 WICET

5.1.4.1 Interest in WICET

As at the date of this Prospectus, Coronado Curragh held A Class Shares entitling it to a 9.38% voting interest in WICET Holdings Pty Ltd (**WICET Holdings**) and E Class Wiggins Island Preference Securities with a face value of A\$30.6 million (**WIPS**). WIPS are redeemable preference shares issued by WICET Holdings. Coronado Curragh is therefore exposed to risks as a shareholder (of A Class Shares and WIPS) in WICET Holdings.

Since completion of Stage 1 of WICET construction in 2015, three WICET Holdings shareholders (that were also shippers through WICET) have entered into administration, resulting in the aggregate contracted tonnage of shippers decreasing from 27 Mtpa to 16 Mtpa and increasing the Terminal Handling Charge payable by shippers (including Coronado Curragh). Coronado Curragh currently has contracted tonnage at WICET of 1.5 Mtpa. If Terminal Handling Charges or Termination Payments (as defined in Section 5.1.4.4) are unable to be recovered from shippers in the future, any adverse impact on the cash inflows of WICET Holdings or its wholly owned subsidiary Wiggins Island Coal Export Terminal Pty Ltd (**WICET Pty Ltd**) (WICET Pty Ltd together with WICET Holdings, the **WICET Group**) could increase Coronado Curragh's obligations in connection with WICET and materially and adversely affect the value of Coronado Curragh's shareholding in WICET Holdings.

In addition, decisions of the board of WICET Holdings may negatively affect Coronado Curragh's obligations and rights as a shareholder and shipper through WICET, including decisions on changes to the Terminal Rules (as referred to in Section 11.5.4.8), changes to the operating plans and budgets for WICET and the issue of new shares in WICET Holdings. Such decisions could impact on Coronado Curragh as a shipper through WICET, increase Coronado Curragh's obligations in connection with WICET and adversely affect the value of Coronado Curragh's shareholding in WICET Holdings.

5.1.4.2 WICET senior debt

The WICET Group's funding arrangements comprise senior secured debt, junior secured debt and the WIPS issued by WICET Holdings (the proceeds of which were on-lent from WICET Holdings to WICET Pty Ltd as intercompany debt which ranks below the junior secured debt). As at 30 June 2018, the total outstanding debt of WICET Pty Ltd was approximately US\$3.56 billion.

5. Risks

WICET Pty Ltd is currently undertaking a restructuring of its outstanding senior secured debt of approximately US\$2.6 billion, which matures on 30 September 2018.

Under the terms of the senior debt restructuring, to be implemented pursuant to a scheme of arrangement (**Debt Scheme**), WICET Pty Ltd's senior secured debt facilities will be amended and extended for a further term of eight years. The Debt Scheme was approved by the required majorities of WICET Pty Ltd's senior lenders on 31 August 2018 and by the Supreme Court of New South Wales on 11 September 2018. Coronado understands that WICET Pty Ltd has also obtained the consent of at least 50.1% of its junior secured lenders, satisfying a condition precedent to implementation of the senior debt restructuring. At the time of the Court's approval of the Debt Scheme, WICET expected to implement the senior debt restructuring by 28 September 2018.

If all of the conditions to implementation of the senior debt restructuring are satisfied and WICET Pty Ltd's senior debt facilities are therefore amended and extended, Coronado expects that the 'financing costs' component of the total Terminal Handling Charge (as referred to in Section 5.1.4.3) paid by those shippers with contracted tonnage at WICET (including Coronado Curragh) will increase by approximately US\$3.50 per tonne. The senior debt restructuring is also expected to result in other amendments to the terms of the senior secured debt facility in addition to the extension of the maturity date, including the insertion of a new review event where there is a reduction in the aggregate contracted tonnage of the shippers below either 12.5 Mtpa or (if WICET Pty Ltd is also unable to meet certain solvency and debt service cover ratio requirements) 14 Mtpa.

Although the Debt Scheme has been approved by the required majorities of senior lenders and by the Court, implementation of the senior debt restructuring is subject to conditions and there remains a risk that the conditions may not be satisfied or that WICET Pty Ltd's minority junior debt holders or WICET Holdings' WIPS holders may object to the effects of the senior debt restructuring on those holders. As noted in Section 5.1.18, two holders of WIPS issued by WICET Holdings commenced legal proceedings in the Supreme Court of New South Wales against the WICET Group alleging various matters in relation to unpaid dividends in respect of the WIPS held by them. Those WIPS holders also raised certain objections with WICET Pty Ltd relating to the senior debt restructuring which were disclosed to the Court at the hearing to consider approval of the Debt Scheme, but the Court did not consider those objections justified it in withholding the approving orders.

If WICET Pty Ltd does not implement the proposed senior debt restructuring in accordance with the terms of its restructuring support arrangements with its senior lenders, WICET Pty Ltd's senior lenders could elect to:

- enter into a standstill period to allow more time to implement a restructure of the senior debt facilities; or
- exercise their rights to increase the Terminal Handling Charge so as to pay down senior debt on an accelerated basis, with the charge payable, and the quantum of the performance bond required to be provided, by shippers (including Coronado) increasing as a result.

The senior lenders may also appoint a receiver to WICET Pty Ltd following a default under the senior debt facilities (which may occur either because the senior debt restructuring has not been implemented or if there is a subsequent default by WICET Pty Ltd under the senior debt facility following implementation of the restructuring).

The appointment of a receiver to WICET Pty Ltd could materially and adversely affect the value of Coronado Curragh's shareholding in WICET Holdings. In addition, any attempt by the senior lenders or a receiver appointed by them to take steps to seek to recover against the shippers (whether through increased Terminal Handling Charges or otherwise) could materially and adversely impact the business and results of operations of Coronado Curragh.

There may also be scenarios (including involving a receivership or an insolvency of WICET Pty Ltd) that may result in a permanent cessation of operations at WICET, which would trigger the obligation on shippers to pay their applicable Termination Payment under their take-or-pay agreements relating to contracted WICET tonnage. As noted in section 5.1.4.4 below, the Termination Payment is approximately equal to a shipper's proportion of the total debt owing by WICET Pty Ltd to its senior and junior lenders (based on the proportion that its contracted tonnage bears to the total contracted tonnage at WICET at the time the payment is triggered). If an insolvency or other event ultimately resulted in a permanent cessation of operations at WICET, Coronado Curragh may also be required to procure additional port capacity at RGTCT.

5.1.4.3 WICET Terminal Handling Charge

Each shipper using WICET (including Coronado Curragh) is required to pay a Terminal Handling Charge. Coronado expects that this charge will increase by approximately US\$3.50 per tonne if the senior debt restructuring is implemented in its proposed form (as a result of the agreed increase in the 'financing cost' component of the Terminal Handling Charge).

The methodology for calculating the Terminal Handling Charge is designed to ensure that WICET Pty Ltd's expected revenue meets its expected costs. The Terminal Handling Charge payable by shippers (including Coronado Curragh) can be adjusted by WICET Pty Ltd if Coronado Curragh's share of WICET Pty Ltd's operational and finance costs increases, either due to increased costs or because another shipper defaults under its take-or-pay agreement and ceases to be a shipper. As a result, the magnitude of the payment obligation of each shipper (including Coronado Curragh) is dependent on the continued creditworthiness of the other shippers (and their guarantors (if any)). Subject to certain conditions, a shipper can assign its capacity to a new shipper (provided that it, or its affiliate, also assigns its shareholding in WICET Holdings to the same assignee (or an affiliate of that assignee)). This means that the risk to continuing shippers (including Coronado Curragh) increases if another shipper assigns its contracted tonnage to a less creditworthy counterparty as this would increase the risk that the new shipper defaults under its take-or-pay agreement.

The adjustment of the Terminal Handling Charge is in most circumstances subject to a cap on the 'financing costs' component of WICET Pty Ltd's 'expected costs', which has already been reached. However, the financing cap can be increased in certain specified circumstances which would increase the Terminal Handling Charge payable, and the performance bond required to be provided, by shippers (including Coronado Curragh). The financing cap will be increased if the senior debt restructuring is implemented, and may also be increased if the senior debt restructuring is not implemented as noted in Section 5.1.4.2 above.

Subject to this financing cap, 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).

5.1.4.4 WICET Termination Payment

Although there is no direct recourse to Coronado or other shippers in respect of any debt owed by the WICET Group, WICET Pty Ltd services its debt obligations by applying the proceeds of the Terminal Handling Charge paid by shippers under their take-or-pay agreements. The terms of the take-or-pay agreements provide that, where a shipper defaults under its take-or-pay agreement, the shipper is obligated to pay a Termination Payment to WICET Pty Ltd (an unsecured obligation). This is calculated by reference to a shipper's proportion of the total debt owing by WICET Pty Ltd to its senior and junior lenders (based on the proportion that its contracted tonnage bears to the total contracted tonnage at WICET at the time the payment is triggered) (**Termination Payment**). Any receipts in respect of Termination Payments by defaulting shippers are applied against debt of WICET Pty Ltd. Shippers can also become liable to pay the Termination Payment where there is a permanent cessation of operations at WICET.

Because the amount of a shipper's Termination Payment is calculated based on proportional contracted tonnage, the amount of each shipper's potential Termination Payment increases each time another shipper defaults under its take-or-pay agreement and has its contracted tonnage reduced to nil. Therefore, the risk to a shipper increases if the creditworthiness of the other continuing shippers decreases.

Coronado Curragh currently holds 9.38% of the contracted tonnage at WICET. A list of the current WICET shippers and their contracted tonnage is included in Section 11.5.4.8.

5.1.4.5 Term of WICET Take-or-Pay Agreement

The term of Coronado Curragh's WICET Take-or-Pay Agreement is a rolling, 'evergreen' 10 year term. If Coronado Curragh informs WICET Pty Ltd that it does not wish to continue to roll the term of the WICET Take-or-Pay Agreement, the term of the agreement is set at nine years and the Terminal Handling Charge payable by Coronado Curragh is increased so that its proportion of WICET Pty Ltd's debt is amortised to nil by the end of that nine year term. Should Coronado Curragh seek to exercise this right due to any unexpected decrease in production at its Australian Operations, the requirement to pay an increased Terminal Handling Charge for the balance of the term could have a material and adverse effect on Coronado's business and results of operations.

5.1.4.6 Minimum level of Marketable Coal Reserves

Coronado Curragh is required under the WICET Take-or-Pay Agreement to maintain a minimum level of Marketable Coal Reserves (as defined in the Australian Guidelines for the Estimation and Classification of Coal Resources 2014 Edition) in respect of the 'Curragh mine' (which would include MDL 162). For 10 years of contracted tonnage, Coronado Curragh must have Marketable Coal Reserves of 11 years. Non-compliance with this requirement could ultimately result in the term of Coronado Curragh's WICET Take-or-Pay Agreement being shortened and its Terminal Handling Charge payments being accelerated for payment immediately (or over a significantly shortened period of time).

5. Risks

5.1.5 Transport

Coronado's mining operations produce coal, which is transported to customers by a combination of road, rail, barge and ship. The delivery of coal produced by Coronado's mining operations is subject to potential disruption, which may affect Coronado's ability to deliver coal to its customers and may have an impact on productivity and profitability. Such disruptions to transportation services include disruptions due to weather-related problems, key equipment or infrastructure failures, industrial action, rail or port capacity constraints, commercial disputes, congestion, failure to obtain consents from third parties for access to rail or land, 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, terrorist attacks or other events. Any such disruptions, or any deterioration in the reliability of services provided by Coronado's transportation service providers, could impair Coronado's ability to supply coal to its customers, resulting in decreased shipments and revenue. Coronado's coal sales agreements and contracts related to Coronado's export business permit Coronado to issue force majeure notices in certain circumstances, which permit Coronado to suspend its obligations to deliver coal under these agreements and contracts. However, Coronado's customers may challenge the issuances of force majeure notices. If these challenges are successful, Coronado may have to purchase coal from third party sources, if it is available, to fulfil these obligations, incur capital expenditures to re-open the facilities or negotiate settlements with the customers, which may include price reductions, the reduction of commitments or the extension of time for delivery or terminate customers' contracts. Any of these actions could have a material adverse effect on Coronado's business and results of operations and financial position.

Coronado has entered into arrangements with third parties to gain access to this transportation infrastructure and services where required, including road transport organisations, 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 the production costs of Coronado. As a result, the cost of transportation is not only a key factor in Coronado's cost base but also in the purchasing decision of customers. Transportation costs may increase and Coronado may not be able to pass on the full extent of cost increases to its customers. For example, where transportation costs are connected to market demand, costs may increase if usage by Coronado and other market participants decreases. Significant increases in transport costs due to factors such as fluctuations in the price of diesel fuel and demurrage could make Coronado's coal less competitive when compared to coal produced from other regions. As the transportation capacity secured by Coronado's port and rail agreements is based on assumed production volume, Coronado may also have excess transportation capacity (which, in the case of take-or-pay agreements, it may have to pay for even if unused) if its actual production volume is lower than its contracted take-or-pay volume. Conversely, Coronado may not have sufficient transportation capacity if its actual production volume exceeds its estimated production volume, if it is unable to transport the full capacity due to contractual limitations or if any deterioration in its relationship with brokers (including Xcoal) results in a reduction in the proportion of coal purchased FOR from its US Operations (and a corresponding increase in the proportion of coal purchased FOB).

In December 2017, the Queensland Competition Authority issued a draft ruling that would reduce the rate of return that can be charged by Aurizon Network on its network routes. In response, Aurizon Network decided to modify its maintenance practices, as a result of which access to the rail network has been constrained, making it more difficult for customers (including Coronado) to arrange for the transportation of coal in excess of their contracted capacity entitlement and having the potential to increase demurrage costs.

While the constrained rail capacity situation continues, in a high demand environment, there is a risk that Coronado Curragh and other users of the network will not be allocated additional train paths to rail above their annual contracted entitlements. This risk is higher for Coronado Curragh in the short term as its contracted access entitlement for 1.5 Mtpa 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 Aurizon Network's change in maintenance practices or because of increased usage of the line by other miners), a path requested by Coronado Curragh may not be able to be scheduled. This capacity is expected to become the subject of a long-term access agreement once the dispute between WIRP customers and Aurizon Network regarding the 'Commitment Date' under the WIRP Deed is resolved (which, based on the current court timetable, is expected to occur late in 2018). Refer to Sections 5.1.18, 11.5.4.7 and 11.9 for more detail on this dispute and Coronado Curragh's current contracted below-rail capacity in Queensland.

5.1.5.1 Take-or-pay liabilities

In Australia, port and rail capacity is generally contracted via long-term take-or-pay contracts. Details of Coronado's port and rail contracts for its Australian Operations are contained in Sections 11.5.4.8 and 11.5.4.7, respectively. Coronado also has a take-or-pay agreement in connection with the Kinder Morgan terminals for its US Operations and details of this agreement are contained in Section 11.5.5.4. Where it has entered into take-or-pay contracts, Coronado will generally be required to pay for its contracted port or rail tonnage where it is not utilised by Coronado or other miners. Unused port or rail capacity can arise as a result of circumstances including insufficient production from a given mine, a mismatch between 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 Coronado's cost structures and financial performance.

5.1.6 Approvals, permits and licences

Coronado's performance and operations depend on (among other things) Coronado 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 its current operations and expansion and growth projects, including obtaining planning approvals, land access and land owner consents and addressing any native title issues, impacts on the environment, impacts on Aboriginal cultural heritage and objections from local communities.

The requirement to obtain approvals and to 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 Coronado will be in a position to secure any or all of the required consents, approvals and rights necessary to maintain its current production profile from its existing operations or to develop its growth projects in a manner which will result in profitable mining operations and the achievement of its long-term production targets. The permitting rules, and the interpretations of these rules, are complex, change frequently and are often subject to discretionary interpretations by regulators, 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. The public, including non-governmental organisations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and may otherwise engage in the permitting process, including bringing lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of mining activities. In recent years, the permitting required for coal mining has been the subject of increasingly stringent regulatory and administrative requirements and extensive litigation by environmental groups. If this trend continues, it could materially and adversely affect Coronado's mining operations and cost structures, the transport of coal and its customers' ability to use coal produced by Coronado's mines.

If these approvals (or other approvals required for the planned production increases) are not obtained, or if conditional or limited approvals are obtained, or if these approvals are not renewed, 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 Coronado's business, operating and financial performance.

5.1.7 Title

Coronado conducts a significant part of its mining operations on properties that it leases (either from a government or from private owners of the land on which it operates). A defect in Coronado's title or the loss of any lease upon expiration of its term, upon a default or otherwise, could adversely affect its ability to mine the associated reserves or process the coal it mines. 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, Coronado relies on title information or representations and warranties provided by its lessors, grantors or other third parties. Coronado's right to mine some of its reserves may be adversely affected if defects in title or boundaries exist or if a lease expires. Any challenge to Coronado's 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 its interest in the property and, accordingly, require it to reduce its estimated coal reserves. In addition, if Coronado mines on property that it does not own or lease, it could incur liability for such mining.

In any such case, the investigation and resolution of title issues and any incurrence of liability following unauthorised operations would divert management's time from Coronado's business and its results of operations could be adversely affected. Additionally, if Coronado loses any leasehold interests relating to any CPPs, it may need to find an alternative location to process its coal and load it for delivery to customers, which could result in significant unanticipated costs.

5. Risks

5.1.7.1 Australian title

Tenements, land access and related approvals

In Queensland, 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 or renewal of a tenement will be granted at all or on satisfactory terms or within expected timeframes. Further, the conditions attached to tenements may change. The permitting rules are complex and may change over time, making the title holder's responsibility to comply with the applicable requirements more onerous, more costly or even impossible, thereby precluding or impairing continuing or future mining operations. There is a risk that Coronado may lose title to any of its granted tenements if it is unable to comply with conditions or if the land that is subject to the title is required for public purposes. Approximately half of the mining leases held in connection with the Australian Operations (as summarised in Table 105 in Section 11.6.1.2) expire before 2036 and, where renewal is required, there is a risk that the Queensland Government may change the terms and conditions of such mining lease upon renewal.

Obtaining mining tenements often involves first obtaining consents from landholders whose property will be affected by the proposed mining operations and other third parties, some of which may in certain circumstances have a right of veto, as well as approvals (such as environmental approvals). There is a risk that the requisite consents, land access rights and approvals may not be able to be obtained or renewed on time or on acceptable commercial terms, or may not be able to be obtained or renewed at all, and consequently have an adverse effect on Coronado's business, operating and financial performance. Four land leases that provide site access rights for the Curragh mine complex are term leases that have expiry dates of 31 July 2021, 15 September 2022 (for two leases) and 31 June 2034. Although Coronado currently expects these leases to be renewed by the Queensland Government, there is a risk of non-renewal, or a risk of renewal on different terms that impose higher costs or additional conditions on Coronado's operations, which could result in Coronado being unable to access coal reserves or being exposed to additional operational costs (which may adversely affect present and future coal production and revenues).

Native title and cultural heritage

It is possible that, in relation to Queensland tenements which Coronado has an interest in or will in the future acquire, there may be areas over which legitimate native title rights of Aboriginal Australians exist. Where the grant or renewal of a tenement is in respect of land in relation to which native title may exist, Coronado will need to comply with the Native Title Act 1993 (Cth) (**NTA**) in order for the tenement to be validly granted. To date, only one mining tenement (ML 80123) required a native title process for its grant and Coronado Curragh undertook the right to negotiate process with the then native title parties, the Kangoulou People, and concluded an agreement to allow the tenement to be granted.

Compliance with the NTA (and the relevant native title process to be followed for the grant of the tenement, such as the right to negotiate process) may be prolonged or delayed, and substantial compensation may be payable as part of any agreement reached, including for the extinguishment or impairment of the relevant native title rights and interests.

The existence or determination of native title may, therefore, affect the existing or future activities of Coronado and impact on its ability to develop projects which may in turn impact its business, operating and financial performance. Separate to native title, when dealing with certain land, Coronado will always need to ensure that Aboriginal cultural heritage is protected from harm. Aboriginal cultural heritage may be places or things that are of significance to Aboriginal people in accordance with tradition or culture. Coronado is party to agreements, including native title and cultural heritage agreements, to ensure agreed access for development. Compliance with these agreements and any alterations to these agreements may impact on development plans. Effective relationships with landowners and traditional owners will be required to continue the operations contemplated by these agreements.

5.1.7.2 US leases

In the US, Coronado predominantly accesses its mining complexes through leases with a range of private landholders. While the majority of the leases at Buchanan and Logan can be periodically renewed by Coronado until exhaustion of the relevant coal reserves/cessation of mining operations (subject to notification requirements), a majority of the Greenbrier leases expire before the coal reserves are anticipated to be exhausted. To continue its operations at Greenbrier, Coronado will be required to negotiate an extension to these leases and there is no certainty that such an extension will be agreed or that the lease terms will not be materially varied as a result of any such negotiation, which variation could increase Coronado's operational costs or impose additional restrictions on its operations. If Coronado were unable to negotiate an extension with respect to one or more of these leases or if a default under a lease for properties on which it has mining operations resulted in the termination of the applicable lease, Coronado may have to suspend its mining or significantly alter the sequence of such mining operations, which may adversely affect its future coal production and future revenues.

In addition, the majority of leases for Logan contain a restriction on change of control that will be triggered where a person(s) cease(s) to (directly or indirectly) control the relevant lessee. Upon Completion, the EMG Entities are expected to indirectly hold approximately 69.1% of the Shares and these restrictions will therefore not be triggered by the Offer. However, should the EMG Entities' shareholding decrease below 50% in the future, Coronado will need to seek the consent of the relevant lessors to any such change of control (which consent must not be unreasonably withheld). While Coronado anticipates that it would be able to secure such consents and considers that the relevant lessors should have no basis for reasonably refusing consent in circumstances where Coronado will continue to be financially and operationally capable of undertaking mining on the leased areas, there is no guarantee that such consents will be obtained in all cases or that the negotiations will not result in amendments to the lease terms. The requirement to seek consents may also be time consuming for Coronado's management and any disputes in relation to the reasonableness of the lessors' concerns may result in a distraction from continued operations and increased administrative costs.

In order to obtain leases or mining contracts to conduct its mining operations on properties where defects exist or to negotiate extensions or amendments to its existing leases, Coronado may in the future have to incur unanticipated costs. In addition, Coronado may not be able to successfully negotiate new leases or mining contracts for properties containing additional reserves or maintain its leasehold interests in properties where it has not commenced mining operations during the term of the lease. Some leases have minimum production requirements and, for the majority of the leases for the US Operations, a minimum royalty is payable irrespective of production. Any failure to meet those requirements could result in losses of prepaid royalties and may result in a loss of the lease itself.

5.1.8 Resource and Reserve estimates

The volume and quality of the coal that Coronado recovers may be less than the Resource and Reserve estimates included in this Prospectus. In addition, investors should not assume that Resource estimates are capable of being directly reclassified as Reserves under the JORC Code. Resources that are not Reserves do not have demonstrated economic viability. A Resource is not the equivalent of a commercially mineable ore body or a Reserve.

Resource and Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. There are inherent uncertainties and risks associated with such estimates, including that coal mined may be of a different quality, tonnage or strip ratio from those in the estimates and the ability to economically extract and process the coal may not eventuate. Resource and Reserve estimates are necessarily imprecise and depend to some extent on a number of factors, assumptions and variables, including interpretations and geological assumptions, coal prices, cost assumptions and statistical inferences, many of which may be beyond Coronado's or the Directors' control and cannot be ascertained despite investigation and which may ultimately prove to be unreliable.

Coal Resource and Reserve estimates are revised based on actual production experience or new information and the Resource and Reserve estimates are therefore subject to change. Furthermore, should Coronado encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, coal Resource and 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 their operations. Moreover, a decline in the price of coal, stabilisation at a price lower than recent levels, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environmental, permitting, title or tax regulations, that are adverse to Coronado, may mean the tonnage of coal that can be feasibly extracted may be significantly lower than assumed by the Competent Person applying the Modifying Factors to convert Resources to Reserves, resulting in a decrease to estimated Reserves. Further information on the process applied in preparing resource and reserve estimates is contained in Section 11.7.

5. Risks

Resources and Reserves referred to in this Prospectus are reported in accordance with the JORC Code. One principal difference between the reporting regimes in Australia under the JORC Code and in the United States under the requirements of the SEC Industry Guide 7 is the absence in the United States of any provision for the reporting of estimates other than proven (measured) or probable (indicated) reserves. There is, therefore, no equivalent for 'Resources' under the SEC Industry Guide 7 and such reporting is not generally permitted in SEC filings. Accordingly, if Coronado was reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any Resources, and the amount of Reserves Coronado has estimated may be lower. Should Coronado become subject to the periodic reporting requirements of the US Exchange Act, it will need to classify its reserves in accordance with SEC Industry Guide 7 and no longer disclose Resources.

Material changes in coal Reserve estimates, strip ratios, washing yields or recovery rates may affect the economic viability of projects and life of mine plans. Coal Resource and Reserve estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. Adjustments to Proved and Probable Reserves could also affect Coronado's development and mining plans.

If Coronado's actual coal Resource and Reserve estimates are less than current estimates, or the rate at which they are recovered is less than estimated or results in higher than estimated cost, Coronado's business, operating and financial performance may be materially adversely affected.

5.1.9 Reliance on third party suppliers and contractors

Coronado uses contractors and other third parties for exploration, mining and other services generally, and is reliant on a number of third parties for the success of its current operations and the development of its growth projects. While this is normal for the mining and exploration industry, problems caused by third parties may arise which may have an impact on the performance and operations of Coronado. In particular, the majority of workers at the Australian Operations are employed by or through key contractors (including Thiess Pty Ltd (**Thiess**), Golding Contractors Pty Ltd (**Golding Contractors**) and Wolff Mining Pty Ltd).

Operations at Coronado's mines may be interrupted for an extended period in the event that Coronado loses any of its key contractors (because their contract is terminated or expires) and is required to replace them. There can be no assurance that skilled third parties or contractors will continue to be available at reasonable rates. As Coronado does not have the same control over contractors as it does over employees, Coronado is also exposed to risks related to the quality or continuation of the services of, and the equipment and supplies used by, its contractors as well as risks related to the compliance of its contractors with environmental and health and safety legislation and internal policies, standards and processes. The timing and quality of Coronado's projects are directly impacted by the availability and skill of these parties, as well as contingencies affecting them, including labour and raw material shortages. Any failure by Coronado's key contractors to comply with their obligations under their operating agreements (whether as a result of financial or operational difficulties or otherwise), any termination or breach of Coronado's operating agreements by Coronado's contractors, any protracted dispute with a contractor, any material labour dispute between Coronado's contractors and their employees or any major labour action by those employees against Coronado's contractors, could have a material adverse effect on Coronado's business, operating and financial performance. Coronado's business and financial performance also relies on the continued creditworthiness of its key contractors and, if such creditworthiness declines, Coronado may not be able to recover from a contractor any losses that may be suffered due to any performance shortfalls or non-compliance of the contractor.

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 materialise, Coronado's operating results and cash flows could be adversely affected, perhaps materially.

5.1.10 Reliance on key personnel, shortage of skilled labour and industrial action

The loss of key personnel and the failure to recruit sufficiently qualified staff could affect Coronado's future performance. Coronado has entered into employment contracts with a number of key personnel in Australia and the United States, including the Managing Director and Chief Executive Officer, Garold Spindler, and the President and Chief Operating Officer, James Campbell, whose expertise and experience in the mining industry are important to the continued development and operation of its mining interests. A summary of the employment contracts of certain key personnel is contained in Section 6.3.2. However, there is no assurance that such personnel will remain with Coronado for the term of their employment contracts or beyond. In the United States, Coronado has not entered into employment contracts with certain of its key personnel (other than Garold Spindler and James Campbell), meaning that Coronado does not have the benefit of notice provisions or non-compete restraints with these employees. The loss of such key personnel or the failure to recruit sufficiently qualified employees may affect Coronado's business and future performance.

Outside of key personnel, any future shortage of skilled labour in the Australian and United States mining industries could result in Coronado having insufficient employees to operate its business, which could adversely affect Coronado's business, operating and financial performance. Similarly, industrial action by Coronado's employees or mining contractors' employees or involving trade unions could disrupt operations. Enterprise bargaining and other disputes between Coronado and its employees or disputes affecting Coronado's contractors may result in strikes or uncompetitive work practices, which could negatively impact mine productivity, production and profitability. The majority of the workforce for the Australian Operations is unionised, belonging to one of three major Australian unions (the AMWU, CEPU or CFMMEU).

Many of Coronado's Australian employees have conditions of employment, including wages, governed by the operation of the Fair Work Act 2009 (Cth). Conditions of employment for the majority of Coronado's Australian workforce are contained within a collective agreement called the Curragh Mine Operations Enterprise Bargaining Agreement (**EBA**). The EBA passed its nominal expiry date in July 2018 but it will continue in force and effect until replaced or terminated by the Fair Work Commission. In some instances, under the operation of the Fair Work Act 2009 (Cth), it can be expected that unions will pursue increases to conditions of employment, including wages and claims for greater union involvement in business decision-making. In circumstances where a collective agreement is being renegotiated, industrial action is permitted under the Fair Work Act 2009 (Cth). Industrial action and any subsequent settlement to mitigate associated commercial damage can adversely affect productivity and operations, and contribute to increases in costs.

5.1.11 Coal sales contracts

Coronado's ability to receive payment for coal sold and delivered will depend on the continued contractual performance and creditworthiness of its customers and counterparties. If deterioration of the creditworthiness of Coronado's customers and counterparties occurs, or if they fail to perform the terms of their contracts with Coronado, Coronado's business could be adversely affected. For certain customers, Coronado requires 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 Coronado's ability to contract with such customers or result in fewer sales contracts being executed, which could materially adversely affect Coronado's business, operating and financial performance.

In addition, Coronado's sales contracts generally contain provisions that allow customers to suspend or terminate the contracts if (depending on the contract) Coronado commits 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 Coronado's financial standing or creditworthiness. Any suspension or termination of such sales contracts due to the violation by Coronado of applicable provisions of the sales contracts could have a material adverse effect on Coronado's business, operating and financial performance.

5. Risks

5.1.11.1 Reliance on major customers

Approximately 64% of Coronado's 2017 sales by revenue were with its largest seven customers. Although Coronado's sales are under term contracts ranging from one year to up to five years (for the Australian Operations), these contracts may expire, may not be renewed or may be renewed on terms less favourable to Coronado. In addition, customers may default on their obligations or decrease the amount of coal purchased from Coronado and Coronado may be unable to find other customers to purchase such lost volume, which may adversely affect Coronado's business, operating and financial performance.

In the US, 3.65 Mt of coal were sold to Xcoal in 2017 and Coronado's US Operations predominantly accessed the export met coal market through its broker arrangement with Xcoal. Sales to Xcoal represented 62% of revenue and 58% tonnes of sales from the US Operations. These Xcoal coal sales are entered into on an ad hoc basis and there is a risk that, in the future, the number of contracts with Xcoal will decrease. The loss of or deterioration of the relationship with Xcoal could materially and adversely affect Coronado's business, operating and financial performance or cause a material disruption to Coronado's US Operations as Coronado would need to procure alternative brokers or market the coal directly to the export market. If Coronado's arrangements with Xcoal were to cease or materially decrease, Coronado might also be required to procure additional infrastructure capacity to support some of its operations, as Xcoal typically takes ownership of coal in the rail car and handles transportation logistics to the port and beyond.

5.1.12 Health, safety and hazardous materials

Coronado's operations may substantially impact the environment or cause exposure to hazardous materials for Coronado's contractors, employees or local communities. Coronado uses hazardous materials and generates hazardous or other regulated waste (e.g. such substances are found in Coronado's storage or disposal facilities), and Coronado may become subject to statutory or common law claims (including damages claims), as a result of its use of hazardous materials and generation of hazardous waste. Furthermore, the use of hazardous materials and generation of hazardous waste may subject Coronado to investigation and require the clean-up of soil, surface water, groundwater and other media. For example, in 2013 and 2017, Coronado Curragh experienced diesel spills that it was required to remediate and in 2016 was issued with an infringement notice in connection with a release of mine-affected water. In addition, the occupational hygiene baseline monitoring recently introduced at the Australian Operations (as referred to in Section 11.6.1.10) has identified one instance of black lung disease (or coal workers' pneumoconiosis) at the Australian Operations. It is possible that additional cases may be identified in the future. Drainage flowing from or caused by mining activities can be acidic with elevated levels of dissolved metals, a condition referred to as acid mine drainage, or AMD, which can be costly to treat. The mining process, including blasting and processing ore bodies, can 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 Coronado's employees, contractors and the communities and environment on or near Coronado's operations. Common law, employee or strict liability claims under environmental statutes in relation to these matters may arise, for example, out of current or former activities at sites that Coronado owns or operates. Coronado's liability for such claims may be joint and several with other miners or with Coronado's contractors, such that Coronado may be held responsible for more than its share of the contamination or other damages, or even for the entire amount of damages assessed.

There is also a risk that actions could be brought against Coronado, alleging adverse effects of hazardous materials (such as dust) on personal health. If any injuries or accidents occur in a mine, this could have adverse reputational and financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on Coronado's business, operating and financial performance. Specifically, underground mining and related processing activities present risks of injury to persons and damage to property and equipment. In addition, unexpected mine accidents may occur, including rock-falls and explosions caused by the ignition of coal dust, natural gas or other explosive sources, or fires caused by the spontaneous combustion of coal or similar mining accidents. Coronado may incur costs and liabilities resulting from claims by employees for work-related injuries and Coronado must make adequate provision for its workers' compensation liabilities.

There is a risk that past, present or future operations have not met, or will not meet, health and safety requirements and that the approvals or modifications Coronado is currently seeking, or may need to seek in the future, will not be granted at all or will be granted on terms that are unduly onerous. If Coronado is unsuccessful in these efforts or otherwise breaches these health and safety requirements, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety and other impacts of Coronado's past and current operations. Such lawsuits could lead to the imposition on Coronado 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 orders to take preventative steps against possible future violations.

Regulatory agencies 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, Coronado may be required to incur capital expenditures to re-open the facility. In the event that these agencies order the closing of a facility, Coronado's coal sales agreements and contracts related to Coronado's export business permit Coronado to issue force majeure notices in certain circumstances, which suspend its obligations to deliver coal under these agreements and contracts. However, Coronado's customers may challenge the issuances of force majeure notices. If these challenges are successful, Coronado may have to purchase coal from third party sources, if it is available, to fulfil these obligations, incur capital expenditures to close and re-open the facilities or negotiate settlements with the customers, which may include price reductions, the reduction of commitments or the extension of time for delivery or the termination of customers' contracts. Any of these actions could have a material adverse effect on Coronado's reputation and business, operating and financial performance.

In addition, there is a risk of legislation and regulatory change as a result of increased stakeholder focus on health issues (such as black lung disease (or coal workers' pneumoconiosis)). Such change may increase Coronado's 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).

5.1.12.1 United States federal healthcare legislation

In March 2010, the Patient Protection and Affordable Care Act of 2010 was enacted, impacting the industry's costs of providing healthcare benefits to its eligible active employees, with both short-term and long-term implications. In the short term, Coronado's 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. Any increase in the cost of providing healthcare benefits, as a result of legislation or otherwise, could adversely affect Coronado's business, operating and financial performance.

5.1.13 Environment

Coronado's operations, by their nature, have the potential to impact land, water resources and related ecosystems, including from the discharge of contaminants, subsidence or excess water ingress. Changes in scientific understanding of these impacts, regulatory requirements or stakeholder expectations may prevent or delay project approvals and result in increased costs for mitigation, offsets or compensatory actions.

Coronado's mining facilities are required to have comprehensive closure plans in place, which include the proposed methods to rehabilitate disturbed land and remediation requirements for contaminated land, and end uses for land and infrastructure. Changes in circumstances and regulatory or community expectations may result in closure plans requiring change. Furthermore, challenges may be faced in implementing existing closure plans or amendments may be required to closure plans to address new circumstances that come to light or to ensure appropriate rehabilitation and remediation of sites. These factors may impact financial closure provisions and costs at the operations.

Despite Coronado's efforts to conduct its activities in an environmentally responsible manner and in accordance with applicable laws, there is a risk that past, present or future operations have not met or will not meet environmental or related regulatory requirements (exposing Coronado to fines or other penalties) and that any approvals or modifications Coronado is currently seeking, or may need to seek in the future, will not be granted at all or will be granted on terms that are unduly onerous. If Coronado is unsuccessful in these efforts or otherwise breaches these environmental requirements, it may incur fines or penalties, be required to curtail or cease operations and be subject to increased compliance costs or costs for environmental remediation, rehabilitation or rectification works at one or more of its sites. In addition, Coronado has inherited responsibility for managing ongoing environmental incidents arising in relation to Curragh tenements acquired in March 2018, and may be liable for historical or future environmental incidents that occur at the Australian Operations.

Environmental legislation has, and may continue to, become more stringent, requiring compliance with additional standards and a heightened degree of responsibility for companies and their shareholders, directors and employees. There may also be unforeseen environmental liabilities resulting from coal-related activities, which may be costly to remedy or adversely impact Coronado's operations. In particular, the acceptable level of pollution and the potential abandonment costs and obligations for which Coronado may become liable as a result of its activities, may be impossible to assess under the current legal framework.

5. Risks

5.1.13.1 Queensland environmental legislation

Queensland environmental legislation is currently subject to legislative reform and change, in particular with respect to security for environmental performance, rehabilitation and closure. On 27 April 2016, the Environmental Protection (Chain of Responsibility) Amendment Act 2016 (Qld) came into effect, which gives the Department of Environment and Science the power to compel related bodies corporate, executive officers, financiers and shareholders of a licensed company, to satisfy the environmental obligations of holders of an environmental authority in Queensland. Statutory guidelines that are currently applied by the Queensland Department of Environment and Science in making a decision to issue environmental protection orders to persons related to a company may be amended and expose Coronado and its Shareholders, Directors and executive officers to increased liability in the event that Coronado's subsidiary, Coronado Curragh, fails to comply with relevant environmental requirements. In addition, the Mineral Resources (Financial Provisioning) Bill 2018 was introduced into Queensland parliament on 15 February 2018. Under this bill, a pooled fund is to be established, removing over time the need to provide financial assurances for entities eligible to participate in the fund. Instead, those entities would be required to pay an annual contribution on the basis of estimated rehabilitation costs and risk category. The amount of contributions that will be required is not yet known and it is possible that the required contributions will be greater than the cost to Coronado of procuring bank guarantees to satisfy its financial assurance requirements.

The bill also proposes to require progressive rehabilitation costs and closure plans and progressive rehabilitation closure schedules to be developed for all mines. If the bill is passed, these changes may be material to the ongoing development of Coronado's Australian Operations and costs of operation, as well as the requirements for financial assurances at Curragh.

5.1.13.2 United States Surface Mining Control and Reclamation Act of 1977

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) establishes operational, reclamation and closure standards for United States coal mining operations. Virginia and West Virginia each have a state law counterpart to SMCRA. Coronado is required to post bonds for the expected cost of coal mine reclamation in accordance with statutory guidelines as determined by the regulatory authority. Coronado must also accrue for the costs of current mine disturbance and of final mine closure, including the cost of treating mine water discharge where necessary. The amounts recorded are dependent upon a number of variables, including the estimated future closure costs, estimated proven reserves, assumptions involving profit margins, inflation rates and the assumed credit-adjusted risk-free interest rates. If these accruals are insufficient or Coronado's liability in a particular year is greater than currently anticipated, its future operating results could be materially adversely affected.

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.

A federal database, known as the Applicant Violator System, is maintained for this purpose. Certain 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 most 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. Coronado must file an ownership and control notice each time an entity obtains a 10% or greater interest in it. If Coronado has unabated violations of SMCRA or its state law counterparts, has a coal mining permit suspended or revoked, or forfeits a reclamation bond, Coronado and its 'owners and controllers,' as discussed above, may be prohibited from obtaining new coal mining permits, or amendments to existing permits, until such violations of law are corrected. This is known as being 'permit-blocked'. Additionally, if an 'owner or controller' is currently deemed an 'owner or controller' of a number of other mining companies, as such, Coronado could be permit-blocked based upon the violations of, or permit-blocked status of, an 'owner or controller' of such other mining companies. If an 'owner or controller' of Coronado were to become permit-blocked, this could adversely affect production from Coronado's properties.

5.1.13.3 United States surety bonds

Federal and state laws require a mining operator such as Coronado to obtain surety bonds or post other financial security to secure performance or payment of certain long-term obligations, such as mine closure or reclamation costs under SMCRA and state counterparts, as noted above, federal and state workers' compensation and black lung benefits costs, coal leases and other obligations. The amount of security required to be obtained can change as the result of new federal or state laws, as well as changes to the factors used to calculate the bonding or security amounts. Coronado currently provides approximately US\$35,000,000 of bonds in connection with its US Operations. Coronado may experience difficulty procuring or maintaining its surety bonds. Coronado's bond issuers may demand higher fees or additional collateral, including letters of credit or other terms less favourable to it upon those renewals. Because Coronado is 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 materially and adversely affect its ability to mine coal. That failure could result from a variety of factors, including lack of availability, higher expense or unfavourable market terms, the exercise by third party surety bond issuers of their right to refuse to renew the surety and restrictions on availability of collateral for current and future third party surety bond issuers under the terms of financing arrangements.

5.1.13.4 Environmental activism

Community concern and adverse actions taken by community and environmental groups may delay or prevent Coronado from progressing new mine developments or development or expansion of existing mines, or may mean that those mines are or become subject to conditions that materially adversely affect their profitability and consequently Coronado's business, operating and financial performance.

5.1.14 Climate change

The physical and non-physical impacts of climate change may affect Coronado's 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 greenhouse gases.

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 greenhouse gas 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. For example, on 4 November 2016, the Paris Agreement within the United Nations' Framework Convention on Climate Change came into force, which aims to control the increase in global temperatures, increase the ability of countries to adapt to the adverse impacts of climate change and provide channels to finance projects that lead to greenhouse gas reductions. As at the Prospectus Date, the Paris Agreement has been signed by 195 countries, including Australia and China and, although the United States has made a decision to withdraw from the agreement, there is no assurance that it and other non-signatories will not become parties in the future. In recent years, China has also taken steps to address severe air pollution in many cities by adopting a range of policies to lower carbon emissions and reduce thermal coal usage.

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 Coronado's operations – either directly or indirectly, through suppliers and customers. The growth of alternative energy options, such as renewables, disruptive power generation technologies and changes in community or government attitudes to climate change could also 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 thermal coal. Coronado and its customers may also have to invest in CO₂ capture and storage technologies in order to burn thermal coal and comply with future greenhouse gas emission standards.

Adverse physical effects of climate change on Coronado's mining operations could include changes in rainfall patterns, water shortages, increased fire risk and increased storm intensities. The impact of climate change may also increase competition for, and the regulation of, limited resources, such as power and water. These factors could materially and adversely affect the expansion of Coronado's business and ability of its assets to operate efficiently.

5. Risks

There have also been efforts in recent years to promote the divestment of fossil fuel equities and pressure lenders to limit funding to companies engaged in the extraction of fossil fuel reserves. These efforts affect the investment community, including investment advisers, sovereign wealth funds, public pension funds, universities and other groups. For example, in California, legislation was passed into law in October 2015 that required California's state pension funds to divest investments in companies that generate 50% or more of their revenue from coal mining, by July 2017. The impact of future efforts to promote the divestment of fossil fuel equities and pressure lenders to limit funding to companies engaged in the extraction of fossil fuel reserves may adversely affect the coal industry's reputation, demand for and price of coal and global coal securities, including coal sold by Coronado and securities issued by Coronado, which may impact Coronado's access to capital and financial markets.

5.1.15 Changes in and compliance with government policy, regulation or legislation

The natural resources industry is subject to extensive legislation, regulations and supervision by a number of federal, state and local regulatory organisations, including regulations regarding:

- mine permitting and licensing requirements;
- employee health and safety, including occupational and mine health and safety (in particular, in the US, the Federal Mine Safety and Health Act of 1977 (**Mine Act**), which was amended by the Mine Improvement and New Emergency Response Act of 2006 (**MINER Act**);
- workers' compensation;
- black lung disease (or coal workers' pneumoconiosis);
- reclamation and restoration of property;
- employee benefits (in particular, in the US, the Social Security Act of 1935 (as amended) which obligates employers to pay taxes on compensation paid to employees and to also withhold, and remit, a certain amount of taxes from compensation paid to employees, which funds are intended to provide retirement benefits and certain medical benefits when certain age or other eligibility requirements are met); and
- environmental matters, including those related to greenhouse gases and climate change, air quality, water quality, stream and surface water quality and protection, management of materials generated by mining operations, the storage, treatment and disposal of wastes, protection of plant and wildlife such as endangered species, protection of wetlands and remediation of contaminated soil and groundwater.

A summary of the key legislation relevant to Coronado's Australian and US Operations is contained in Section 11.6.

Any future legislation and regulatory change imposing more constraints or more stringent requirements may affect the natural resources industry and may adversely affect Coronado's business, operating and financial performance, such as future laws that may limit the emission of greenhouse gases or the use of thermal coal in power generation, environment and planning laws, workplace health and safety laws and changes to existing taxation and royalties 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 Coronado's operations. 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 implementing 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 operations and customers' ability to use Coronado's products. For example, the US Congress has previously enacted and may in the future address 'bail out' programs for the underfunded United Mine Workers benefits and pension plans, which in effect tax all coal companies for unfunded or underfunded union pension plans and add costs to union-free entities like Coronado and potentially impact competitive positions in available markets. 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 at operations and minor violations have occurred at Coronado's Australian and US Operations in the past.

Moreover, changes in the law may require unprecedented compliance efforts, could divert Coronado's attention, and may require significant expenditures. To the extent that these expenditures, as with all costs, are not ultimately reflected in the prices of coal, 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 the Australian and US Operations, may have an adverse effect on Coronado's competitive position relative to foreign producers and operators in other countries which may not be required to incur equivalent costs in their operations.

5.1.15.1 Taxation

Federal, state, provincial or local governmental authorities in nearly all countries across the global coal mining industry impose various forms of taxation, including production taxes, sales-related taxes, royalties, environmental taxes, mining profits taxes and income taxes. If new legislation or regulations related to various forms of coal taxation or income or other taxes generally, which increase Coronado's costs or limit its ability to compete in the areas in which it sells coal, are adopted, or which adversely affect Coronado's key customers, Coronado's business, financial condition or results of operations could be adversely affected. Refer to Section 11.13 for other taxation considerations.

5.1.16 Legal compliance and fraud, bribery and misconduct

Any fraud, bribery, misrepresentation, money laundering, violations of applicable trade sanctions, anti-competitive behaviour or other misconduct by Coronado's employees, customers, service providers, business partners and other third parties could result in violations of relevant laws and regulations by Coronado and subject Coronado or relevant individuals to corresponding regulatory sanctions or other claims. 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 Coronado.

Coronado has 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 Coronado against fraudulent or corrupt activity and such activity could have an adverse effect on Coronado's reputation, business, operating and financial performance.

5.1.17 Competition

Competition in the coal industry is based on many factors, including, among others, price, production capacity, coal quality and characteristics, transportation capability and costs, blending capability, brand name and diversified operations. Coronado is subject to competition from Australian, US and other coal producers. Should those competitors obtain a competitive advantage in comparison to Coronado (whether by way of an increase in production capacity, price reduction, or otherwise), such competitive advantage may have an adverse impact on Coronado's ability to sell, or the prices at which it is able to sell its coal products. In addition, some of Coronado's competitors may have greater production capacity as well as greater financial, marketing, distribution and other resources than Coronado does, and may enjoy more established brand names in international markets.

Coronado's competitive position may be impacted by 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.

Other coal producers may also develop or acquire new projects to increase their coal production which may impact the ability of Coronado to acquire interests in new or existing mines on acceptable terms.

Increased competition or a failure to compete effectively in the markets in which Coronado operates may result in losses of market share and could materially adversely affect Coronado Curragh's business, operating and financial performance.

5.1.18 Litigation

Like all companies in the natural resources sector, Coronado is exposed to the risks of litigation (either as the complainant or as the defendant), which may have a material adverse effect on Coronado's reputation and business, operating and financial performance. Coronado could become exposed to claims or litigation by persons alleging they are owed fees or other contractual entitlements, employees, regulators, competitors or other third parties. Even in cases where Coronado may ultimately prevail on the merits of any dispute, it may face significant costs defending its rights, lose certain rights or benefits during any proceeding or suffer reputational damage as a result of its involvement. There can be no assurance as to the outcome of any litigation, arbitration or other legal proceeding, and the adverse determination of material litigation could have a materially adverse effect on Coronado's reputation and business, operating and financial performance.

A subsidiary of Coronado, Coronado Curragh, is a co-defendant in 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. Coronado intends to continue to strongly contest the matter, together with the other WIRP customers who are joint defendants in the proceedings. However, if there is an adverse finding it may result in liability for, and reduce the future profitability of, Coronado. Refer to Sections 5.1.5, 11.5.4.7 and 11.9 for more detail on this dispute and Coronado's current contracted below-rail capacity in Queensland.

5. Risks

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 Coronado is 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 Coronado) through increased terminal handling charges.

There are also other litigation and arbitration proceedings to which Coronado is exposed, but which are not regarded as material by Coronado. However, it is possible that Coronado's assessment of its exposure in respect of these proceedings may change in the future, including as a result of developments in the proceedings or additional information becoming available.

5.1.19 Insurance

Coronado has insurance coverage for certain operating risks. However, it may become subject to liability (including in relation to pollution, occupational illnesses or other hazards), or suffer loss resulting from business interruption, for which it is not insured (or has not sufficiently insured) or cannot insure, including liabilities in respect of past activities.

Should a major uninsured loss be suffered, 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 Coronado or losses it may incur. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on Coronado's business, operating and financial performance.

5.1.20 Production and capital costs

Coronado's business, operating and financial performance may vary with fluctuations in production and capital costs. Changes in the costs of Coronado's mining and processing operations as well as its capital costs could occur as a result of unforeseen events, such as international and local economic and political events (including movement in exchange rates) and could result in changes in reserve estimates. Many of these factors may be beyond Coronado's and the Directors' control. In past resource cycles, operating and capital costs have tended to increase as commodity prices have increased. Thus, Coronado may be faced with higher than currently expected operating and capital costs in the future.

5.1.21 Finance

5.1.21.1 Indebtedness

Coronado is subject to various financial covenants under the terms of both its existing facilities and the conditional Syndicated Facility Agreement which is fully underwritten by Westpac Banking Corporation and National Australia Bank Limited summarised in Section 11.5.4.2. 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 Coronado's financial performance or change in accounting standards could lead to a breach in financial covenants. If there is such a breach, the relevant lenders may require their loans to be repaid immediately or cancel the further availability of their facilities. Some covenant breaches may not be an immediate default but may restrict the Company's ability to make distributions or otherwise limit expenditure.

5.1.21.2 Future indebtedness

It is possible that Coronado may need to raise additional debt or equity funds in the future. Coronado's existing financing facilities and operating cash flows may not be adequate to fund its ongoing requirements, for any future acquisitions or projects or to refinance its debt. There is no guarantee that refinancing will be able to be acquired, or if it is acquired, there is no guarantee that such new funding will be on terms acceptable to Coronado.

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 Coronado is unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to its business, Coronado may not have sufficient cash to meet its ongoing capital requirements, which in turn could materially and adversely affect its financial condition. Failure to obtain sufficient financing could cause delays or abandonment of business development plans and have a material adverse effect on Coronado's 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 a majority of their revenue from fossil fuel reserves. For example, in 2017, some Australian banks publicly announced that they would stop funding new thermal coal projects or would otherwise reduce their overall lending to coal. Such policies may adversely impact the coal industry generally, Coronado's ability to access capital and financial markets in the future, Coronado's costs of capital and the future global demand for coal.

5.1.22 Exchange rates

Foreign exchange risk is the risk of Coronado sustaining loss through adverse movements in exchange rates. Such losses can impact Coronado's financial performance and financial position and the level of additional funding required to support Coronado's businesses. Certain parts of Coronado's liabilities, earnings and cash flows are influenced by movements in exchange rates, especially movements in the AUD:USD exchange rate. Coronado's financial results are reported in USD.

The revenues for Coronado's US Operations are denominated in USD. However, costs relating to Coronado's Australian Operations are generally denominated in Australian dollars. Foreign currency exposures arise in relation to coal supply contracts, procurement of plant and equipment and debt, which may be priced in AUD or other foreign currencies other than USD.

The impact of 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.

Coronado currently does not hedge its non-USD exposures against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in exchange rates, which may affect Coronado's operating results, cash flows and financial condition.

5.1.23 Interest rates

Coronado is exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. Coronado's interest rate risk primarily arises from fluctuations in LIBOR in relation to USD denominated borrowings. Coronado's lending rates may increase in the future as a result of reasons beyond its and the Directors' control and may result in an adverse effect on Coronado's business, operating and financial performance.

5.1.24 Impairment

Coronado's 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 Coronado's operations are exposed – including coal price and demand, foreign exchange risks, operational and geological risks, changes in coal production and estimates of resources and reserves. Adverse changes in these and other risk factors could lead to a reduction in the valuation of certain of Coronado's assets and result in an impairment charge being recognised.

5.1.25 Changes in accounting standards

Coronado prepares its financial statements in accordance with US GAAP. The Financial Accounting Standards Board may amend US GAAP or replace them with new standards. Such amendment or replacement is beyond Coronado's and the Directors' control and changes to US GAAP may have an adverse effect on Coronado's reported financial performance or financial position.

In addition, US GAAP requires Coronado to make certain judgements and estimates when preparing its financial statements and the SEC or other relevant agencies and authorities may not agree with the judgements or estimates prepared by Coronado.

5. Risks

5.1.26 Future acquisitions and development of coal reserves

Coronado's long-term outlook depends on its ability to maintain a commercially viable portfolio of Resources and Reserves. Failure to acquire or discover new resources or develop new assets could negatively affect Coronado's business, operating and financial performance. Demand for Coronado's products and production from its assets result in existing reserves being depleted over time. Coronado's revenues and profits are derived from its coal assets, and its future results and financial condition are directly related to the success of its exploration and acquisition efforts, including the ability to generate reserves to replace depleted reserves at a competitive cost. 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 resources, replace reserves or develop new assets or operations in sufficient quantities to maintain or grow the current level of reserves could negatively affect Coronado's business, operating and financial performance.

Potential changes to Coronado's portfolio of assets through acquisitions and divestments may have a material adverse effect on future results of operations and financial condition. From time to time, Coronado may add assets to, or divest assets from, its 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;
- 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 Coronado's business, operating and financial performance.

5.1.27 Reputational harm

The continued success of Coronado's existing operations and its future projects are in part dependent upon the broad support of and a healthy relationship with the respective local communities in which Coronado operates. If it is perceived that Coronado is not respecting or advancing the economic and social progress and safety of the local communities, its reputation could be damaged, which could have a negative impact on its ability to secure new resources and labour and on its business, operating and financial performance.

Some of Coronado's current and potential mining activities are located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. The consequences of negative community reaction could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation and the safety and security of Coronado's workforce and assets. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to reputational damage. If Coronado's operations are delayed or shut down as a result of political and community instability, its earnings may be constrained and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to Coronado is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of Coronado's assets and investments and, consequently, have a material adverse effect on its financial condition.

5.2 GENERAL RISKS OF AN INVESTMENT IN CORONADO

5.2.1 Investment in securities

On Completion, Coronado will become 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 its securities that are not explained by Coronado's fundamental operations and activities. There is no guarantee that the price of the CDIs will increase following quotation on ASX, even if Coronado's earnings increase. Further, there is no guarantee that an active trading market will develop in CDIs.

The CDIs may trade at, above or below the price paid by the investor for those CDIs 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 Coronado's interim and annual results and those of other public companies in Coronado's 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;
- the limited trading history of Coronado's CDIs;
- the US securities restrictions applicable to the CDIs (as described in Section 11.8) or a future additional listing of the CDIs or Shares on another securities exchange may affect the liquidity of the market for the CDIs on the ASX;
- changes in accounting principles;
- announcements concerning Coronado or its competitors;
- changes to government policy, legislation or regulation;
- inclusion in or removal from particular market indices (including S&P/ASX indices); and
- the nature of the markets in which Coronado operates.

Other factors that may negatively affect investor sentiment and influence Coronado specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour 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 the CDIs, regardless of Coronado's operational performance. No guarantee can be given by Coronado or by the Directors in respect of the payment of dividends, any returns of capital or the market value of CDIs. Such issues are dependent on Coronado's performance after Listing, the control of costs and the need for working capital and other funding requirements.

5.2.2 Investors may suffer dilution

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

5.2.3 Taxation

The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Coronado are urged to obtain independent financial advice about the consequences of acquiring CDIs from a taxation point of view and generally.

To the maximum extent permitted by law, Coronado, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for CDIs under this Prospectus. Refer to Section 11.13 for other taxation considerations.

5. Risks

5.2.4 The Company will continue to be controlled by EMG after Completion

The Seller Group Entities will continue to have significant influence over Coronado following Completion, including control over decisions that require the approval of Shareholders, which could limit the ability of other Shareholders to influence the outcome of Shareholder votes.

Following Completion, the Seller will hold 70.0% of the Shares on issue. Therefore, funds affiliated with EMG will have effective control over the outcome of votes on all matters requiring approval by Shareholders. The interests of EMG and its Affiliates could conflict with or differ from Coronado's interests or the interests of other Shareholders. For example, the concentration of ownership held by the Seller Group Entities could delay, deter, or prevent a change in control of the Company or impede a merger, takeover, or other business combination which may otherwise be favourable for the Company. In addition, pursuant to the terms of the Stockholder's Agreement that the Company and the Seller have entered into, so long as the Seller Group Entities collectively beneficially own in the aggregate at least 25% of the outstanding Shares, the Seller Group Entities will have the ability to exercise substantial control over certain transactions, including change of control transactions such as mergers and capital and debt raising transactions.

For details on the transactions over which the Seller or its successors or permitted assigns has the right to consent, see Section 11.5.2 for a description of the Stockholder's Agreement. Further, pursuant to the terms of the Series A Share, the Seller or its successors or permitted assigns, as the holder of the sole Series A Share, at its option, will have the ability to elect a specified number of Directors (each, a **Series A Director**), based on the Seller Group Entities' aggregate level of ownership of Shares. For more details on the ability of the Seller to elect Series A Directors, as well as the rights of Shareholders to participate in the removal of any such Series A Directors, see Section 11.4.

Moreover, the Share ownership of the Seller Group Entities may also adversely affect the price of CDIs to the extent investors perceive disadvantages in owning CDIs of a company with a controlling shareholder. In addition, the Seller Group Entities and their respective Affiliates, including EMG, are in the business of making investments in companies and may, from time to time, acquire interests in businesses that directly or indirectly compete with the Company, as well as businesses that are significant existing or potential customers of the Company. The Seller Group Entities and their respective affiliates, including EMG, may acquire or seek to acquire assets that the Company seeks to acquire and, as a result, those acquisition opportunities may not be available to the Company or may be more expensive for the Company to pursue, and as a result, the interests of the Seller Group Entities or their respective Affiliates, including EMG, may not coincide with the interests of the Company's other Shareholders. For more details on renunciation of corporate opportunities, see Section 5.2.8.

5.2.5 Provisions of the Certificate of Incorporation, Bylaws and Delaware law could make an acquisition of Coronado more difficult

Provisions of the Certificate of Incorporation, the Bylaws and Delaware law may make it more difficult to effect a change in control of the Company, which could adversely affect the price of CDIs. The existence of some provisions in the Certificate of Incorporation and Bylaws and of Delaware law could delay or prevent a change in control of the Company, even if that change would be beneficial to Shareholders. The Certificate of Incorporation and Bylaws contain provisions that may make acquiring control of the Company difficult, including provisions:

- giving the Board 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 the Board to fill any vacancy on the Board (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 Shares 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 in aggregate to request);
- prohibiting stockholders from acting by written consent after such time that the Seller Group Entities 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 Series A Directors (**Voting Stock**);
- requiring approval of certain amendments to the Certificate of Incorporation and Bylaws by at least two thirds of the voting power of the Voting Stock, effective after such time that the Seller Group Entities no longer beneficially own in the aggregate shares representing at least a majority of the voting power of the Voting Stock;
- providing that the doctrine of 'corporate opportunity' will not apply to the Seller Group Entities, any non-employee Directors, or their respective Affiliates; and
- setting forth advance notice procedures for holders of Shares to nominate Directors and proposals for consideration at meetings of holders of Shares.

The Company has elected not to be governed by Section 203 of the Delaware General Corporation Law (or any successor provision thereto) (**Section 203**), until immediately following the time at which the Seller Group Entities no longer beneficially own in the aggregate Shares representing at least 10% of the voting power of all the Voting Stock, in which case the Company shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms would apply to the Company (which, in such case, it would not apply to the Company until the Shares (or any other series of Voting Stock) are listed on a securities exchange in the United States or held of record by more than 2,000 holders unless any of the foregoing results from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder). Section 203 provides that an interested stockholder (along with its affiliates and associates) – i.e. a shareholder 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 Shareholders to elect Directors other than candidates nominated by the Board and take other corporate actions. As a result, these provisions could make it more difficult for a third party to acquire the Company, even if doing so would benefit Shareholders, which may also limit the price that investors are willing to pay in the future for CDIs.

5.2.6 The Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between the Company and stockholders

The Bylaws will provide that, unless the Company consents in writing to the selection of an alternative forum, a state or federal court in the State of Delaware will be the sole and exclusive forum for:

- any derivative action or proceeding brought on behalf of the Company;
- any action or proceeding asserting a claim of breach of a fiduciary duty owed by any Director or officer or other employee or agent to the Company or its stockholders or debtholders;
- any action 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 Delaware General Corporation Law or the 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 that is governed by the internal affairs doctrine.

The choice of forum provision may limit a stockholders' ability to bring a claim in a judicial forum that it finds favourable for disputes with the Company or its Directors, officers or other employees, which may discourage such lawsuits against the Company and its Directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in the Company's Bylaws to be inapplicable or unenforceable in an action, the Company may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect the Company's business, financial condition and results of operations.

5.2.7 The Certificate of Incorporation limits the personal liability of Directors for certain breaches of fiduciary duty

The Certificate of Incorporation and Bylaws include provisions limiting the personal liability of Directors for breaches of fiduciary duty under the Delaware General Corporation Law. The Certificate of Incorporation contains provisions limiting a Director's personal liability to the Company and the holders of its Shares to the fullest extent permitted by the Delaware General Corporation Law. Furthermore, the Certificate of Incorporation provides that no Director shall be liable to the Company and the holders of its Shares 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 Delaware General Corporation Law. The principal effect of this limitation on liability is that holders of Shares will be unable to prosecute an action for monetary damages against a Director unless the holder can demonstrate a basis for liability that cannot be eliminated under the Delaware General Corporation Law. These provisions, however, should not limit or eliminate the Company's rights or any holder's rights 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 US federal securities laws. The inclusion of these provisions in the Certificate of Incorporation may discourage or deter holders of Shares 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 the Company and Shareholders.

5. Risks

5.2.8 The Seller Group Entities, the non-employee Directors and their respective Affiliates may be able to take advantage of a corporate opportunity that would otherwise be available to the Company

The corporate opportunity and related party transactions provisions in the Certificate of Incorporation could enable any of the Non-Executive Directors or the Seller Group Entities (or their respective Affiliates) to benefit from corporate opportunities that might otherwise be available to the Company. Subject to the limitations of applicable law, the Certificate of Incorporation, among other things, will:

- permit the Company to enter into transactions with entities in which one or more Non-Executive Directors are financially or otherwise interested;
- permit the Seller Group Entities, any non-employee Director or their respective Affiliates to conduct business that competes with the Company and to make investments in any kind of property in which the Company may make investments; and
- provide that if the Seller Group Entities, any non-employee Director or their respective Affiliates 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 a director or officer of the Company), that Non-Executive Director will have no duty to communicate or offer that opportunity to the Company, and will be permitted to communicate or offer that opportunity to such 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 the Company regarding the opportunity or acted in bad faith or in a manner inconsistent with the Company's best interests.

These provisions enable a corporate opportunity that would otherwise be available to the Company to be taken by or used for the benefit of the Non-Executive Directors, the Seller Group Entities or their respective Affiliates.

5.2.9 The Seller has the right, subject to certain conditions, to require the Company to register the sale of its Shares (including in the form of CDIs) under the US Securities Act, or to otherwise cause the Company to cooperate in a sell-down

Pursuant to a registration rights agreement, the Seller (or its successors or permitted assigns or transferees) has the right, subject to certain conditions, to require the Company to register the sale of their Shares or CDIs under the US Securities Act, or to cause the Company to cooperate in the sell-down of its Shares or CDIs. By exercising its registration rights and selling a large number of shares, the Seller could cause the prevailing market price of CDIs to decline. See Section 11.4 for a discussion of the Registration Rights and Sell-Down Agreement and its assignment and transfer provisions.

5.2.10 The costs and management time involved in complying with the Delaware General Corporation Law and Australian laws and US reporting requirements are likely to be significant

As a Delaware corporation, Coronado will need to ensure it complies with the Delaware General Corporation Law and, since the Company will be listed on ASX and registered as a foreign company in Australia, Coronado will also need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between the Delaware General Corporation Law and Australian laws and regulations, Coronado may need to seek regulatory relief or to make changes to its business operations, structure or policies to resolve such inconsistency. If Coronado is required to make such changes, this is likely to result in additional demands on management and extra costs.

Coronado expects that it may in the future be required to register the Shares (which may be in the form of CDIs) with the SEC under the US Exchange Act if the number of Shareholders exceeds certain thresholds (described below), which would result in Coronado becoming subject to the periodic reporting requirements of the US Exchange Act. Coronado will become subject to the reporting requirements of the US Exchange Act if, among other things, Coronado has:

- assets of more than US\$10 million; and
- either (a) 2,000 or more holders of record of any class of equity securities or (b) 500 or more holders of record of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the US Securities Act.

Registration under the US Exchange Act will involve Coronado filing an initial registration statement with the SEC and the filing of ongoing annual, quarterly, and current reports on Forms 10-K, 10-Q and 8-K. In the absence of a waiver from the ASX Listing Rules, these SEC periodic reports will be in addition to Coronado's periodic filings required by the ASX Listing Rules. At the time Coronado becomes subject to the reporting requirements of the US Exchange Act, Coronado will also become subject to the Sarbanes-Oxley Act of 2002 and certain requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (**Dodd-Frank Act**), which will impose additional governance and reporting obligations. For example, the Dodd-Frank Act requires publicly traded companies in the United States to disclose the receipt of certain shutdown orders and notices of patterns or potential patterns of violations under the Mine Act by filing a Form 8-K (and also including such disclosures in Form 10-K annual filings) with the SEC following receipt of any of the following orders or notices from the MSHA: an imminent danger order issued under Section 107(a) of the Mine Act; written notice from the MSHA of a pattern of violations of mandatory health or safety standards under Section 104(e) of the Mine Act; or written notice from the MSHA that any of Coronado's coal mines has the potential to have a pattern of such mandatory health or safety standards violations.

The legal and accounting costs and management time that will be required to comply with these obligations are expected to be significant.

5.2.11 Exchange rate fluctuations

The proceeds of the Offer will be received in Australian dollars, while Coronado's revenues are largely based in USD. Coronado is not currently hedging against exchange rate fluctuations, and consequently it will be at the risk of any adverse movement in the AUD:USD exchange rate between the pricing of the Offer and the closing of the Offer.

The CDIs will be quoted on ASX and priced in Australian dollars. As a result, movements in foreign exchange rates may cause the price of Coronado's securities to fluctuate for reasons unrelated to Coronado's financial condition or performance and may result in a discrepancy between Coronado's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars.

5.2.12 Speculative nature of investment

The risk factors set out in this Section 5 should not be taken as an exhaustive list of the risks faced by Coronado or by potential investors in Coronado. Any combination of the above risks may materially affect any assets, operations or financial performance of any Group member and the value of its securities. Accordingly, any investment in Coronado is subject to significant risk and uncertainty with respect to return or preservation of capital.

5.2.13 No assurance Coronado will be able to pay dividends

There is no guarantee with respect to the payment of dividends, returns of capital or the market value of Coronado securities. Investors should consider that their investment in Coronado is speculative and should read this Prospectus in full and consult their professional advisers before deciding whether to apply for CDIs. The Company is a holding company and has no operations of its own. It holds its interests in its various businesses through its wholly-owned subsidiaries. In addition to its own cash resources, its ability to pay dividends depends on the ability of its subsidiaries to make cash available to it and its ability to fulfil Delaware General Corporation Law requirements with respect to dividends as discussed in Section 11.4. If the Company does not have sufficient cash resources of its own and does not receive payments from its subsidiaries in an amount sufficient to pay dividends, the Company must obtain additional funds from other sources.

SECTION 6

Key People, Interests
and Benefits

6.1 BOARD OF DIRECTORS

Profiles of each member of the Board are set out below:

Name and title	Experience
 Greg Martin Independent Non-Executive Chairman	• Greg Martin has over 35 years' experience in the energy, energy utilities, energy infrastructure and resources sectors, having spent 25 years with The Australian Gas Light Company (AGL), including five years as Chief Executive Officer and Managing Director. • After leaving AGL, Greg was Chief Executive Officer of the infrastructure division of Challenger Financial Services Group and, subsequently, Managing Director of Murchison Metals Limited. In 2012, Greg co-founded Prostar Capital, a private equity investment firm established to invest across the mid-market energy value chain in the Asia-Pacific region. The firm invests in operating companies, projects and assets that are focused on midstream (gathering and processing), storage and downstream (transportation and distribution) energy infrastructure. Greg retired as a Partner in Prostar Capital in December 2017 but remains an investor in its funds. • Greg currently serves as Chairman of Iluka Resources Limited, Chairman of Sydney Desalination Plant Pty Limited, Deputy Chairman of Western Power and a non-executive director of Spark Infrastructure Group. • Greg is a Fellow of the Australian Institute of Managers & Leaders and a Member of the Australian Institute of Company Directors. He holds a Bachelor of Laws from the University of Technology, Sydney and a Bachelor of Economics from The University of Sydney.
 Garold Spindler Managing Director and Chief Executive Officer	• Garold (Gerry) Spindler has more than 30 years' experience in the coal industry. He 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 (US), and President and Chief Executive Officer of Pittston Coal Company. Gerry is owner and chairman of St Cloud Mining. Gerry has been Coronado's Managing Director and Chief Executive Officer since 2011. • Gerry has managed operations in the United States, Australia, Canada and the United Kingdom. He was the 2010 recipient of West Virginia University's Distinguished Engineer of Mines, and the 2008 recipient of the Erskine Ramsay Medal Award of the Society of Mining. Gerry has an industry track record of high sales and earnings growth, with full profit and loss responsibility. • Gerry holds a Bachelor of Science, as well as a Masters in Mining Engineering from West Virginia University and a Masters of Business Management from Stanford University. • As Managing Director and Chief Executive Officer, Gerry is ultimately responsible for ensuring the successful delivery of Coronado's financial, operational, safety, people and environmental targets and strategies.

6. Key People, Interests and Benefits

Name and title	Experience
 Philip Christensen Independent Non-Executive Director	- Philip Christensen is the sole director of Christensen Legal, a Brisbane-based boutique law firm practising general corporate law. His practice is focused on the coal mining sector. Philip has more than 30 years' experience in the corporate/M&A area and was a partner at Herbert Smith Freehills for 23 years, predominantly advising companies within the resources sector. In particular, Philip has extensively advised Australian and overseas mining companies, investors and others in the mining industry. His experience includes Australia and offshore jurisdictions such as Indonesia and Singapore, where he lived for a number of years. - Philip has negotiated agreements for the sale or acquisition of significant exploration resources, mines and mining companies across a range of minerals but extensively coal joint venture and associated agreements and a wide range of contractual arrangements. Philip has also been an adviser for many years on operational matters for mining companies. - Prior to forming Christensen Legal, Philip served in a number of roles, including as Executive Director of an Australian coal exploration company, Chairman of a non-listed base metals exploration company, and a non-executive director of the ASX-listed companies Aston Resources and Whitehaven Coal. Philip was on the Board of Aston Resources when it listed on ASX via its IPO in 2010. - Philip is currently a non-executive director on a start-up company called EcoJoule Energy Pty Ltd. This is a private company developing electrical products for strategic applications. - A graduate of The University of New South Wales, Philip holds a Bachelor of Commerce (with Merit) and Bachelor of Laws. He is a solicitor admitted to practice in Queensland.
 Bill Koeck Independent Non-Executive Director	- William (Bill) Koeck holds a LLB/LLM (Hons) from The University of Sydney, and a Diploma of Applied Corporate Finance (ASIA). Bill has over 40 years' experience in M&A, equity capital markets, private equity, restructuring and workouts, company and securities law and corporate governance. He is consistently acknowledged by peers as a leading lawyer and has been a guest lecturer in post-graduate corporate and securities law in the Law Faculty at The University of Sydney for 20 years. Bill has represented some of the world's largest mining and resources companies on major transactions as lead adviser and on the IPOs of some of Australia's leading listed companies. He has had extensive involvement as legal counsel in the coal industry in Australia and North America. - Bill's experience as a partner in two major law firms includes as Head of Corporate and Head of M&A as well as management roles which included responsibility for determining remuneration, equity and partner appointments. He has acted as a Non-executive director of two public companies, in one case as Chairman and the other as Chairman of the Audit and Risk Committee and member of the Remuneration Committee, and is the independent non-executive director of a large privately-held family company group. - Bill 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 has sole jurisdiction for Australian public company and fund takeovers, which is an Australian Government statutory appointment.

Name and title	Experience
 Greg Pritchard Independent Non-Executive Director	• Greg Pritchard is a corporate executive with broad experience across a range of ASX-listed companies including in global energy, mining and finance. • Greg's most recent position was Managing Director of the listed global distributed energy generator, Energy Developments Limited (EDL). EDL owns and operates an international portfolio of over 100 distributed power projects in Australia, the United States, Canada and Europe and is Australia's largest remote energy provider to mines and towns as well as being a leading clean energy provider. Greg was Managing Director for EDL between 2007 and 2016, having joined the company as Finance Director in 2001. • Prior to his appointment to EDL, Greg was the CFO of the listed QCT Resources Limited (QCT) and, prior to that, of QNI Limited. QCT was one of Australia's largest coal producers, holding a 32% interest in the CQCA and Gregory Joint Ventures in Queensland's Bowen Basin with BHP Billiton and Mitsubishi and direct ownership of the South Blackwater mine. Greg previously held various senior positions at KPMG and Wardley James Capel in Australia, the United Kingdom and Europe. • Greg currently serves as a non-executive director of The Port of Newcastle. • Greg is a Fellow of Chartered Accountants Australia & New Zealand and holds a Bachelor of Commerce from The University of Melbourne and a Master of Applied Finance from Macquarie University.
 Ernie Thrasher Non-Executive Director	• Ernie Thrasher has over 40 years' experience in the coal industry. His coal experience began in 1974 working for a family-owned mining company with operations in Maryland. • Ernie is the founder, Chief Executive Officer and Chief Marketing Officer of Xcoal, a global coal products supplier and the largest exporter of US 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, Ernie spent 22 years in various global marketing positions at Primary Coal and AMCI. In 2015, Ernie founded XLNG Energy & Resources, which plans to market natural gas from reserves in the Marcellus and Utica Shale basins in the US to the existing customer in Europe and Asia. • Ernie serves on the board of directors of Barrick Gold Corporation and 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 US China Relations and as a director on the US India Strategic Partnership Forum.
 Laura Tyson Non-Executive Director	• Laura 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, Laura was a Partner at Baker Botts L.L.P. and was a member of the Master Limited Partnership (MLP), Energy and Private Equity practice groups. She was very involved in the firm's management and served as a hiring partner for four years and on the firm's executive committee. In her practice, Laura advised private equity funds, hedge funds and other investors in fund and special purpose vehicle formation as well as in the conduct of their investment activities and she represented issuers, underwriters and investors in a variety of equity and debt offerings and mergers and acquisitions. While at Baker Botts L.L.P., Laura's practice was focused on the energy sector and MLPs, 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. Additionally, she created the first mutual fund focused on investing exclusively in MLPs. • Laura currently serves as a director of numerous EMG portfolio companies including Ascent Resources LLC, White Star Petroleum, LLC, Heritage NonOp Holdings, LLC and Sable Permian Resources, LLC. Laura graduated Magna Cum Laude from McNeese State University with a Bachelor of Science in Economics and Finance and received a JD from the University of Houston Law Center graduating Cum Laude.

6. Key People, Interests and Benefits

The composition of the Board Committees is set out in Section 6.4.4 and a summary of the Board's key corporate governance policies is set out in Section 6.5.

Each Director has confirmed to the Company that he or she anticipates being available to perform their duties as a Director without constraint from other commitments.

6.2 MANAGEMENT

Profiles of the core members of the Company's management team are set out below. Further information on the terms of employment of key management personnel is set out in Section 6.3.2.

Name and title	Experience
Garold Spindler Managing Director and Chief Executive Officer	See Section 6.1.
 James Campbell President and Chief Operating Officer	- James (Jim) Campbell has served as President and Chief Operating Officer since the inception of Coronado in 2011 and holds fiscal responsibilities along with health, safety, operations, sales and marketing. With 40 years of experience in the coal industry, he has significant knowledge and experience in operations, executive management and leadership, as well as global met coal sales and marketing. Prior to joining Coronado, he started, and was an owner and Chief Executive Officer of, Spring Creek Energy and Strata Fuels. - In 2008, Jim participated with Gerry Spindler in starting Imagin Natural Resources (INR), a US-based met coal company where he was President and Chief Operating Officer. Preceding INR, Jim spent the majority of his career (22 years) with Pittston Coal Company. At Pittston Coal Company (a US public company), he held various positions, progressing from mine engineer/operations to management of operations in multi-state venues to executive management where he served as an Executive Vice President. Jim also served as President of Pittston Coal Sales Company where he was responsible for strategic development, global met and thermal coal sales and marketing, and gained extensive knowledge of the global met coal trade. - Jim has also served as a member of the board of directors for the West Virginia Coal Association and is a former Chairman of the Virginia Coal Council. He is a former member of West Virginia University College of Mineral and Energy Resources Board of Advisors. He holds Bachelor degrees in Mining Engineering from West Virginia University and Civil Engineering from West Virginia Institute of Technology. He also holds an Executive MBA from the University of Virginia, Darden School of Business.
 Ayten Saridas Group Chief Financial Officer	- Ayten Saridas was appointed the Group CFO of Coronado in June 2018 and is responsible for finance, capital management, strategic planning, treasury, tax and risk management. In this role, Ayten is also responsible for ensuring that the financial operations of the Group supports the delivery of business objectives including the identification, evaluation and execution of business development opportunities. - Ayten 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 Coronado, Ayten was the Chief Financial Officer of ASX-listed AWE Limited for five years where she was responsible for corporate strategy, finance, strategic planning, tax, treasury, M&A and risk management. - Ayten began her career in banking and has held a number of senior executive finance roles including Group Executive & Treasurer at Santos, CFO at Babcock & Brown Japan Property Trust, Group Treasurer at Woolworths Limited and Head of Corporate Finance at Ausgrid. - Ayten is a Fellow of CPA Australia and holds a Master of Applied Finance from Macquarie University and a Bachelor of Commerce from The Australian National University.

Name and title	Experience
 Richard Rose Vice President, Chief Legal Officer & Secretary	• Richard (Rick) Rose has been a practising lawyer since 1988, and has been Coronado's Chief Legal Officer since 2017. For much of his career, Rick was a shareholder in the Pittsburgh office of Buchanan Ingersoll & Rooney, PC where his practice included general corporate counselling, federal securities and M&A. Before becoming a lawyer, he was a certified public accountant and auditor with an international public accounting firm. • Prior to joining Coronado and after he was a private practice lawyer, Rick was Interim Senior Vice President, General Counsel and Corporate Secretary of Meritor, Inc. and prior to that was Senior Vice President, General Counsel and Secretary of Calgon Carbon, Inc. • Rick earned a Bachelor of Science in Accounting from The Pennsylvania State University and a JD (Cum Laude) from The University of Pittsburgh School of Law. • As Chief Legal Officer, Rick is responsible for all legal, regulatory, compliance and insurance management matters for Coronado.
 Johan Ballot General Manager, Curragh Operations	• Johan Ballot has more than 20 years' experience in the mining industry and has worked in a range of roles throughout the mining industries of Australia and South Africa. Johan was with Wesfarmers for over 10 years, with roles across the Premier Coal operation in Western Australia and within Wesfarmers Resources' Brisbane office in Queensland. • Johan has worked at the Curragh site since 2013 and held various leadership positions before being appointed to the General Manager Operations role in 2016. • Johan holds a Bachelor of Mining Engineering from the University of Pretoria and a Bachelor of Commerce from the University of South Africa. • In his current role as General Manager, Curragh Operations, Johan is responsible for leading the Curragh operation to achieve safety, cost and production objectives and for ensuring the mine has a strategic plan that provides for a sustainable future.
 Jeff Bitzer Vice President of Operations – US	• Jeff Bitzer has 40 years' experience in operations management involving all aspects of coal mining. He has a technical background involving safety management, environmental compliance, cost control and analysis, production management, reserve evaluation, quality control, and process improvement. • Prior to joining Coronado, Jeff held several positions including President and General Manager, Manager of Contract Operations and Director of Engineering for Arch Coal, Inc., Vice President and General Manager for Magnum Coal Company, and Vice President of Operations for United Coal Company. • Jeff is a licensed West Virginia professional engineer and holds a Bachelor of Science in Mining Engineering from West Virginia University. • In his current role, Jeff is responsible for the management of safety and environmental performance, costs, productivity, and capital spending for all of the US Operations. He is also responsible for mine planning and financial forecasting for existing and proposed operations.

6. Key People, Interests and Benefits

6.3 INTERESTS AND BENEFITS

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion; or
- the Offer,

and no amount (whether in cash, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

6.3.1 Directors' interests and benefits

6.3.1.1 Managing Director and Chief Executive Officer

The Company has entered into an employment agreement with Garold Spindler to govern his employment with the Company. Garold Spindler is employed in the position of Managing Director and Chief Executive Officer of the Company. Refer to Section 6.3.2 for further details.

6.3.1.2 Director appointment letters

Prior to the Prospectus Date, each of the Non-Executive Directors entered into appointment letters with the Company, confirming the terms of their appointments, their roles and responsibilities and Coronado's expectations of them as Directors.

6.3.1.3 Non-Executive Director remuneration

Under the Bylaws, the Board may decide the total amount paid by the Company to each Director as remuneration for their services as a Director, subject to the ASX Listing Rules from time to time. However, under 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 Shareholders at the Company's general meeting. This amount has been fixed by the Company at A\$1.8 million per annum.

As at the Prospectus Date, the annual Non-Executive Directors' base fees agreed to be paid by the Company (inclusive of any superannuation payable) are as follows:

- the Chairman of the Board: A\$330,000;
- the Chair of each Board Committee: A\$190,000; and
- each of the other Non-Executive Directors: A\$175,000.

Directors will not receive additional fees for being a member of a Board Committee.

The Non-Executive Director fees for Laura Tyson will be paid to the EMG Entities that hold interests in the Company in return for EMG making Ms Tyson available to the Company.

Upon completion of the Offer and subject to their continued employment through such date, Greg Martin, Philip Christensen, Bill Koeck, Greg Pritchard and Ernie Thrasher will also each receive A\$50,000 as compensation for due diligence work completed prior to Listing, including attendance at site visits in Australia and the United States.

Non-Executive Directors may elect to receive some of their annual base fees as Restricted Security Units (**RSUs**). The RSUs will be settled on the earlier of five years from the date the RSU is granted, or the Director ceasing to be a Director on the Board. Each RSU is an entitlement to receive one CDI (or if the Board 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. The number of RSUs granted is calculated by dividing the value of base fees each Non-Executive Director elects to receive as RSUs by:

- the Offer Price for any RSUs granted in respect of FY2019 and the additional period from 1 October 2018 to 31 December 2018; and
- the 30-day volume weighted average price of CDIs to 1 January for the year the RSUs will be granted for any RSUs granted in subsequent years, unless the Board determines otherwise.

Non-Executive Director fees will be sacrificed in approximately equal installments over a 12 month period. RSUs will be granted in approximately four equal tranches at three month intervals in respect of the fees sacrificed over the preceding three months. The FY2020 and FY2021 RSUs will be granted within three years from Completion.

6.3.1.4 Indemnity, insurance and access agreements

The Company indemnifies certain persons for certain amounts incurred in connection with certain events or occurrences that happen by reason of their being or serving, or having been or served, as a Director or officer of the Company. The Certificate of Incorporation provides that the Company may indemnify individuals to the full extent permitted by Delaware law. The Bylaws provide for the indemnification of Directors to the fullest extent permitted by law. The Bylaws also set out the circumstances in which the Company will reimburse Directors for expenses reasonably incurred in defending any action, suit, or proceeding described in the Bylaws.

The Company has also entered into Agreements of Indemnity, Insurance and Access with each Director (**Director Agreements**). Each Director Agreement contains a right of access to the Company's books and records for a purpose reasonably related to the Director's position as a current or former director, to the extent such documents would be made available to a Director under the relevant Delaware law.

The Company must also maintain a policy of insurance for Directors, which is required by the Director Agreements to be maintained for a period of seven years after a Director ceases to hold office. This seven-year period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

Pursuant to the Certificate of Incorporation and Bylaws, the Director Agreements also provide that the Company indemnifies Directors to the fullest extent permitted by law if the Director is, or is threatened to be, made party to relevant proceedings because they are or were a director of the Company. This indemnification includes expenses, judgements, penalties, fines and amounts paid in settlement as well as an advancement of expenses in certain circumstances.

6.3.1.5 Other information

The appointment letter of each Non-Executive Director confirms that Directors are entitled to be paid for travel and other expenses incurred in attending to Coronado's affairs, including attending and returning from general meetings of the Company or meetings of the Board or Board Committees. Under the ASX Listing Rules, the reimbursement of out of pocket expenses may be paid out of the funds of the Company. These amounts are in addition to the fees set out in Section 6.3.1.3.

Coronado does not pay benefits (other than applicable statutory entitlements) on retirement to Non-Executive Directors.

6. Key People, Interests and Benefits

6.3.1.6 Directors' shareholdings

The Company has established a minimum shareholding policy for Non-Executive Directors, other than Directors appointed by the holder of the Series A Share, or any other Directors determined by the Board. 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 the Board. 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. The Directors' holdings (either personally or through entities holding an interest in the Seller or the EMG Entities) on Completion are outlined below.

As at the day before Settlement, Garold Spindler, Ernie Thrasher and Laura Tyson will have an indirect economic interest in the Seller's Shareholding, arising from holdings of:

- class A units and MIUs (defined below) in the Seller, as described at Section 6.3.2.5; and/or
- investments in the EMG Entities.

These indirect interests are set out in Table 106. Those Directors who hold indirect economic interests in the Company through investments in the Seller or the EMG Entities will have an indirect interest in proceeds received by the Seller for sale of Sale CDIs under the Offer.

Garold Spindler's interest in class A units in the Seller are subject to a voluntary escrow deed, as described at Section 7.6.

Table 106: Directors' interests in Shares prior to the Offer and on Completion

Director	Immediately prior to Completion		On Completion		
	Interest in Shares	% Shareholding	Interest in Shares	CDI equivalent	% Shareholding
Greg Martin	Nil	Nil	Nil	Nil	Nil
Garold Spindler*	830,868	1.0386%	702,667	7.0 million	0.7270%
Philip Christensen	Nil	Nil	Nil	Nil	Nil
Bill Koeck	Nil	Nil	Nil	Nil	Nil
Greg Pritchard	Nil	Nil	Nil	Nil	Nil
Ernie Thrasher**	1,970,960	2.4637%	1,666,845	16.7 million	1.7246%
Laura Tyson**	10,485	0.0131%	8,867	0.1 million	0.0092%
Total	2,812,313	3.5154%	2,378,380	23.8 million	2.4608%

* Represents an indirect economic interest in the Company held through investments in class A units in the Seller. Garold Spindler also holds MIUs in the Seller as disclosed in Section 6.3.2.5.

** Represents an indirect economic interest in the Company held through investment vehicles holding investments in the EMG Entities.

Note: This does not include any CDIs or interests in CDIs which may be acquired as part of the Offer at the Offer Price.

The Directors are entitled to apply for CDIs under the Offer. In addition, as outlined in Section 6.3.1.3, Non-Executive Directors may elect to receive some of their annual base fees as RSUs. Final Directors' Shareholdings will be notified to the ASX on Listing.

6.3.2 Executive remuneration

6.3.2.1 Managing Director and Chief Executive Officer

Details regarding the terms of employment of the Managing Director and Chief Executive Officer, Garold Spindler, are set out below.

Term	Description
Employer	Coronado Global Resources Inc.
Base salary	US\$1,000,000 per annum
Incentives	In each of the following three periods: • FY2019 and the additional period from 1 October 2018 to 31 December 2018; • FY2020; and • FY2021, Mr Spindler will have the following variable pay opportunities: • an STI opportunity under which, depending on the Company's and Mr Spindler's performance, he will be eligible to receive up to a maximum of 100% of his base salary (see Section 6.3.2.4 for further information on the STI Plan); and • an LTI opportunity under which Mr Spindler will be entitled to receive Performance Security Units (PSUs) and options (Options) under the Coronado Global Resources Inc. Equity Incentive Plan (Incentive Plan) with an allocation value equal to a maximum of 100% of his base salary and comprising 50% of PSUs and 50% of Options. Vesting of the PSUs and Options will be dependent on the satisfaction of the applicable vesting conditions (see Section 6.3.2.4 for further information). The FY2019 PSUs and Options will be issued on or around Completion. The FY2020 and FY2021 PSUs and Options will be granted within three years from the Completion. The number of FY2019 PSUs granted will be equal to 50% of annual base salary for the financial period, divided by the Offer Price. The number of FY2019 Options granted will be equal to 50% of annual base salary for the financial period, divided by 30% of the Offer Price. It is intended that the number of FY2020 and FY2021 PSUs granted will be equal to 50% of annual base salary for the relevant financial period, divided by the 30-day volume weighted average price of CDIs to 1 January FY2020 and 1 January FY2021, respectively. It is intended that the number of FY2020 and FY2021 Options granted will be equal to 50% of annual base salary for the relevant financial period, divided by 30% of the 30-day volume weighted average price of CDIs to 1 January FY2020 and 1 January FY2021, respectively.

6. Key People, Interests and Benefits

Term	Description
Termination	Mr Spindler's employment will terminate automatically on 31 December 2019 (Automatic End Date). However, each year the Automatic End Date will automatically extend to 31 December of the following year, if neither party gives notice of termination on or before 30 September of the year in which the Automatic End Date is scheduled to occur. There are additional circumstances in which Mr Spindler's employment may terminate automatically (e.g. his death) or may be terminated on notice prior to an Automatic End Date (e.g. incapacity). 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 to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits. If Mr Spindler's employment is terminated without cause, or he resigns with good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits, and a termination payment of 12 months' base salary, payable six months after the date his employment terminates.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of at least 12 months following termination, some of which apply across the United States and Australia. Unless the Company waives Mr Spindler's restraints, it will pay him one half of his annual salary, in 12 monthly payments. In return, Mr Spindler is required to provide consultation services to the Company upon request.

6.3.2.2 President and Chief Operating Officer

Details regarding the terms of employment of the President and Chief Operating Officer, James Campbell, are set out below.

Term	Description
Employer	Coronado Global Resources Inc.
Base salary	US\$650,000 per annum
Incentives	For FY2019 and inclusive of the additional period from 1 October 2018 to 31 December 2018, Mr Campbell has the following variable pay opportunities: - an STI opportunity under which, depending on the Company's and Mr Campbell's performance, he will be eligible to receive up to a maximum of 50% of his base salary (see Section 6.3.2.4 for further information on the STI Plan); and - an LTI opportunity under which Mr Campbell will be entitled to receive PSUs and Options under the Incentive Plan with an allocation value equal to a 100% of his base salary and comprising 50% of PSUs and 50% of Options. Vesting of the PSUs and Options will be dependent on the satisfaction of the applicable vesting conditions (see Section 6.3.2.4 for further information). These PSUs and Options will be issued on or around Completion. The number of FY2019 PSUs granted will be equal to 50% of annual base salary for the financial period, divided by the Offer Price. The number of FY2019 Options granted will be equal to 50% of annual base salary for the financial period, divided by 30% of the Offer Price.

Term	Description
Termination	Mr Campbell's employment will terminate automatically on 31 December 2019 (Automatic End Date). However, each year the Automatic End Date will automatically extend to 31 December of the following year, if neither party gives notice of termination on or before 30 September of the year in which the Automatic End Date is scheduled to occur. There are additional circumstances in which Mr Campbell's employment may terminate automatically (e.g. his death) or may be terminated on notice prior to an Automatic End Date (e.g. incapacity). 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 to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits. If Mr Campbell's employment is terminated without cause, or he resigns with good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits, and a termination payment of 12 months' base salary, payable six months after the date his employment terminates.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of at least 12 months following termination, some of which apply across the United States and Australia. Unless the Company waives Mr Campbell's restraints, it will pay him one half of his annual salary, in 12 monthly payments. In return, Mr Campbell is required to provide consultation services to the Company upon request.

6.3.2.3 Group Chief Financial Officer

Details regarding the terms of employment of the Group Chief Financial Officer, Ayten Saridas, are set out below.

Term	Description
Employer	Curragh Queensland Mining Pty Ltd (Curragh Queensland Mining)
Fixed annual remuneration	A\$670,000 per annum
Incentives	For FY2019 and inclusive of the additional period from 1 October 2018 to 31 December 2018, Ms Saridas has the following variable pay opportunities: - an STI opportunity under which, depending on the Company's and Ms Saridas' performance, she will be eligible to receive up to a maximum of 50% of her fixed annual remuneration (see Section 6.3.2.4 for further information on the STI Plan); and - an LTI opportunity under which Ms Saridas will be entitled to receive PSUs and Options under the Incentive Plan with an allocation value equal to a 75% of her fixed annual remuneration and comprising 50% of PSUs and 50% of Options. Vesting of the PSUs and Options will be dependent on the satisfaction of the applicable vesting conditions (see Section 6.3.2.4 for further information). These PSUs and Options will be issued on or around Completion. The number of FY2019 PSUs granted will be equal to 37.5% of fixed annual remuneration for the financial period, divided by the Offer Price. The number of FY2019 Options granted will be equal to 37.5% of fixed annual remuneration for the financial period, divided by 30% of the Offer Price.

6. Key People, Interests and Benefits

Term	Description
Termination	Ms Saridas' employment can be terminated by either her or Curragh Queensland Mining giving the other party three months' written notice (or by Curragh Queensland Mining making payment in lieu of part or all of her notice period). Curragh Queensland Mining is entitled to terminate Ms Saridas' employment immediately without notice in certain circumstances, including if she engages in serious or wilful misconduct, engages in any other conduct which in the reasonable opinion of Curragh Queensland Mining is likely to affect adversely the reputation of Curragh Queensland Mining 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 remuneration, if her employment is terminated for any reason, other than those reasons listed in the above paragraph.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of up to 12 months following termination, some of which apply across Australia.

6.3.2.4 Executive incentive plan

Short-Term Incentive arrangements

Group executives and other members of management are eligible to participate in the Company's short-term incentive plan (STI Plan).

The amount of the short-term incentive (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.

Performance will be measured over a 12-month fiscal period (except for the initial FY2019 grant which includes the additional period from 1 October 2018 to 31 December 2018).

Any award of STI to the CEO, President and Chief Operating Officer and Group CFO will be delivered as follows:

- 50% will be delivered in cash after the release of the Company's audited full-year financial results; and
- 50% will be deferred for 12 months. The deferred component of the STI award will be delivered as RSUs that will vest after the release of the Company's audited full-year financial results for the year following the year of the award (e.g. the RSUs for the FY2019 STI deferred component will be granted following the release of the Company's audited full-year financial results for FY2019 and will vest following release of the Company's audited full-year financial results for FY2020). Each RSU is an entitlement to receive one CDI (or, if the Board 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. The RSUs are granted for nil consideration, as they form part of the participant's remuneration package. It is intended that the number of RSUs that may be granted if an award is made will be equal to 50% of the value of the participant's total STI award for the fiscal period, divided by the 30-day volume weighted average price of CDIs to 1 January in the fiscal period of the date the STI award is determined. The vesting of the deferred STI will be contingent on continued service to the vesting date (except in certain 'good leaver' scenarios including genuine retirement, death and total and permanent disablement).

The CEO is the only Director who is entitled to participate in the grant of RSUs under deferral arrangements in the STI Plan.

The Compensation and Nominating Committee and the Board retain the right to exercise discretion not to award an STI where the participant has ceased employment with the Group during the performance period, or in limited other cases, including if a financial restatement is required or in cases of employee misconduct.

Long-Term Incentive arrangements

Group executives and other members of management are eligible to participate in the Company's long-term incentive plan (LTI Plan). Awards will be in the form of PSUs and Options granted under the Equity Incentive Plan. Each PSU is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash or Shares). Each Option is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash or Shares), subject to the satisfaction of the relevant vesting conditions and payment of the applicable exercise price. The exercise price for the FY2019 Options will be the Offer Price.

The LTI Plan is designed to provide an incentive for sustained long-term performance and longer-term growth in shareholder value, while maintaining a total remuneration opportunity that enables the Company to retain, attract and motivate qualified and high performing executives. The CEO is the only Director who is entitled to participate in the grant of securities under the LTI Plan.

The long-term incentive (**LTI**) grant is measured over a three-year performance period from 1 January of year one to 31 December of year three. The PSUs and Options will be subject to a further 12-month vesting period and will generally be settled after release of the Company's audited full-year financial results after the end of the vesting period (e.g. for the performance period from 1 January 2019 to 31 December 2021, PSUs and Options will be subject to a vesting period of 1 January 2022 to 31 December 2023 and will generally be settled by 31 March 2023). Any vested PSUs will entitle the holder to additional CDIs (or the equivalent value in cash or Shares) equal to any distributions made during the 12-month vesting period (assuming such distributions are reinvested in CDIs at the ex-distribution date). The PSUs and Options are granted for nil consideration, as they form part of the participant's remuneration package.

For the initial grant, the number of PSUs and/or Options that vest will be determined by the Board and Compensation and Nominating Committee based on the Company's percentile ranking of total shareholder return relative to a peer group of companies (tranche of 25% of the total LTI grant) and on the achievement of an LTI scorecard (tranche of 75% of the total LTI grant), as well as the participant's continued employment with the Group over the performance period (except in certain 'good leaver' scenarios including genuine retirement, death and total and permanent disablement). The LTI scorecard measures are determined and approved by the Board at the beginning of the performance period, having regard to the Company's budgeted cost forecasts, business plans and strategy.

The Compensation and Nominating Committee and the Board retain the right to exercise discretion to lapse PSUs and/or Options where the participant has ceased employment with the Group during the performance period, or in limited other cases, including if a financial restatement is required or in cases of employee misconduct.

6.3.2.5 Seller Management Incentive Units

As part of the Seller's remuneration arrangements, certain members of the Company's management team were granted a total of 2,900 Management Incentive Units (**MIUs**) in the Seller. There is no intention to grant further MIUs to the Company's management team in the future.

Each MIU entitles the holder to a right to receive a portion of the distributions made by the Seller, subject to the following conditions:

- capital investors in the Seller (i.e. the holders of class A units, of which EMG holds 98.7%) must first receive a rate of return of 10% per annum before any portion of the distributions are allocated to holders of MIUs; and
- the portion of the distributions received by holders of MIUs increases as the total return on investment increases for the holders of class A units up to a maximum of 25% of total distributions.

The payments made to holders of MIUs comes out of distributions made by the Seller and therefore will have no financial impact on the Company or its Shareholders.

MIUs are subject to the following default forfeiture conditions, unless the board of the Seller determines otherwise. An employee's MIUs will be forfeited upon termination of employment for cause. Upon termination of employment without cause, or due to voluntary resignation, death or disability (i.e. good leaver terms), the number of MIUs the employee retains will be determined based on their years of employment as follows: less than one year: 0%; between one and two years: 16.67%; between two and three years: 33.33%; and three years and more: 50%. 67% of Garold Spindler's MIUs will not be forfeited under these good leaver terms (i.e. these MIUs are only subject to forfeiture upon termination for cause).

Garold Spindler holds 41% of MIUs on issue and also holds 1.0386% of class A units, reflecting his capital contribution.

6. Key People, Interests and Benefits

6.3.3 Interests of advisers

Coronado has engaged the following professional advisers in relation to the Offer:

- Goldman Sachs has acted as Sole Global Coordinator to the Offer. The Company has agreed to pay Goldman Sachs the fees described in Section 11.5.1 for these services;
- Goldman Sachs, UBS, Credit Suisse and Bell Potter have acted as Joint Lead Managers to the Offer. The Company has agreed to pay the Joint Lead Managers the fees described in Section 11.5.1 for these services;
- Morgans and Clarksons have acted as Co-Lead Managers to the Offer. The Company has paid, or agreed to pay, the Co-Lead Managers the fees described in Section 11.5.1 for these services;
- Baillieu Holst Ltd, Crestone Wealth Management Limited and JB Were Limited have acted as Co-Managers to the Offer. The Company has paid, or agreed to pay, the Co-Managers the fees described in Section 11.5.1 for these services;
- Herbert Smith Freehills has acted as Australian legal adviser (other than in relation to taxation and stamp duty matters) to the Company and the Seller in relation to the Offer. Coronado has paid, or agreed to pay, approximately A\$2.7 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Herbert Smith Freehills for other work in accordance with its normal time-based charges;
- Sullivan & Cromwell has acted as United States legal adviser to the Company and the Seller in relation to the Offer. Coronado has paid, or agreed to pay, US\$1.8 million (excluding disbursements and GST) for these services up and until the Prospectus Date. Further amounts may be paid to Sullivan & Cromwell in accordance with its time-based charge-out rates;
- KPMG Transaction Services has acted as the Investigating Accountant, and performed work to provide its Investigating Accountant's Report in Section 8. The Company has paid, or agreed to pay, approximately A\$2.5 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to the Investigating Accountant for other work in accordance with its normal time-based charges;
- PwC has acted as Australian taxation adviser to the Company and the Seller in relation to the Offer. Coronado has paid, or agreed to pay, A\$200,00 (excluding disbursements and GST) to PwC for these services up until the Prospectus Date. Further amounts may be paid to PwC in accordance with time-based charge-out rates;
- Gadens has acted as Australian taxation adviser to the Company in relation to the Offer. Coronado has paid, or agreed to pay, A\$300,000 (excluding disbursements and GST) to Gadens for these services up until the Prospectus Date. Further amounts may be paid to Gadens in accordance with its normal time-based charge-out rates;
- KPMG LLP has acted as US taxation adviser to the Company in relation to the Offer. Coronado has paid, or agreed to pay US\$500,000 (excluding disbursements and GST) to KPMG LLP for these services up until the Prospectus Date. Further amounts may be paid to KPMG LLP in accordance with its time-based charge-out rates;
- AME has prepared the AME report, information from which is quoted in this Prospectus. Coronado has paid, or agreed to pay US\$85,000 to AME up until the Prospectus Date;
- Wood Mackenzie has prepared the Wood Mackenzie Report (2018), information from which is quoted in this Prospectus. Coronado has paid, or agreed to pay US\$40,800 to Wood Mackenzie up until the Prospectus Date;
- MM&A has prepared the MM&A Report (2018) included in this Prospectus. Coronado has paid, or agreed to pay US\$325,000 to MM&A up until the Prospectus Date; and
- Xstract has prepared the Xstract Report (2018) included in this Prospectus. Coronado has paid, or agreed to pay A\$235,500 to Xstract up until the Prospectus Date.

These amounts, and other expenses of the Offer, will be paid by Coronado or the Seller out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.

In connection with the Institutional Offer bookbuild, one or more investors may elect to acquire an economic interest in the Company's CDIs ('Economic Interest'), instead of subscribing for or acquiring the legal or beneficial interest in those CDIs. One or more of the Joint Lead Managers (or their affiliates) may, for their own account, write derivative transactions with those investors relating to the CDIs to provide the Economic Interest, or otherwise acquire CDIs in the Company in connection with the writing of such derivative transactions in the Institutional Offer bookbuild and/or the secondary market. As a result of such transactions, one or more of the Joint Lead Managers (or their respective affiliates) may be allocated, subscribe for or acquire CDIs in the Institutional Offer bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in such CDIs. These transactions may, together with other CDIs acquired by a Joint Lead Manager or its affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in a Joint Lead Manager or its affiliates disclosing a substantial holding and earning fees.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, margin financing, brokerage and other financial and non-financial activities and services. Certain of the Joint Lead Managers or their affiliates from time to time may have performed and may in the future perform investment banking, financial advisory and non-investment banking services for the Company or its affiliates, including one or more existing shareholders.

Such services may, without limitation, include one or more Joint Lead Managers or affiliates thereof acting as a principal or counterparty (**Hedge Party**) to foreign currency hedging transactions for the Company, the Seller and/or affiliates thereof with respect to proceeds they may receive under the Offer. The rights and obligations (including any decision about whether or not to exercise a termination right under any hedging transaction) as well as economic gains or losses of the Hedge Party may be affected by whether or not (and, if so, when) the Offer completes. In particular, the Hedge Party may be benefited by the Offer being completed or not being completed within a certain period of time.

Fees and commissions (where applicable) have been paid for such services in the past and are expected to be paid for any such services in the future.

An affiliate of Credit Suisse (Australia) Limited is a lender to the Seller. The relevant facility will be paid out and terminate on Completion.

6.3.4 Relationship with EMG

The EMG Entities currently own 98.7% of the Seller. The remaining 1.3% interest in the Seller is held by current or former Company management. Following Completion, 70.0% of Shares on issue will be held by the Seller,¹ which is controlled by EMG. The Company, the Seller, the current members of Company management who hold most of the 1.3% interest in the Seller and the EMG Entities have entered into a voluntary escrow deed in respect of the shareholding retained by the Seller following Completion, which will apply immediately following Completion until 4.15pm (Sydney Time) on the first business day after release of the Company's results for FY2019 (subject to certain exceptions). Any decision by EMG and the members of Company management to sell down their respective indirect interests in the Company following the expiry of the voluntary escrow arrangements will be a decision made having regard to a range of factors. These include the market environment at the time and the respective interests of EMG and the members of Company management. See Section 7.6 for a summary of the terms of the voluntary escrow arrangements.

The Company has entered into a Stockholder's Agreement and a Registration Rights and Sell-Down Agreement with the Seller. These agreements govern the relationship between the Company and the Seller while the Seller Group Entities retain certain levels of aggregate beneficial ownership of Shares of the Company. Section 11.5.2 provides a summary of the terms of the Stockholder's Agreement and the Registration Rights and Sell-Down Agreement.

Risks associated with EMG's continued interest in the Company are set out in Section 5.2.

6.3.5 Related party transactions

As set out in Section 6.1, certain Directors hold directorships or employment with other entities. These entities may transact with the Company from time to time. Any such transactions ordinarily occur in the normal course of business, and the terms and conditions of the transactions are ordinarily no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arm's length basis.

As at the Prospectus Date, in addition to the arrangements disclosed in Sections 6.3.1 and 6.3.2, the Company is party to the following related party arrangements:

- **Stockholder's Agreement and Registration Rights and Sell-Down Agreement:** Following Completion, the Seller will retain beneficial ownership in the aggregate of 70.0% of the Shares.¹ On 24 September 2018, the Seller and the Company entered into a Stockholder's Agreement and a Registration Rights and Sell-Down Agreement which governs the relationship between the Seller and the Company while the Seller Group Entities retain an interest in the Company, including certain governance matters relating to the Company. See Section 11.5.2 for further details;
- **Relationship Deed:** On 24 September 2018, The Company and the Seller entered into a Relationship Deed under which the Company provides a number of indemnities in favour of the Seller, including in relation to certain Offer-related matters and also certain guarantees that have in the past been provided or arranged by the Seller and its Affiliates in support of Company obligations. Under the Relationship Deed, the Seller also agrees to indemnify the Company in relation to certain Offer-related matters and reimburse certain costs. See Section 11.5.3 for further details; and

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

6. Key People, Interests and Benefits

- **Xcoal coal sales arrangements:** In 2017, the Company sold 3.65 Mt of coal to Xcoal, an entity associated with Non-Executive Director, Ernie Thrasher. The Company intends to continue to enter into coal sales with Xcoal on an ad hoc basis pursuant to individual purchase orders. Any such transactions are approved by Company management within delegated limits of authority and 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 the Board, the Directors will follow the procedure for dealing with conflicts (or potential conflicts) of interest contained in the Company's Board Charter and Corporate Governance Guidelines, as set out at Section 6.4.3.

The Board Charter and Corporate Governance Guidelines sets out arrangements for dealing with any conflict (or potential conflict) of interest, including outside directorships, significant outside investments of Directors and their immediate families, and outside employment or engagements.

Under the Company's Certificate of Incorporation, Directors and officers of the Company may be a party to or may be interested in any contract or transaction with the Company, so long as the contract or other transaction is approved by the Board in accordance with the Delaware General Corporation Law and no liability on the part of any Director or officer of the Company shall arise by reason of his or her contracting with the Company for their own benefit or for the benefit of any firm or corporation in which they may be in any way interested.

The Board's process for reviewing and addressing any conflict (or potential conflict) of interest is set out at Section 6.4.3.

6.4 CORPORATE GOVERNANCE

This Section 6.4 explains how the Board will oversee the management of Coronado's business. In conducting Coronado's business, the Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising Coronado's strategies, risk, policies and performance;
- protect and optimise Company performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by applicable law and the Bylaws and Certificate of Incorporation;
- set, review and monitor compliance with Coronado's values and governance framework; and
- ensure that Shareholders are kept informed of Coronado's performance and major developments affecting its state of affairs.

Accordingly, the Board has created a framework for managing Coronado, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for Coronado's business and that are designed to promote the responsible management and conduct of Coronado.

The main policies and practices adopted by Coronado, which will take effect from Listing, are set out below. The Company also has a number of other governance and operational policies, including a Whistleblowing Policy and Anticorruption Policy. Copies of Coronado's key policies and practices and the charters for the Board and each of its Board Committees will be available from Listing at www.coronadoipo.com.

6.4.1 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

The Company is seeking a listing on ASX. The ASX Corporate Governance Council has developed the Corporate Governance Principles and Recommendations (3rd Edition) (**ASX Recommendations**), which set out recommended corporate governance practices for entities listed on ASX in order to assist listed entities to achieve good corporate governance outcomes and meet investor expectations.

The ASX Recommendations are not prescriptive, but guidelines against which entities have to report on an 'if not, why not' basis. Under the ASX Listing Rules, the Company must prepare a corporate governance statement that discloses the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow a recommendation in the ASX Recommendations for any part of the reporting period, it must identify that recommendation and the period during which it was not followed and give reasons for not following it. The Company must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The Company intends to comply with all of the ASX Recommendations from the date of Listing.

6.4.2 Board composition

The Board of Directors is comprised of seven Directors:

- four Independent Non-Executive Directors (including the Independent Non-Executive Chairman);
- two Non-Executive Directors; and
- one Chief Executive Officer.

Detailed biographies of the Board members are provided in Section 6.1.

The Seller or its successor or permitted transferee, as the holder of the Series A Share has the right to decide to appoint Series A Directors in the future under the Certificate of Incorporation. Any Series A Directors will be elected solely by the Seller as the holder of the Series A Share. For more information on the Series A Share and the rights to appoint Series A Directors, see Section 11.4.

6.4.3 Board Charter and Corporate Governance Guidelines

The Board Charter and Corporate Governance Guidelines provides an overview of the Board's structure, composition and responsibilities, and the relationship and interaction between the Board, Board Committees and Management.

Under the Board Charter and Corporate Governance Guidelines, the Board's responsibilities include:

- selecting, appointing and planning the succession of, the CEO and the CEO's direct reports;
- contributing to and approving management development of corporate strategy;
- reviewing, ratifying and monitoring systems of risk management, internal control and legal compliance, and reviewing the Company's risk management framework;
- monitoring corporate performance and implementation of strategy and policy;
- developing and reviewing the Company's corporate governance policies and monitoring corporate culture;
- approving major capital expenditure, acquisitions and divestitures, and overseeing capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- evaluating, at least annually, the performance of the Board, Board Committees and individual Directors; and
- ensuring that Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board Charter and Corporate Governance Guidelines also sets out arrangements for dealing with any conflict (or potential conflict) of interest. Directors are required to inform the Company Secretary of any actual (or potential conflict) of interest as soon as that conflict (or potential conflict) becomes apparent. This may include outside directorships, significant outside investments of Directors and their immediate families and outside employment or engagements.

The Board may require Directors to take such steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period. In the event of an actual or potential conflict, the Board may also determine that the Director should not receive access to certain books and records to which the conflict relates, including any relevant Board papers and that the Director should be absent from the room when the Board discusses and votes on matters to which the conflict relates.

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman.

While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO as directed by the Board. The Board approves corporate objectives for the CEO to work towards and the management team is then responsible for implementing strategic objectives, plans and budgets approved by the Board.

6. Key People, Interests and Benefits

6.4.4 Board Committees

The Board may from time to time establish committees to assist in performing its responsibilities. The Board has established the following Board Committees:

- Audit, Governance and Risk Committee;
- Compensation and Nominating Committee; and
- Health, Safety, Environment and Community Committee.

Other Committees may be established by the Board as and when required.

Under the provisions of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 50% of the outstanding Shares, the Seller Group Entities shall have the right, but not the obligation, to designate the Directors to be included in the membership of any Board Committee of the Board, except to the extent such membership would violate applicable securities laws or stock exchange or stock market rules.

6.4.4.1 Audit, Governance and Risk Committee

The Audit, Governance and Risk Committee's key responsibilities include to oversee the Company's:

- governance framework;
- financial reporting;
- application of accounting policies;
- financial management and corporate and governance risk management;
- internal control system;
- taxation and financial risk management;
- business policies and practices;
- compliance with applicable laws, regulations, standards and best practice guidelines; and
- risks associated with transactions of a strategic or routine nature.

Under its Charter, the Audit, Governance and Risk Committee must consist of only Non-Executive Directors, a majority of independent Directors, an independent Chair (who is not Chairman of the Board) and a minimum of three members of the Board. The Audit, Governance and Risk Committee will comprise:

- Greg Pritchard (Chair);
- Philip Christensen; and
- Bill Koeck.

Other Board members may attend the Committee meetings at any time. Others, including members of management and the external auditor, may attend meetings of the Committee by invitation of the Committee Chair.

6.4.4.2 Compensation and Nominating Committee

The role of the Compensation and Nominating Committee in relation to compensation includes:

- evaluating from time to time the performance of, and determining the remuneration of, the CEO and his direct reports;
- recommending to the Board whether grants are to be made under any or all of the Company's employee equity incentive plans and approving major changes in relation to the employee equity incentive plans;
- approving major changes and developments in the Company's policies and procedures related to remuneration; and
- reviewing and facilitating Shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

The role of the Compensation and Nominating Committee in relation to nomination includes:

- reviewing and recommending to the Board the size and composition of the Board including reviewing Board succession plans and the succession of the Chairman and CEO;
- reviewing and recommending to the Board the criteria for nomination as a Director and the membership of the Board more generally;
- assisting the Board in relation to the performance evaluation of the Board, Board Committees and individual Directors;

- ensuring that processes are in place to support Director induction and ongoing education; and
- developing, in consultation with management, and recommending to the Board measurable objectives for achieving gender diversity and reviewing and recommending to the Board any necessary changes on at least an annual basis.

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. The Compensation and Nominating Committee will comprise:

- Bill Koeck (Chair);
- Greg Martin; and
- Laura Tyson.

Non-committee members, including members of management, may attend the Committee meetings at the invitation of the Committee Chair.

6.4.4.3 Health, Safety, Environment and Community Committee

The Health, Safety, Environment and Community Committee's key responsibilities include:

- monitoring the Company's performance on health, safety, environment and community (HSEC) matters;
- monitoring the establishment of appropriate HSEC objectives, and the strategies in place to meet these objectives;
- overseeing and monitoring the establishment, operation and implementation of the Company's HSEC policies and procedures, and considering their alignment with the Company's values and risk appetite;
- reviewing HSEC risks and issues, and action plans put in place to seek to minimise current risks and prevent incidents;
- evaluating the adequacy and effectiveness of the Group's identification and management of HSEC and social risks and its disclosure of any material exposures to those risks; and
- monitoring the performance of the Company having regard to the HSEC consequences of decisions and actions, including impacts on employees, third parties, communities and the Group's reputation.

Under its Charter, the Health, Safety, Environment and Community Committee must consist of at least three Non-Executive Directors, a majority of whom are independent Directors and an independent Chair. In addition, at least one member of the Committee must also be a member of the Audit, Governance and Risk Committee. The Health, Safety, Environment and Community Committee will comprise:

- Philip Christensen (Chair);
- Greg Pritchard; and
- Ernie Thrasher.

Non-Committee members, including members of management, may attend Committee meetings at any time.

6.5 CORPORATE GOVERNANCE POLICIES

6.5.1 Disclosure Policy

Once listed, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately advise ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company has adopted a Disclosure Policy to take effect from Listing, which reinforces the Company's commitment to its continuous disclosure obligations, and describes the processes in place that enable the Company to provide Shareholders with timely disclosure in accordance with those obligations.

6.5.2 Securities Dealing Policy

The Company has adopted a Securities Dealing Policy that is intended to explain the types of conduct in relation to dealings in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure that public confidence is maintained in the reputation of the Company, the Directors and employees and in the trading of the Company's securities.

6. Key People, Interests and Benefits

The Securities Dealing Policy provides that Directors and employees must not deal in the Company's securities when they are aware of 'inside' information. Directors and certain restricted persons must not deal in the Company's securities during any of the following blackout periods:

- the period starting 10 business days prior to the close of trading on ASX on 31 December each year until the day following the announcement to ASX of the full-year results;
- the period starting 10 business days prior to the close of trading on ASX on 30 June each year until the day following the announcement to ASX of the half-year results; and
- any other period that the Board specifies from time to time.

Directors and restricted persons must receive prior approval for any proposed dealing in the Company's securities outside the above blackout periods (including any proposed dealing by one of their connected persons). EMG and the Seller Group Entities are not a connected person for the purposes of the Securities Dealing Policy.

6.5.3 Code of Business Conduct and Ethics

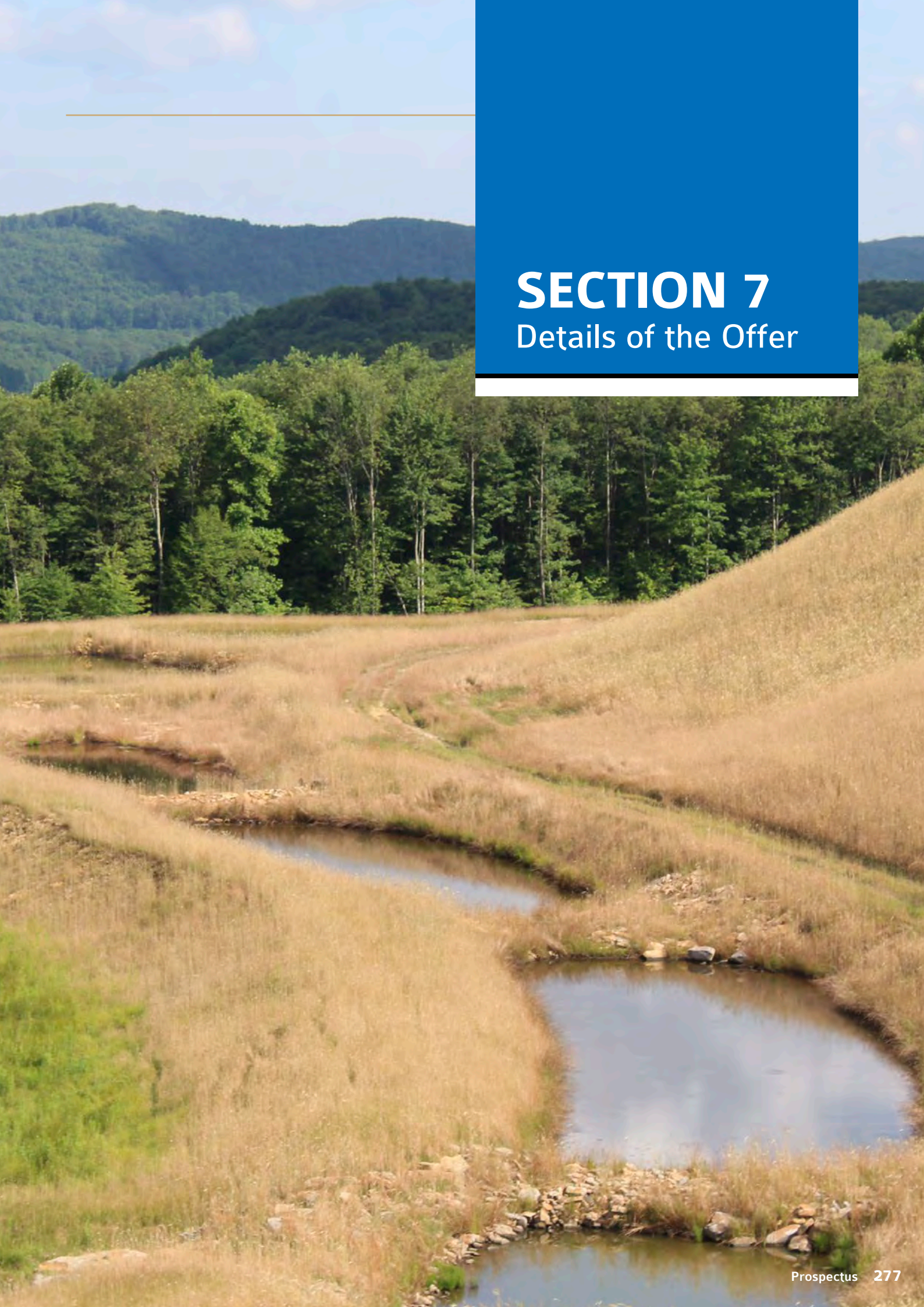
The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Business Conduct and Ethics that outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards.

The Code of Business Conduct and Ethics is designed to:

- provide a benchmark for professional behaviour throughout the Group;
- support the Group's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the Code of Business Conduct and Ethics.

6.5.4 Gender Diversity Policy

The Board has approved a Gender Diversity Policy which sets out the Company's commitment to an inclusive and diverse workforce. The Company will include in its corporate governance statement each year details of the measurable objectives set under the Gender Diversity Policy for the year to which the corporate governance statement relates, and a summary of the Company's progress towards achieving those measurable objectives.



SECTION 7

Details of the Offer

7. Details of the Offer

7.1 THE OFFER

This Prospectus relates to an initial public offering of 290.0 million CDIs (equivalent to 29.0 million Shares, representing a ratio of 10 CDIs for one Share).¹ The Offer will consist of:

- 166.5 million New CDIs offered by the Company to raise proceeds of between A\$666 million and A\$799 million²; and
- 123.4 million Sale CDIs offered by the Seller to raise proceeds of between A\$494 million and A\$593 million^{1,2},

raising total proceeds of between A\$1,160 million and A\$1,392 million, assuming the Final Price is within the Indicative Price Range.^{1,2}

The total number of Shares expected to be on issue at Completion will be 96.7 million Shares (equivalent to 966.5 million CDIs, if all Shares were held in the form of CDIs). All Shares will rank equally with each other. The total number of CDIs expected to be on issue at Completion will be 290 million CDIs¹, being CDIs over approximately 30% of Shares. All CDIs on issue will rank equally with each other. A summary of the rights attaching to CDIs and Shares is set out in Sections 11.3 and 11.4.

Successful Applicants under the Offer will pay the Final Price. The Final Price will be determined at the conclusion of the bookbuild and may be set at a price below, within or above the Indicative Price Range.

On Completion, 676.6 million CDIs (representing approximately 70.0% of the CDIs, if all Shares were held in the form of CDIs) will be subject to certain voluntary escrow arrangements described in Section 7.6.¹

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.1.1 Structure of the Offer

The Offer comprises:

- the Broker Firm Offer; and
- the Institutional Offer.

Details of the Broker Firm Offer and the allocation policy under it are described in Section 7.3.4.

Details of the Institutional Offer and the allocation policy under it are described in Section 7.4.2.

No general public offer of CDIs will be made under the Offer. The allocation of CDIs between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Joint Lead Managers, the Company and the Seller, having regard to the allocation policies outlined in Sections 7.3.4 and 7.4.2.

7.1.2 Purpose of the Offer and use of proceeds

The purpose of the Offer is to:

- provide a liquid market for Shares (in the form of CDIs) and an opportunity for others to invest in Shares (in the form of CDIs) through listing the Company on ASX;
- fund repayment of existing debt facilities;
- provide the Company with additional financial flexibility to pursue growth opportunities through improved access to capital markets; and
- allow EMG to realise part of its investment in the Company.

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

2. Based on the Indicative Price Range. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.

7.1.2.1 Sources and uses of Offer proceeds

The following table details the Company's sources of funding (including proceeds of the Offer) and the uses of those amounts, assuming Completion occurs on Friday, 26 October 2018 and based on the Indicative Price Range.

Table 107: Sources and uses of Offer proceeds¹

Sources of funds	A\$m	US\$m ³	% of funds raised
Cash proceeds received from issue of New CDIs by the Company	A\$666 – A\$799 million	US\$483 – US\$580 million	57%
Cash proceeds received from sale of Sale CDIs by the Seller ²	A\$494 – A\$593 million	US\$358 – US\$430 million	43%
Total sources	A\$1,160 – A\$1,392 million	US\$841 – US\$1,010 million	100%

Use of funds	A\$m	US\$m	% of funds used
Proceeds to the Seller net of Offer costs ²	A\$479 – A\$575 million	US\$347 – US\$417 million	41%
Payment of Offer costs by the Seller	A\$15 – A\$18 million	US\$11 – US\$13 million	1%
Payment of Offer costs by the Company	A\$37 – A\$41 million	US\$26 – US\$29 million	3%
Repayment of existing debt facilities and for working capital	A\$630 – A\$759 million	US\$457 – US\$550 million	54%
Total uses	A\$1,160 – A\$1,392 million	US\$841 – US\$1,010 million	100%

7.1.3 Shareholding structure

As at the Prospectus Date, the Seller holds 100% of the Shares on issue. The Company also has one Series A Share on issue.⁴

The details of indirect interests in Shares immediately prior to Completion and ownership of Shares and CDIs as expected on Completion are set out below.

Table 108: Ownership structure immediately prior to and on Completion^{2,5}

Shareholder	Interests in Shares immediately prior to Completion	%	Interests in Shares on Completion	CDI equivalent	%
EMG Entities ⁶	78,945,705	98.7%	66,764,564	667.6 million	69.1%
Management Shareholders ⁶	1,054,295	1.3%	891,620	8.9 million	0.9%
New Shareholders ⁷	–	–	28,995,508	290.0 million	30.0%
Total	80,000,000	100.0%	96,651,692	966.5 million	100.0%

The EMG Entities hold a 98.7% interest in the Seller, and Management Shareholders hold approximately a 1.3% interest

- Based on the Indicative Price Range. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.
- Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.
- Assumes an exchange rate of A\$1= US\$0.7254, which represents the exchange rate reported by Bloomberg as at 1 September 2018.
- Ownership of the Series A Share provides the Seller with Board designation rights tied to the level of the Seller Group Entities' aggregate beneficial ownership of Shares. The Series A Share shall be redeemed to the fullest extent permitted by law (at a price of US\$1.00) by the Company if, at any time following the date of the Certificate of Incorporation, the Seller Group Entities no longer beneficially own, in the aggregate, 10% or more of the outstanding Shares. For more information on rights attached to the Series A Share, see Section 11.4.
- The holding information for the EMG Entities and the Management Shareholders prior to Completion represents their respective shareholdings in the Seller. The holding information for the EMG Entities and Management Shareholders on Completion represents their indirect interest in Shares held by the Seller, and excludes any Shares or CDIs in which they may acquire an interest as part of the Offer at the Offer Price.
- This will include any Shares or CDIs in which Management Shareholders and Directors of the Company may acquire an interest as part of the Offer at the Offer Price.

7. Details of the Offer

in the Seller. These percentage holdings in the Seller will not change after Completion, although the Seller's interest in the Company will be reduced.

Information on the number of Shares and CDIs to be held on Completion that will be subject to voluntary escrow arrangements, and details of those escrow arrangements, are set out in Section 7.6.

7.1.4 Control implications of the Offer

The Seller will control the Company on Completion (as defined in Section 50AA of the Corporations Act).

7.1.5 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfil the purposes of the Offer and meet its stated business objectives.

7.2 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	CDIs over Shares in the Company. Each CDI represents an interest in one tenth of a Share in the Company.
What are the rights and liabilities attached to the securities?	A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Sections 7.7, 11.3 and 11.4.
What is the consideration payable for each security being offered?	The Indicative Price Range is A\$4.00 to A\$4.80 per CDI. The Indicative Price Range may be varied at any time by the Company, the Seller and the Joint Lead Managers. Successful Applicants will pay the Final Price, which will be determined at the conclusion of the Institutional Offer bookbuild process and may be set at a price below, within or above the Indicative Price Range. Applicants under the Broker Firm Offer will apply for a set dollar value of CDIs. Accordingly, Applicants will not know the number of CDIs they will receive at the time they make their investment decision, nor will they know the Final Price. Except as required by law, Applicants cannot withdraw their Applications once the Final Price and allocations of CDIs have been determined.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out on page 5. No CDIs will be issued or transferred on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney Time. The Company and the Seller, in consultation with the Joint Lead Managers, reserve the right to vary any and all of the dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the issue and transfer of CDIs, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
What are the cash proceeds to be raised?	A\$1,160 million to A\$1,392 million is expected to be raised under the Offer^{1,2}, comprising: • A\$666 million to A\$799 million expected to be raised by the Company from the issue of New CDIs by the Company under the Offer²; and • A\$494 million to A\$593million expected to be raised by the Seller from the sale of Sale CDIs under the Offer^{1,2}, which will be remitted to the Seller (net of its share of applicable costs).

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs

2. Based on the Indicative Price Range. The Final Price may be set below, within or above the Indicative Price Range. Refer to Section 7.4.3 for further details.

Topic	Summary
Can the Seller sell fewer CDIs?	The Seller reserves the right to sell fewer than the 123.4 million Sale CDIs referred to in this Prospectus, and may determine to do so at any time up until the setting of the Final Price. Notwithstanding the foregoing, the Seller will ensure that any determination to reduce the number of Sale CDIs still enables the Company to meet ASX's free float requirements for listing.
Is the Offer underwritten?	No. The Offer is not underwritten.
Who is the Sole Global Coordinator of the Offer?	The Sole Global Coordinator is Goldman Sachs.
Will the Offer be extended into New Zealand?	Yes. All CDIs offered to investors in New Zealand under the Offer are being offered under the New Zealand Mutual Recognition Regime. Further, the Offer to investors in New Zealand will only comprise an offer of CDIs by the Company. No CDIs will be offered by the Seller to New Zealand investors under the Offer.
Who are the Joint Lead Managers of the Offer?	The Joint Lead Managers are Goldman Sachs, UBS, Credit Suisse and Bell Potter.
What is the minimum and maximum Application size under the Broker Firm Offer?	The minimum Application under the Broker Firm Offer is A\$2,000 worth of CDIs. There is no maximum value of CDIs that may be applied for under the Broker Firm Offer. The Joint Lead Managers, the Company and the Seller reserve the right to reject any Application or to allocate a lesser number of CDIs than that applied for. In addition, the Joint Lead Managers, the Company and the Seller reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
What is the allocation policy?	The allocation of CDIs between the Broker Firm Offer and Institutional Offer will be determined by agreement between the Company, the Seller and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.3.4 and 7.4.2. Broker Firm Offer With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate CDIs among their retail clients and they (and not the Company, the Seller or the Joint Lead Managers) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant CDIs. For further information on the Broker Firm Offer, see Section 7.3. Institutional Offer The allocation of CDIs among Applicants in the Institutional Offer will be determined by the Joint Lead Managers in consultation with the Company and the Seller. For further information on the Institutional Offer, see Section 7.4.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to Successful Applicants by standard post on or about Monday, 29 October 2018. Refunds (without interest) to Applicants who make an Application and receive an allocation of CDIs, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.

7. Details of the Offer

Topic	Summary
Will the CDIs be quoted on ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of its CDIs on ASX under the code 'CRN'. It is anticipated that quotation will initially be on a conditional and deferred settlement basis. Completion is conditional on ASX approving the application. If approval is not given within three months after the application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the CDIs offered for subscription.
What is the 'Foreign Ownership Restriction' designation on ASX?	The CDIs and underlying Shares will be 'restricted securities' under Rule 144 under the US Securities Act. This means that, during such period as the CDIs and underlying Shares are subject to transfer restrictions, which may be extended longer than 12 months, you will not be permitted to sell the CDIs sold to you in the Offer or the underlying Shares into the United States or to, or for the account or benefit of, a US Person, unless the resale of the CDIs or the underlying Shares is registered under the US Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A). The Company has requested that during the Distribution Compliance Period, all CDIs issued or transferred under the Offer bear a designation on ASX in order to enforce the above restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period, to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. The Company cannot provide any assurances as to when this designation will be lifted from the CDIs, if ever. For more information, see Section 11.8. The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of the Company. Any CDIs that are acquired and subsequently resold by such affiliates will be subject to a new Distribution Compliance Period. Because it would not be possible to distinguish such CDIs resold by such affiliates of the Company from the other CDIs, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of the Company's CDIs.

Topic	Summary
When are the CDIs expected to commence trading?	It is expected that trading of the CDIs on ASX on a conditional and deferred settlement basis will commence on or about Tuesday, 23 October 2018. Trades occurring on ASX before the date on which the CDIs are issued or transferred will be conditional on the Completion of the Offer, including Settlement and the issue or transfer of CDIs occurring (Conditions). Conditional and deferred settlement trading will continue until the Company has advised ASX that the Conditions have been satisfied, which is expected to be on or about Friday, 26 October 2018. Following satisfaction of the Conditions, trading on ASX will be on an unconditional but deferred settlement basis until the Company has advised ASX that initial holding statements have been dispatched to CDI holders. Trading on ASX is expected to commence on a normal settlement basis on or about Monday, 29 October 2018. Following the issue or transfer of CDIs, Successful Applicants will receive a holding statement setting out the number of CDIs issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about Monday, 29 October 2018. It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. Investors will be able to confirm their holdings by telephoning the Coronado Offer Information Line on 1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday, during the Offer Period. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, the Seller, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding from the Coronado Offer Information Line or confirmed your firm allocation through a Broker.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.6.
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	Yes. Details are provided in Section 11.12.
Are there any tax considerations?	Yes. Details are provided in Section 11.13.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer. See Section 6.3.3 for details of various fees payable by the Company and the Seller to the Joint Lead Managers and by the Joint Lead Managers to the Co-Lead Managers and Co-Managers (on behalf of the Company and the Seller).
What should I do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Coronado Offer Information Line on 1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday, during the Offer Period. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7. Details of the Offer

7.3 BROKER FIRM OFFER

7.3.1 Who can apply?

The Broker Firm Offer is open to Australian and New Zealand resident retail clients of participating Brokers, who have a registered address in Australia or New Zealand and received an invitation from a Broker to acquire CDIs under this Prospectus and are not in the United States and are not a US Person or acting for the account or benefit of a US Person. You should contact your Broker to determine whether you can receive an allocation of CDIs from them under the Broker Firm Offer.

7.3.2 How to apply

If you have received an invitation to apply for CDIs from your Broker and wish to apply for those CDIs under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Application Form, or download a copy at the Offer website, www.coronadoipo.com. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Sydney Time) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their invitation to participate in the Broker Firm Offer. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications for CDIs must be for a minimum of A\$2,000 worth of CDIs. There is no maximum Application size under the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, the Seller, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00am (Sydney Time) on Tuesday, 2 October 2018 and is expected to close at 5.00pm (Sydney Time) on Monday, 15 October 2018. The Company, the Seller and the Joint Lead Managers may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

7.3.4 Broker Firm Offer allocation policy

The allocation of CDIs to Brokers will be determined by the Joint Lead Managers, the Company and the Seller. CDIs which are allocated to Brokers for allocation to their retail clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of the Company, the Seller and the Joint Lead Managers to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares (in the form of CDIs) among their retail clients, and they (and not the Joint Lead Managers, the Company or the Seller) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares (in the form of CDIs).

Applicants in the Broker Firm Offer will be able to call the Coronado Offer Information Line on 1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday, during the Offer Period, to confirm their allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

However, if you sell Shares (in the form of CDIs) before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Coronado Offer Information Line or confirmed your allocation through the Broker from whom you received your allocation.

7.3.5 Acceptance of Applications

An Application in the Broker Firm Offer is an offer by the Applicant to apply for the amount of CDIs in the dollar amount specified in the Application Form, at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of CDIs they will be allocated and the price paid per CDI; this will not be known until the Final Price is determined as set out in Section 7.4.3. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to Successful Applicants conditional upon the quotation of CDIs on the ASX and Settlement.

The Joint Lead Managers, the Company and the Seller reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Broker Firm Offer will be allotted CDIs at the Final Price. Successful Applicants in the Broker Firm Offer will receive the number of CDIs equal to the value of their Application accepted by the Company and the Seller divided by the Final Price (rounded down to the nearest whole CDI). No refunds pursuant solely to rounding will be provided.

7.3.6 Application Monies

Application Monies received under the Broker Firm Offer will be held in a special purpose bank account until CDIs are issued or transferred to Successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will be mailed a refund (without interest) for all or part of their Application Monies, as applicable. No refunds due solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on the Application Form.

7.4 INSTITUTIONAL OFFER

7.4.1 Invitations to bid

The Institutional Offer consists of an invitation to Institutional Investors in Australia and New Zealand and certain other eligible jurisdictions to bid for CDIs under this Prospectus, and an invitation to certain Institutional Investors in the United States or that are, or are acting for the account or benefit of, US Persons, to bid for CDIs under the US Offering Memorandum.

7.4.2 Institutional Offer process and the Indicative Price Range

The Institutional Offer will be conducted using a bookbuild process managed by the Joint Lead Managers. Full details of how to participate, including bidding instructions, will be provided to eligible participants by the Joint Lead Managers.

Participants can only bid into the bookbuild for CDIs through the Joint Lead Managers. They may bid for CDIs at specific prices or at the Final Price. Participants may bid above or within the Indicative Price Range, which is A\$4.00 to A\$4.80 per CDI. The Indicative Price Range may be varied at any time by the Company, the Seller and the Joint Lead Managers. Under the terms of the Offer Management Agreement, the Final Price will be determined by agreement between the Company, the Seller and the Joint Lead Managers after the close of the Broker Firm Offer and the Institutional Offer as described in Section 7.4.3.

The Institutional Offer will open on Thursday, 18 October 2018 and close on Friday, 19 October 2018. The Company, the Seller and the Joint Lead Managers reserve the right to vary the times and dates of the Offer, including closing the Offer early, extending the Offer or accepting late Applications or bids, either generally or in particular cases, without notification.

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Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to subscribe for or purchase or procure subscribers or purchasers for the CDIs bid for (or such lesser number as may be allocated) at the price per CDI bid or at the Final Price, where this is below the price per CDI bid, on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and in accordance with any bidding instructions provided by the Joint Lead Managers to participants.

Bids can be accepted or rejected in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of CDIs to successful bidders conditional on the quotation of CDIs on ASX and Settlement.

Details of the arrangements for notification and settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the bookbuild process.

7.4.3 Final Price

The institutional bookbuild process will be used to determine the Final Price. Under the terms of the Offer Management Agreement, the Final Price will be determined by agreement between the Company, the Seller and the Joint Lead Managers after the close of the Broker Firm Offer and the Institutional Offer.

It is expected that the Final Price will be announced to the market on Monday, 22 October 2018. In determining the Final Price, consideration will be given to, but will not be limited to, the following factors:

- the level of demand for CDIs under the Institutional Offer at various prices;
- the level of demand for CDIs under the Broker Firm Offer;
- the objective of maximising the proceeds of the Offer; and
- the desire for an orderly secondary market in the CDIs.

The Final Price will not necessarily be the highest price at which CDIs could be sold. The Final Price may be set below, within or above the Indicative Price Range. All successful Applicants and bidders under the Offer will pay the Final Price.

7.4.4 Allocation policy under the Institutional Offer

The allocation of CDIs among bidders in the Institutional Offer will be determined by the Joint Lead Managers, in consultation with the Company and the Seller. The Joint Lead Managers, the Company and the Seller have absolute discretion regarding the basis of allocation of CDIs among Institutional Investors.

The initial determinant of the allocation of CDIs under the Institutional Offer will be the Final Price. Bids lodged at prices below the Final Price will not receive an allocation of CDIs.

Participants in the Institutional Offer will be advised of their allocation of CDIs, if any, by the Joint Lead Managers. The allocation policy will be influenced by the following factors:

- the price and number of CDIs bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- any other factors that the Company, the Seller and the Joint Lead Managers consider appropriate.

7.5 OFFER MANAGEMENT ARRANGEMENTS

The Company, the Seller and the Joint Lead Managers have entered into an Offer Management Agreement, under which the Joint Lead Managers have agreed to arrange and manage the Offer, subject to certain conditions and termination events. The Offer Management Agreement sets out a number of circumstances under which the Joint Lead Managers may terminate the agreement.

A summary of certain terms of the Offer Management Agreement, including the termination provisions, is provided in Section 11.5.1.

7.6 ESCROW ARRANGEMENTS

On Completion, the Seller will hold 70.0% of the Shares, equivalent to 676.6 million CDIs.¹ All of the Shares held at Completion by the Seller will be subject to voluntary escrow arrangements which prevent the Seller from disposing of the escrowed Shares.

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

The Company, the current members of Company management who hold most of the 1.3% interest in the Seller, the Seller and the EMG Entities have entered into a voluntary escrow deed pursuant to which Company management and the EMG Entities have agreed in relation to their shares and interests in the Seller and the Shares or CDIs held by the Seller (as applicable), and the Seller has agreed in relation to its Shares or CDIs (as applicable) to not 'deal' in those restricted securities during the period commencing immediately following Completion and ending at 4.15pm (Sydney Time) on the first business day after release of the Company's results for FY2019, subject to the following exceptions:

- acceptance of a bona fide tender offer or exchange offer in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow deed, and to which the offers under the tender offer or exchange offer relate, have accepted the tender offer or exchange offer; or
- the transfer or cancellation of Shares and associated CDIs as part of a merger or other compulsory process relating to the Company; or
- the escrowed Shares to be dealt with in the event of death or incapacity provided that all of the escrowed Shares held by the Seller will remain subject to, and will be released in accordance with, the original escrow conditions; or
- the creation of a security interest in some or all of the escrowed Shares in favour of a bona fide third party financial institution as security for a loan or other financial accommodation, provided that the security interest does not in any way constitute a direct or indirect disposal of the economic interest, or decrease the economic interest, that the holder has in any of its escrowed Shares, and provided further that the documentation for the security interest records that the escrowed Shares remain subject to, and will be released in accordance with, the original escrow conditions; or
- a buy-back of Shares or similar process which has been made available to holders of Shares on a substantially pro rata basis; or
- a dealing required by applicable law (including an order of a court of competent jurisdiction).

The restriction on 'dealing' is broadly defined and includes, among other things, disposing of, or agreeing or offering to dispose of, the relevant securities or any legal, beneficial or economic interest in those securities, or creating, or agreeing or offering to create, any security interest in the relevant securities (subject to the exception to the restriction summarised above) or any legal, beneficial or economic interest in those securities. The escrow arrangements described in this Section 7.6 are voluntary and contractual in nature.

7.7 ABOUT THE CDIs

The Company was incorporated in Delaware, United States. To enable companies such as the Company to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No certificates will be issued to CDI holders. Shareholders cannot trade their Shares on ASX without first transmuting their Shares into CDIs.

10 CDIs represent one underlying Share. The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CHESS Depositary Nominees Pty Limited (**CDN**), a subsidiary of ASX, will hold the legal title to the underlying Shares.

The Shares underlying the CDIs will be registered in the name of CDN and will be held on behalf of and for the benefit of the CDI holders. CDIs will be CHESS-approved from the date of official quotation in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. The Shares underlying the CDIs will rank equally with the Shares that the Company has on issue at Listing. Investors should note that there are certain differences between Shares in the Company and ordinary shares which are typically issued by Australian incorporated public companies. A summary of the key rights attaching to CDIs and Shares is set out in Section 11.3 and a comparison of the rights attaching to CDIs and Shares with rights of holders of shares in an Australian listed company is set out in Section 11.4.

Holders of CDIs can choose to have their CDIs transmuted to a direct holding of Shares as described in Section 11.3; however, if they do so they will no longer be able to trade such Shares on ASX. Such Shares will continue to be subject to the restrictions contained in the Share Legend, including that they will be subject to a 'holding lock' that will prevent the holder from transferring those Shares for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place and until such Shares (and the CDIs from which they were transmuted) have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the US Securities Act, unless the Company otherwise determines to remove that holding lock. Similarly, subject to any restrictions under applicable law, holders of Shares may choose to transmute their Shares to CDIs to enable them to trade on ASX, as described in Section 11.3. However, a holder that transmutes its Shares into CDIs must comply with the restrictions set forth in the Share Legend until it is removed by the Company, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent

7. Details of the Offer

the holder from transferring those CDIs for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place and until such CDIs have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the US Securities Act, unless the Company otherwise determines to remove that holding lock. As CDIs represent beneficial interests in the underlying Shares, holders of CDIs transmuted from Shares will be bound by the restrictions set forth in the Share Legend to the extent they relate to their beneficial interests until that Share Legend is removed by the Company. For more information on these restrictions, see Section 11.8.

The Shares and CDIs will be 'restricted securities' and subject to resale limitations under Rule 144 under the US Securities Act for a period of 12 months from the date of allotment of the CDIs under the Offer. This means that during the Distribution Compliance Period investors will not be permitted to sell the CDIs acquired in the Offer or the underlying Shares into the United States or to, or for the account or benefit of, a US Person, unless the resale of the Shares or CDIs is registered under the US Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A). The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX during the Distribution Compliance Period in order to enforce these restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and therefore the Company cannot provide any assurances as to when this designation will be lifted from the CDIs. For more information, see Section 11.8.

7.8 ASX LISTING, REGISTRIES AND HOLDING STATEMENTS, AND CONDITIONAL AND DEFERRED SETTLEMENT TRADING

7.8.1 Application to ASX for listing of the Company and quotation of CDIs

The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of its CDIs on ASX under the code 'CRN'. The Company is not currently seeking a listing of its CDIs or Shares on any stock exchange other than ASX.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the CDIs offered for subscription.

If permission is not granted for the official quotation of the CDIs on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

7.8.2 CHESS and issuer sponsored holdings

The Company has applied to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the CDIs of a CDI holder who is a participant in CHESS or a CDI holder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following Completion, CDI holders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of a CDI holder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. CDI holders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX in order to enforce these restrictions. This designation is intended to prevent any CDIs from being sold on ASX to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. For more information, see Sections 7.7 and 11.8.

7.8.3 Conditional and deferred settlement trading and selling CDIs on market

It is expected that trading of the CDIs on ASX on a conditional and deferred settlement basis will commence on or about Tuesday, 23 October 2018.

Trades occurring on ASX before the date on which the CDIs are issued or transferred will be conditional on Completion, including Settlement and the issue or transfer of CDIs occurring (**Conditions**).

Conditional and deferred settlement trading will continue until the Company has advised ASX that the Conditions have been satisfied, which is expected to be on or about Friday, 26 October 2018.

Following satisfaction of the Conditions, trading on ASX will be on an unconditional but deferred settlement basis until the Company has advised ASX that initial holding statements have been dispatched to Shareholders. Trading on ASX is expected to commence on a normal settlement basis on or about Monday, 29 October 2018. Following the issue or transfer of CDIs, Successful Applicants will receive a holding statement setting out the number of CDIs issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about Monday, 29 October 2018.

It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. Investors will be able to confirm their holdings by contacting their broker. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, the Seller, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding from the Coronado Offer Information Line or confirmed your firm allocation through a Broker.

7.8.4 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the CDIs or the Offer or otherwise to permit a public offering of the CDIs in any jurisdiction outside Australia and New Zealand.

This Prospectus does not constitute an offer or invitation to apply for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States or to US Persons, unless it is accompanied by the US Offering Memorandum that further describes selling restrictions and other matters applicable in the United States, and may only be distributed to persons to whom the Institutional Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States, or to any person that is, or is acting for the account or benefit of, a US Person, or in any other jurisdiction in which such an offer would be illegal. Neither the CDIs nor the underlying Shares have been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States. Accordingly, neither the CDIs nor the underlying Shares can be offered or sold, pledged, transferred or otherwise disposed of, directly or indirectly, in the United States or to, or for the account or benefit of, any US Persons unless registered under the US Securities Act or offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Each Applicant in the Broker Firm Offer and each person to whom the Institutional Offer is made under this Prospectus, will be taken to have made the representations, warranties and agreements set form in Section 11.8.6.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

For more information on the other selling restrictions which apply to the Offer, refer to Sections 11.8 and 11.14.

7.9 DISCRETION REGARDING THE OFFER

The Company and the Seller may withdraw the Offer at any time before the issue or transfer of CDIs to Successful Applicants and bidders. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Seller also reserves the right to reduce the number of Sale CDIs, as outlined in Section 7.2. The Company, the Seller and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the date the Offer closes, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant fewer CDIs than applied or bid for.



SECTION 8

Investigating Accountant's Reports

8.1 INVESTIGATING ACCOUNTANT'S REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION



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The Directors
Coronado Global Resources Inc.
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The Directors
Coronado Group LLC
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Beckley WV 25801

24 September 2018

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide – Pro Forma Historical Financial Information

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Coronado Global Resources Inc. ("Coronado") and Coronado Group LLC ("Seller") to prepare this report for inclusion in the Prospectus to be dated on or about 24 September 2018 ("Prospectus"), and to be issued by Coronado and the Seller, in respect of the proposed initial public offering of CHES Depositary Interests ("CDIs") over shares of Coronado and listing on the Australian Securities Exchange ("ASX") ("Transaction").

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical financial information described below and disclosed in the Prospectus.

KPMG Financial Advisory Services (Australia) Pty Ltd is an affiliate of KPMG. KPMG is an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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The pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by the applicable accounting standards, being the United States Generally Accepted Accounting Principles ("US GAAP").

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Pro Forma Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the pro forma historical financial information of Coronado (the responsible party) included in the Prospectus.

The pro forma historical financial information has been derived from the historical financial information of Coronado, after adjusting for the effects of pro forma adjustments described in section 4.2.3 of the Prospectus. The pro forma financial information consists of Coronado's:

- pro forma historical Balance Sheet as at 30 June 2018;
- pro forma historical Statements of Operations for the years ended 31 December 2016 and 31 December 2017 and the six months ended 30 June 2017 and 30 June 2018;
- and pro forma historical Cash Flow Information for the years ended 31 December 2016 and 31 December 2017 and the six months ended 30 June 2017 and 30 June 2018,

as set out in sections 4.7.1, 4.4.1 and 4.6.1, respectively, of the Prospectus issued by Coronado (collectively the "Pro Forma Historical Financial Information").

The stated basis of preparation of the Pro Forma Historical Financial Information is the recognition and measurement principles contained in US GAAP applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.2.3 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Historical Financial Information has been compiled by Coronado to illustrate the impact of the event(s) or transaction(s) described in section 4.2.3 of the Prospectus on Coronado's balance sheet as at 30 June 2018 and Coronado's statement of operations and cash flow information for the years ended 31 December 2016 and 31 December 2017 and the six months ended 30 June 2017, and 30 June 2018. As part of this process, information about Coronado's and Coronado Curragh Pty Ltd ("Curragh")'s balance sheet, statement of operations and cash flow information has been extracted by Coronado from Coronado's audited financial statements for the years ended 31 December 2016 and 31 December 2017 and the unaudited financial statements for the six months ended 30 June 2018, with comparatives for the six months ended 30 June 2017 and from Curragh's audited financial statements for the years ended 31 December 2016 and 31 December 2017 and the unaudited financial statements for the six months ended 30 June 2017 and the three months ended 29 March 2018. In addition information about Buchanan Mining Company LLC ("Buchanan")'s financial performance and cash flows

has been extracted by Coronado from Buchanan's audited combined financial statements for the three month period ended 31 March 2016.

The financial statements of Coronado for the years ended 31 December 2016 and 31 December 2017 were audited by KPMG LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and in accordance with auditing standards generally accepted in the United States of America ("USGAAS"). The audit opinions issued to the board of managers of Coronado relating to those financial statements were unqualified. The condensed consolidated half-year financial statements of Coronado for the six months ended 2017 and 30 June 2018 were subject to review by KPMG LLP in accordance with the auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. The review conclusions issued to the members of the Seller in respect of the condensed consolidated half-year financial statements were unmodified. The financial statements of Curragh for the years ended 31 December 2016 and 31 December 2017 were audited by Curragh's external auditor in accordance with Australian Auditing Standards. The audit opinions issued to the members of Curragh relating to those financial statements were unqualified. The financial statements of Curragh for the six months ended 30 June 2017 and the three months ended 29 March 2018 were subject to review by Curragh's external auditor in accordance with Australian Auditing Standards. The review statements issued to the members of Curragh relating to those financial statements were unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared, or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in section 4.2.3 of the Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures we performed were based on our professional judgement and included:

Historical financial information

- consideration of work papers (including audit workpapers), accounting records and other documents, including those dealing with the extraction of the historical financial information of Coronado from its audited financial statements for the years ended 31 December 2016 and 31 December 2017 and unaudited financial statements for the six months ended 30 June 2017 and 30 June 2018.

Pro forma adjustments:

- consideration of the pro forma adjustments to the Pro Forma Historical Financial Information described in the Prospectus;

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- consideration of work papers (including audit workpapers), accounting records and other documents, including those dealing with the extraction of the historical financial information of Curragh from its audited financial statements for the years ended 31 December 2016 and 31 December 2017 and from its unaudited financial statements for the six months ended 30 June 2017 and the three months ended 29 March 2018 and consideration of the acceptability of the accounting policies;
- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the historical financial information of Buchanan Mining Company LLC from its audited combined financial statements for the three month period ended 31 March 2016 and consideration of the acceptability of the accounting policies;
- enquiry of directors, management, personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information; and
- a review of accounting policies adopted by Coronado as disclosed in the Prospectus for consistency of application in the preparation of the pro forma adjustments.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Directors' responsibilities

The directors of Coronado are responsible for the preparation of:

- the historical financial information of Coronado; and
- the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information of Coronado and included in the Pro Forma Historical Information.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Pro Forma Historical Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in sections 4.4.1, 4.6.1 and 4.7.1 of the Prospectus, comprising:

- the pro forma historical Statements of Operations of Coronado for the years ended 31 December 2016 and 31 December 2017 and the six months ended 30 June 2017 and 30 June 2018;

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- the pro forma historical Cash flow Information of Coronado for the years ended 31 December 2016 and 31 December 2017 and the six months ended 30 June 2017 and 30 June 2018; and
- the pro forma historical Balance Sheet of Coronado as at 30 June 2018,

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in section 4.2.3 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in US GAAP, and Coronado's accounting policies.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG LLP in the United States is the auditor of Coronado and from time to time, KPMG LLP in the United States also provides Coronado with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

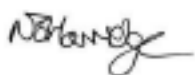
Without modifying our conclusions, we draw attention to section 4.2.3 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

8. Investigating Accountant's Reports

Coronado Global Resources Inc.
*Limited Assurance Investigating Accountant's Report and
Financial Services Guide – Pro Forma Historical Financial
Information*
24 September 2018

Yours faithfully



Nick Harridge
Authorised Representative

Financial Services Guide Dated 24 September 2018

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**'KPMG Transaction Services'**), and Nick Harridge as an authorised representative of KPMG Transaction Services, authorised representative number 000405346 (**Authorised Representative**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;

- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

8. Investigating Accountant's Reports

*Coronado Global Resources Inc.
Limited Assurance Investigating Accountant's Report and Financial
Services Guide
24 September 2018*

KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by Coronado Global Resources Inc. (Coronado) and Coronado Group LLC (Seller) to provide general financial product advice in the form of a Report to be included in the Prospectus (Prospectus) prepared by Coronado and the Seller in relation to the offer of shares in Coronado and the Seller through an initial public offering (Transaction).

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than Coronado and the Seller.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by Coronado and the Seller, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, Coronado and the Seller. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Coronado and the Seller have agreed to pay KPMG Transaction Services approximately A\$1,250,000 for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to Coronado and the Seller for which professional fees are received. Over the past two years professional fees of approximately A\$127,000 have been received from Coronado and the Seller respectively.

Other KPMG member firms in other jurisdictions also provide a range of services to Coronado and the seller for which professional fees are received. Over the past two years professional fees of approximately US\$3,372,000 have been received from Coronado and the Seller respectively by these other KPMG member firms.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Coronado and the Seller or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO
Box 3, Melbourne Victoria 3001

Telephone: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
Services (Australia) Pty Ltd
Level 38, Tower Three
300 Barangaroo Avenue
Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Nick Harridge
C/O KPMG
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

8. Investigating Accountant's Reports

8.1 INVESTIGATING ACCOUNTANT'S REPORT ON FORECAST FINANCIAL INFORMATION



KPMG Transaction Services
A division of KPMG Financial Advisory Services
(Australia) Pty Ltd
Australian Financial Services Licence No. 246901
Riparian Plaza
71 Eagle Street
Brisbane Qld 4000

GPO Box 223
Brisbane Qld 4001
Australia

ABN: 43 007 363 215
Telephone: +61 7 3233 3111
Facsimile: +61 7 3233 3100
www.kpmg.com.au

The Directors
Coronado Global Resources Inc.
100 Bill Baker Way
Beckley WV 25801

The Directors
Coronado Group LLC
10 Bill Baker Way
Beckley WV 25801

24 September 2018

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide – Forecast Financial Information

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Coronado Global Resources Inc. ("Coronado") and Coronado Group LLC ("Seller") to prepare this report for inclusion in the Prospectus to be dated on or about 24 September 2018 ("Prospectus"), and to be issued by Coronado and the Seller, in respect of the proposed initial public offering of CHES Depositary Interests ("CDIs") over shares of Coronado and listing on the Australian Securities Exchange ("ASX") ("Transaction").

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the forecast financial information described below and disclosed in the Prospectus.

The pro forma and statutory forecast financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required

KPMG Financial Advisory Services (Australia) Pty Ltd is an affiliate of KPMG. KPMG is an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

by the applicable accounting standards, being the United States Generally Accepted Accounting Principles ("US GAAP").

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Forecast Financial Information and directors' best-estimate assumptions

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to:

- the pro forma forecast statement of operations for the year ending 31 December 2018 and the pro forma forecast cash flow information for the year ending 31 December 2018 (the Pro Forma Forecast Information); and
- the statutory forecast statement of operations for the years ending 31 December 2018 and 31 December 2019 and the statutory forecast cash flow information for the years ending 31 December 2018 and 31 December 2019 (the Statutory Forecast Information),

together the "Forecast Financial Information" as described in section 4.2.4 of the Prospectus.

The directors' best-estimate assumptions underlying the Forecast Financial Information are described in sections 4.9.1 and 4.9.2 of the Prospectus. As stated in section 4.2 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in US Generally Accepted Accounting Principles ("USGAAP") and Coronado's accounting policies.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in sections 4.4.1 and 4.6.1 of the Prospectus, and the directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
 - prepared on the basis of the directors' best-estimate assumptions as described in the Prospectus; and
 - presented fairly in accordance with the recognition and measurement principles contained in USGAAP and Coronado's accounting policies; and
- the Forecast Financial Information itself is unreasonable.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

8. Investigating Accountant's Reports

*Coronado Global Resources, Inc.
Limited Assurance Investigating Accountant's Report and
Financial Services Guide
24 September 2018*

Our limited assurance procedures consisted primarily of:

- comparison and analytical review procedures;
- discussions with management and directors of Coronado and the Seller of the factors considered in determining their assumptions; and
- examination on a test basis, of evidence supporting:
 - the assumptions and amounts in the Forecast Financial Information; and
 - the evaluation of accounting policies used in the Forecast Financial Information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The directors of Coronado are responsible for the preparation of the Forecast Financial Information, including the directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Forecast Financial Information and the directors' best-estimate assumptions

Based on our procedures, which are not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information for the years ending 31 December 2018 and 31 December 2019 do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
 - is not prepared on the basis of the directors' best-estimate assumptions as described in sections 4.9.1 and 4.9.2 of the Prospectus; and
 - is not presented fairly in accordance with the recognition and measurement principles contained in USGAAP, and Coronado's accounting policies; and
- the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by Coronado management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the

potential financial performance of Coronado for the years ending 31 December 2018 and 31 December 2019.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Coronado. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Coronado, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in sections 5 and 4.10, respectively, of the Prospectus. The sensitivity analysis described in section 4.10 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of Coronado, that all material information concerning the prospects and proposed operations of Coronado has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG LLP in the United States ("KPMG LLP") is the auditor of Coronado and from time to time, KPMG LLP also provides Coronado with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of

8. Investigating Accountant's Reports

*Coronado Global Resources, Inc.
Limited Assurance Investigating Accountant's Report and
Financial Services Guide
24 September 2018*

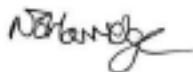
any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to sections 4.2.3 and 4.2.4 of the Prospectus, which describe the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully



Nick Harridge
Authorised Representative

Financial Services Guide Dated 24 September 2018

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**'KPMG Transaction Services'**), and Nick Harridge as an authorised representative of KPMG Transaction Services, authorised representative number 000405346 (**Authorised Representative**).

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- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

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- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;

- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
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to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in

8. Investigating Accountant's Reports

*Coronado Global Resources Inc.
Limited Assurance Investigating Accountant's Report and Financial
Services Guide
24 September 2018*

relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representative's responsibility to you

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You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than Coronado and the Seller.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by Coronado and the Seller, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, Coronado and the Seller. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Coronado and the Seller have agreed to pay KPMG Transaction

Services approximately A\$1,250,000 for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to Coronado and the Seller for which professional fees are received. Over the past two years professional fees of approximately A\$127,000 have been received from Coronado and the Seller respectively.

Other KPMG member firms in other jurisdictions also provide a range of services to Coronado and the seller for which professional fees are received. Over the past two years professional fees of approximately US\$3,372,000 have been received from Coronado and the Seller respectively by these other KPMG member firms.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Coronado and the Seller or has other material financial interests in the transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, Coronado and the Seller or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

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Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO
Box 3, Melbourne Victoria 3001

Telephone: 1800 367 287
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
Services (Australia) Pty Ltd
Level 38, Tower Three
300 Barangaroo Avenue

Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Nick Harridge
C/O KPMG
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200



SECTION 9

Xstract Report (2018)



20 September 2018

The Directors
Coronado Group LLC
100 Bill Baker Way
Rupert, WV 25984
United States

The Directors
Coronado Global Resources Inc.
100 Bill Baker Way
Rupert, WV 25984
United States

Dear Sirs

Re: Technical Assessment Report

At the request of Coronado Group LLC and Coronado Global Resources Inc. (together referred to as "Coronado" or "the Company"), Xstract Mining Consultants Pty Ltd ("Xstract") has prepared this Technical Assessment Report on the Australian coal assets of Coronado, as held by the Company's wholly owned subsidiary, Coronado Curragh Pty Ltd ("CCPL"). The Company's sole asset in Australia is the Curragh coal mining and processing operation ("Curragh" or "the Project") located in central Queensland.

Xstract understands that this report is to be included in Initial Public Offering ("IPO") documentation relating to the proposed capital raising and associated listing of Coronado on the Australian Securities Exchange ("ASX").

The purpose of this report is to provide a technical account as to the reasonableness of the information supporting the ongoing mining and processing operations at Curragh. The focus of this report is on various technical aspects of the Curragh operations: including tenure, geology, Coal Resource/Coal Reserve statements, mine plans, production rates, infrastructure, environment, social, capital/operating cost estimates, risks, opportunities and uncertainties.

This report has been prepared in compliance with internationally accepted mineral reporting codes, these being:

- The 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the "JORC Code")
- The 2015 Edition of the "Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets" (the "VALMIN Code")

The JORC Code establishes the nature of evidence required to report exploration results, Coal Resources and Coal Reserves in a public document, while the VALMIN Code outlines the key elements to be considered in evaluating coal assets.

Curragh includes an operating mine and processing facility, which are wholly owned and operated by Coronado's subsidiary, CCPL. The mine lies within the Bowen Basin of central Queensland and is situated some 166 km west of the coastal city of Rockhampton. Curragh

Xstract – Excellence from the outset

XstractGroup.com

Level 3, 545 Queen Street, BRISBANE QLD 4000 | PO Box 10312, BRISBANE ADELAIDE STREET QLD 4000
T +61 7 3221 2366 | F +61 7 3221 2235 | Xstract Mining Consultants Pty Ltd | ABN 62 129 791 279

9. Xstract Report (2018)

Technical Assessment Report | Curragh Coal Mine - Bowen Basin, Queensland

is forecast to produce up to 16.7 million tonnes per annum (ROM Mtpa) or 12.9 Mtpa of marketable coal, till 2023. The reported Wesfarmers Coal Reserves (2017) were determined on a Life-of-Mine ("LOM") plan to 2031 (including MDL 162).

Xstract is an independent mining consultancy offering expertise in a wide range of resource and engineering disciplines. Xstract has a demonstrated track record in undertaking independent assessments of resources/reserves, due diligence, audits, capital raising reports, and independent feasibility evaluations on behalf of exploration/mining companies and financial institutions worldwide.

This report has been prepared based on a site visit and technical review by a team of consultants sourced from Xstract's staff and associate network over a 2-month period. These consultants are specialists in the fields of coal geology, resource and reserve estimation, open pit mining, coal processing, infrastructure and environmental management.

The listing documentation contains an appropriate summary of Curragh, and Xstract is satisfied with the integrity of the information contained in the listing documentation based on our experience and the limited validation work performed by Xstract.

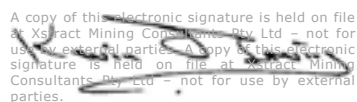
Drafts of this report were provided to Coronado, but only for the purposes of verification regarding the factual accuracy, errors and omissions as well as the reasonableness of assumptions relied upon in the report. Coronado has represented in writing to Xstract that full disclosure has been made of all material information and that to the best of its knowledge and understanding, such information is complete, accurate and true.

Xstract has given and not withdrawn its written consent to issue the Listing Documentation with its name included within and to the inclusion of this report and references to this report and the Listing Documentation. Xstract accepts responsibility for the information contained within this report as set out in this section, in the form and context in which the report is included, of the Listing Documentation and those parts of the Listing Documentation which include references to this report.

Xstract has been made aware, since this report was written, that Coronado has executed a new agreement with Stanwell Corporation Limited, to provide access to the area currently known as the Stanwell Reserved Area. This report has not considered the impact of this agreement on the current mine plan for Curragh North due to the extra body of technical work that will be required to be undertaken to understand the full implications and potential opportunities. Xstract did comment that we were aware of the negotiations and the potential for further optimisation of Coal Reserves at Curragh North.

Xstract accepts responsibility for this letter and the Technical Assessment Report and, to the best of Xstract's knowledge, having taken all reasonable care to ensure the information contained in its report is in accordance with the facts and contains no omission likely to affect its import.

Yours sincerely


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10 August 2018

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Curragh Coal Mine - Bowen Basin, Queensland

Technical Assessment Report

Prepared for:
Coronado Coal LLC
Effective Date: August 2018
FINAL

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Xstract Mining Consultants Pty Ltd has prepared this report on behalf of Coronado Coal LLC. Public disclosure, publication, or presentation of any information contained in this document must be accompanied by written consent from Xstract Mining Consultants Pty Ltd.

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Key abbreviations

Adb	Air-dried basis
amsl	above mean sea level
AIG	Australian Institute of Geoscientists
AMD	Acid Mine Drainage
ANFO	Ammonium Nitrate Fuel Oil
amsl	Above mean sea level
Ash%	Ash Content
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AUD	Australian Dollars
AusIMM	Australasian Institute of Mining and Metallurgy
bcm	Bank Cubic Metre
Bn	Billion(s) (1 Billion = 1,000,000,000)
CEMP	Consolidated environmental management plan
CHPP	Coal handling and processing plant
Coal Assets	A collective term meaning all the Mining Assets, Development Assets and Exploration Assets

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Company	Coronado Coal LLC
Coronado	Coronado Coal LLC
CP	Chartered Professional, designation of the AusIMM
CPP	Coal processing plant
CSN	Crucible swell number (equivalent to FSI – Free swelling index)
CHMP	Cultural heritage management plan
CV	Raw Calorific Value usually expressed in Mega Joules per kilogram
ddpm	Dial divisions per minute
DES	Department of Environment and Science, Queensland Australia
DMC	Dense medium cyclone
DSA	Design storage allowance
EA	Environmental authority
EBA	Enterprise bargaining agreement
EC	Electrical conductivity
ERC	Estimated Rehabilitation Cost
ERE	Endangered regional ecosystems
FA	Financial assurance
Fm	Formation, as in geological formation
FTE	Full time employee
FX	Foreign exchange
GDE	Groundwater dependent ecosystem
Gp	Group, as in geological group, stratigraphic grouping
ha	Hectare (1 Hectare = 2.47 Acres)
IM%	Inherent Moisture
IP	Intellectual property
IPO	Initial Public Offering
JORC Code	The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
kcal/kg	Kilocalories per kilogram of coal, a measure of energy content
kpa	Kilopascals (a measure of pressure)
L	Litres (1 Litre = 0.2642 US Gallons)
LOA	Life-of-Asset
LOM	Life-of-Mine
LTIFR	Lost time injury frequency rate
M	Million(s)
m	Metres (1 Metre = 3.2808 Feet)
mbgl	Metres below ground level
m3	Cubic metre(s) (1 Cubic Metre = 1.3079 Cubic Yards)
Ma	Million years ago
Mbcm	Million bank cubic metres
Mtbcm	Million total bank cubic metres
MDL	Mining Development Licence
MJ/kg	Megajoules per kilogram, a unit expressing energy content



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ML	Mining Lease
mm	Millimetre(s)
Mm3	Million cubic metres
Mt	Million metric tonnes
MW	Megawatts
Mtpa	Million metric tonnes per annum
POO	Plan of operations
PWS	Pisces working section
RD	Relative Density
RG Tanna	RG Tanna Coal Terminal near Gladstone
RPEQ	Registered Professional Engineer in Queensland
ROM	Run-of-Mine
RPO	Recognised Professional Organisations
SRA	Stanwell Reserved Area
SIB	Stay in business
Strip ratio	Ratio of mining waste in bank cubic metres to the coal tonnes mined
t	Tonne(s) (1 Metric Tonne = 1.1023 US Short Tons)
t/h	Tonnes per hour
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
TS%	Total Sulphur Content
USD	United States Dollars
VALMIN Code	The 2005 edition of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
USA	United States of America
VM%	Volatile Matter content
WMP	Water management plan
WICET	Wiggins Island Coal Export Terminal near Gladstone
Xstract	Xstract Mining Consultants Pty Ltd
YT	Yarrabee Tuff

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1 Executive summary

At the request of Coronado Coal LLC (“Coronado” or “the Company”), Xstract Mining Consultants Pty Ltd (“Xstract”) has prepared this Technical Assessment Report on the Australian coal assets of Coronado, as held by the Company’s wholly owned subsidiary, Coronado Curragh Pty Ltd (“CCPL”).

Xstract understands that this report is to be included in Initial Public Offering (“IPO”) documentation relating to the proposed capital raising and associated listing of Coronado on the Australian Securities Exchange (“ASX”).

This report provides a technical account of Coronado’s coal asset in Australia. It compiles currently available and material information to assist potential investors in Coronado make a reasoned judgement regarding the techno-economic merits of Coronado’s coal asset in Australia. The focus of this report is on the technical aspects of these assets: including tenure, geology, Coal Resource and Coal Reserve statements, mine plans, production rates, infrastructure, environment and social, capital and operating cost estimates, and principal risks, opportunities and uncertainties.

This report has been prepared in compliance with internationally accepted mineral reporting codes, these being:

- The 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the “JORC Code”)
- The 2015 Edition of the “Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets” (the “VALMIN Code”)

This report has been prepared based on a site visit and technical review by a team of consultants sourced from Xstract’s staff and associate network over a 2-month period. These consultants are specialists in the fields of coal geology, resource and reserve estimation, open pit mining, coal processing, infrastructure and environmental management.

This report has an effective date of 10 August 2018. All monetary values outlined in this report are expressed in Australian Dollars (“AUD”), unless otherwise stated.

1.1 Curragh operations

Coronado Curragh Pty Ltd (“CCPL”) is a wholly owned subsidiary of Coronado Australia Holdings which in turn is a wholly owned Brisbane based subsidiary company of Coronado Group LLC. Curragh coal mining and processing operation representing the Company’s only coal asset in Australia. CCPL’s principal activities include exploration, development and operation of a coal mine and coal processing facilities, which produce metallurgical and thermal coal products for the Australian export and domestic markets.

The Curragh operations comprise a significant land package located near the town of Blackwater in the coalfields of Bowen Basin, Queensland, Australia (Figure 1.1). The coal operation is one of the largest metallurgical coal operations in the Bowen Basin and has been operating since 1983.

Run of mine (“ROM”) production from Curragh is beneficiated on site through two coal processing plants to produce metallurgical and thermal coals for the export and domestic market. Coal is transported by rail to Gladstone, where the coals are blended to final marketable products and shipped for export, some coal is railed to the Stanwell coal fired power station near Rockhampton.



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Figure 1.1: Location of Curragh Operations



Source: Queensland Government 2007



1.2 Coal Resources and Coal Reserves

The most recent publicly reported Curragh Coal Resource and Coal Reserve estimates (Table 1.1 and Table 1.2) are from the Wesfarmers 2017 Annual Report. Coal Resources are reported in addition to Coal Reserves, therefore reserves and resources are additive. Having only recently acquired the asset, Coronado is still in the process of updating these resource/reserve statements.

Table 1.1: Coal Resources on a 100% basis as reported by Wesfarmers as at 30 June 2017

Project	Measured	Indicated	Inferred	Total	Coal Quality (in-situ, adb)			
	Mt in-situ	Mt in-situ	Mt in-situ	Mt in-situ	Ash (%)	CV (MJ/kg)	TS (%)	VM (%)
Curragh (June 2017)	305	251	140	696	19	28	0.6	19
Curragh (June 2016)	323	243	145	711	19	28	0.6	19

Source: Wesfarmers 2017 Annual Report

- Coal Resource tonnes are reported on a 5.3% in-situ Moisture basis, coal qualities are reported on an air-dried basis
- Coal Resources are reported in addition to Coal Reserves
- There is a change in Coal Resources (2016 to 2017) due to changes in mined footprint

Table 1.2: Coal Reserves on a 100% basis as reported by Wesfarmers as at 30 June 2017

Project	Mining Method	Proved	Probable	Total	Coal Quality of Reserve inclusive of loss and dilution (adb)			
		Mt ROM	Mt ROM	Mt ROM	Ash (%)	CV (MJ/kg)	TS (%)	VM (%)
Curragh (June 2017)	Opencut	240	12	252	26	26	0.6	17
Curragh (June 2016)	Opencut	244	24	268	24	26	0.6	19

Source: Wesfarmers 2017 Annual Report

Curragh

- Curragh's reserves, as stated, are 100 per cent of the site reserves, including all reserves in the Curragh Project.
 - Wesfarmers Curragh Pty Ltd ('WCPL') and Stanwell Corporation ('Stanwell') share in value generated from certain parts of the Curragh Project (being the Curragh East and Curragh North mining areas, but excluding the MDL 162 area) pursuant to the terms of a Coal Supply Agreement between them ('Stanwell CSA')
 - Reserves are reported above on a project basis before any division of economic value under the Stanwell CSA. It is not possible to express the economic entitlements of Stanwell from the Curragh Project as a simple numerical percentage. The reason such a statement is not possible is that the entitlements of Stanwell pursuant to the Stanwell CSA are variable with, and dependent upon, contingent events which include all of the actual future export volumes, prices, and the duration of the Stanwell CSA relative to the timing and mine sequencing of production from the various areas of the Curragh Project. It is not necessary for the Competent Person to analyse the Stanwell CSA and respective entitlements of WCPL and Stanwell thereunder given that reserves are stated on a total Curragh Project basis before application of the Stanwell CSA.
- No reserves have been declared with respect to the Stanwell Reserved Area.
- Coal Reserves have been stated on a 7.5% Moisture basis, coal qualities are reported on an air-dried basis

Approximately 318 Mt of the total reported Curragh Coal Resource base reside within Stanwell Corporation Limited's ("Stanwell") Reserved Area ("SRA"). There are currently no Coal Reserves reported over the SRA.

In its half year (February 2018) and third quarter (April 2018) reports to the ASX, Wesfarmers reported the following production marketable tonnes from Curragh (Table 1.3).



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Table 1.3: Wesfarmers publicly reported coal production results FY2018

Coal Type		Half Year FY2018*	Third Quarter FY2018*	FY18 up to 31 March 2018*
Metallurgical coal production	kt	4,106	2,085	6,191
Steaming coal production	kt	1,873	784	2,657
Total (Marketable)	kt	5,979	2,869	8,848

Source: Wesfarmers half yearly and third quarter public reports 2018
Note * Publicly reported by Wesfarmers in February and April 2018

In addition, Xstract has been informed by CCPL of preliminary production results for quarter 4, FY2018. On this basis, Xstract estimates the total production since the preparation of the last reserve estimate to be in the order of 12 Mt and ROM tonnes of some 15.6 Mt as presented below (Table 1.4).

Table 1.4: Coal production depletion estimate for FY2018.

Coal Type		FY18 up to 31 March 2018*	Fourth Quarter FY18 Curragh*	Total Estimated FY18***
Metallurgical coal production	kt	6,191	2,290	8,481
Steaming coal production	kt	2,657	932	3,589
Total (Marketable)	kt	8,848	3,222	12,070
Estimated ROM Tonnes (from CCPL)**	kt	11,495**	4,129**	15,624

Source: Wesfarmers half yearly and third quarter public reports 2018; and CCPL

Note *CCPL estimates

Note ** Best estimates of the FY18 ROM production

Note *** Best estimates of the combined Wesfarmers publicly reported and CCPL estimates

Through depletion of mined coal, Xstract estimates the current Curragh Coal Reserves are approximately 236 Mt of ROM coal and 181 Mt of Marketable coal. Typical marketable coal products produced range from low-ash, hard coking coal to mid-ash semi-hard coking coal, a variety of low-volatile PCI products ranging from low to high ash, and thermal coal.

This estimate by depletion as at 30 June 2018 is not a re-estimation of the 30 June 2017 estimates of Resources and Reserves prepared by the relevant Competent Persons and do not include additional geological, mining, processing and other information.

Xstract is of the opinion that the Coal Reserves reported in June 2017 are reasonable and appropriate for the mine plan as of June 2017. As CCPL are in the process of re-estimating the coal reserves, with possible changes to mine plans and coal prices, the current Coal Reserves may change in the future. Xstract understands that Coronado Curragh will be updating the Resources and Reserves as at 31 December 2018.

1.3 Geological setting

Geologically, the Curragh Coal Mine is located in the central part of the Permo-Triassic aged Bowen Basin, where Late Permian sedimentary units were deposited on the northeastern flank of the Comet Ridge, a basement-high structural feature that controlled depositional environments during the Permian and Triassic periods and overlain in part by more recent alluvial sediments.

The coal seams of current economic interest occur within the Rangal Coal Measures, which cover most of the Curragh tenement areas. Coal seams within the underlying Burngrove Formation are also present, but to date, have not been economically evaluated.

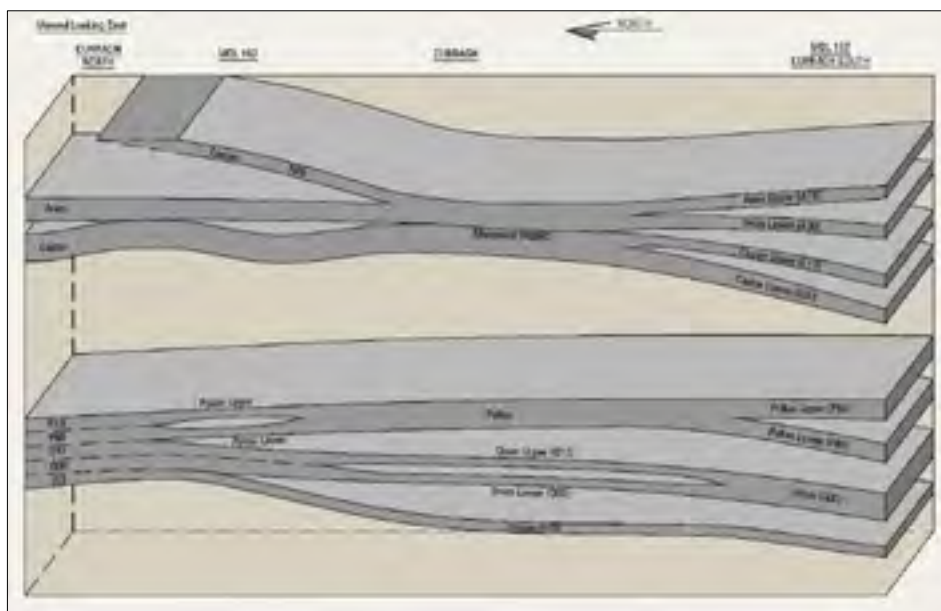


The Rangal Coal Measures represent the final phase of coal deposition in the Bowen Basin in the Late Permian resulting in the formation of the so-called Group IV coals. At Curragh, these coals produce a suite of products ranging from hard coking coal through semi-hard coking coal and PCI to thermal products suitable for domestic use and for export.

The Rangal Coal Measures comprise mainly grey mudstone and siltstone, light grey fine grained sandstone and include the key economic coal seams, namely; Cancer, Aries, Castor, Pollux, Orion and Pisces. The strata dips to the east at approximately three degrees, but local steepening can exceed 10 degrees.

Seam splitting and coalescing is common at Curragh with the prevalence of seam splitting increasing towards the north, south and east of the central Curragh Mine area. Figure 1.2 schematically illustrates these trends.

Figure 1.2: Trends in seam splitting and coalescing from north to south



Source: Curragh

Igneous intrusions are generally absent, except for a thin (<1 m thick) dyke in Pit D and a number of dykes (<5 m thick) in Curragh North at the northern end of Pit T and along the western side of Pit U. There is also an intrusive body measuring approximately 500 m by 100 m that affects Coal Resources in the Aries and Castor seams in Pit U.

The structural environment at Curragh can be fairly complex with the observed seam deformation the result of thrust faulting from the northeast with fault throws up to 30 m. Structural thickening can occur where thrust faults cause affected seams to be repeated. This is particularly common in regard to the Pollux seam. Thrust faulting can also result in barren areas, where seams have been faulted out. North-south and east-west trending normal faults also occur but are less common than thrust faulting.

ROM coal to plant feed is washed for either a 7% ash product or a 9% ash product depending on the seam in question's washability and product quality characteristics (especially crucible swell number ("CSN") and fluidity), and the type and value of the achievable product.

9. Xstract Report (2018)

Table 1.5 shows the typical plant primary and secondary yields and primary target ash for the most important seams at Curragh. Secondary products are typically thermal coal with ash contents varying between 12.5% and 17.0% ash at 7.5% moisture.

The 7% and 9% ash products, together with a small component of 12.5% ash high-ash PCI coal product, are railed to the port where final marketable product blending takes place.

Table 1.5: Plant washed products at 7% or 9% ash primary product from Curragh East and Curragh North (middlings products are typically steam coal)

Seam	Primary Yield %	Secondary Yield %	CSN Primary	Comments
Cancer	~30 @ 9% ash	30	7 - 8	~ 0.5 m thick. Typically a PCI blend.
Aries	~50 @ 9% ash	20 - 30	6 - 7	Aries Lower has better coking coal (SHCC) and higher CSN than Aries Upper, also has fluidity 50 - 100 ddpmm. Aries Upper is typically produces a high-ash PCI.
Castor Lower	45 - 50 @ 7% ash	30 - 35	7 - 8	Prime coking coal seam. Highest fluidity ~200 ddpmm. Good middlings blend product for steam coal.
Pollux	~45 @ 7% ash	30 - 35	6.5 - 7.5	Coking coal, Pollux has low fluidity.
Pisces Working Section	UWS: ~80% @ 9% ash, mainly PCI. LWS: ~45% @ 7% ash	- 30 - 35	<6 6.5 - 7.5	Split into upper working section ("UWS") and lower working section ("LWS"). LWS Middlings typically produces high-ash (12%) PCI.

Source: Curragh

1.4 Geotechnical

Curragh operations and future project areas are geotechnically complex. Highwalls and endwalls are prone to kinematic failure due primarily to thrust faulting and the intersection of the joint and bedding plane discontinuities. There has been a history of highwall/endwall failures, particularly in the Curragh East areas, where structure is more complex than at Curragh North.

Lowwall stability is sensitive to dip, height and floor conditions. At Curragh North, the Yarrabee Tuff requires excavating and strategically placing to avoid low wall instability.

Geotechnical stability monitoring through Sirovision and slope stability radar (in targeted areas), provides for state of the art systems to detect early movements and potential failures.

Geotechnical design, monitoring, trigger action response and controls are demonstrably integrated through systems and processes at the operations that clearly define roles and responsibilities. The embedded systems also provide for training and operator awareness. Curragh operations are considered to have a mature and evolving process for geotechnical management, which importantly also provides for critical audit, review and back analysis to effect continuous improvement.

The most significant risks and associated impacts at the Curragh operations are kinematic highwall/endwall instability in working areas, potentially resulting in safety and coal sterilisation consequences. The system of in advance hazard identification and implementing



control measures (e.g. highwall cut back in areas of problematic highwall rock mass), is typically well construed and implemented. It is, however, essential to maintain the existing geotechnical hazard management systems in line with industry best practise.

From analysis of the documented geotechnical failure inventory, it is considered that the geotechnical management and control systems now in place at Curragh have led to an overall reduction in the scale and impact of geotechnical failures as time and operations have progressed.

In Xstrata's opinion, the level of competency and diligence applied to geotechnical management, both independently (initially led by GHD), and through the deployment of onsite geologists and geotechnical engineers, has been, and is maintained, to industry best practise and standards.

The level of external geotechnical consultancy advice, direction and on-site training/mentoring that has been applied is considered to be strong.

It will be essential to maintain and continuously improve existing standards, including the practise of audit and direction provided from competent external geotechnical consultants, as operations progress. Whilst these systems will not totally eliminate the potential for future instability, they demonstrably appear to have reduced the scale and impact of failures as operations at Curragh have progressed.

In conclusion, whilst underlying geotechnical risk will always be present, it is considered that the geotechnical management and impacts at Curragh are currently managed to industry accepted best practices. Future potential known, and unknown, geotechnical risks will require continued rigorous mitigation steps and will require a continuation of the existing high level of diligence to adequately control these risks within the framework of robust site hazard prediction, monitoring, management and trigger action response.

1.5 Hydrology

Hydrogeological characterisation, and the understanding and management of recharge and discharge for the Curragh operations, is considered to be well understood and in part reflects the now extensive history of operations.

Regulated structures, including tailings dams, retention dams, levees and diversion creeks and considered to have been well constructed and maintained. The operations management teams have complied with regulatory requirements for regulated structures with only minor non-compliances to date, which have been rectified in a timely and effective manner. The existing Pit A tailings storage facility is currently very close to capacity and future tailings will be discharged into Pit B. Golders has supplied an RPEQ report on the Pit B storage facility, which provides for significant volume long term security of future tailings storage.

Wetlands and swamps in the area are not likely to be reliant on surface groundwater and unlikely to be impacted by groundwater drawdown. The impact of mining and drawdown on Groundwater Dependent Ecosystems ("GDE"s) is negligible. Irrespective of size and scale, the impacts can be managed and controlled under approved Environmental Management Plans.

Water chemistry as measured in current operations is favourable with electrical conductivity ("EC") and pH to date all well within tolerance ranges. This is expected to continue in future development areas based on a review of assessments completed. The potential for acid mine drainage issues is considered low, however may potentially occur, should any currently unidentified igneous intrusions be encountered. Geological interpretation suggests that the potential for such intrusions and associated acid mine drainage is considered unlikely.

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Based on current modelling, hydrology impacts are limited and are currently managed to industry accepted best practices. Future potential risks and mitigation steps will require continued diligent management within the existing Environmental Authority ("EA").

1.6 Mining overview

Curragh is an opencast bituminous coal mining and processing operation consisting of two distinct areas, Curragh North and Curragh East, with potential mine development in MDL 162 (the latter is beyond the reviews of this Technical Assessment as full production is estimated to start post 2025) and into areas currently owned by Stanwell.

An agreement between Curragh and Stanwell, restricts Curragh's mining access to the Stanwell Development Limit Line within ML80110 Curragh North (west of blue dotted line in Figure 1.3). Clause 2.9 (c) (iii) of this agreement defines this limit as "the intersection of the highwall and the Pisces Coal Seam".

Figure 1.3: Shows Stanwell reserved area



Source: Minserve



Mining is carried out at Curragh using open cut mining methods typical of the Bowen Basin open cut coal industry, comprising a mix of dragline and truck/shovel. This is a very common coal mining methodology and therefore is perceived to be very low risk. The mining areas are divided into pits of varying shapes with the pit configuration based on economic parameters and other drivers, such as surface infrastructure and environmental constraints.

Strip ratios at Curragh are around 8.5 bcm (prime)/t ROM. The current production rate at Curragh is approximately 15.5 Mtpa of ROM coal. Coronado's proposed plan for Curragh shows a gradual increase in annual coal production to 16.7 Mtpa of ROM coal or 12.9 Mtpa of marketable product. The total excavation of waste overburden increases from current extraction in CY18 of around 160 million total bank cubic metres ("Mtbcm") to 205 Mtbcm in 2023.

The current mine plan includes a fleet of four draglines, one electric shovel, eight major excavators, front-end loaders and large off-road haul trucks. The current fleet of equipment will manage the ongoing increase in overburden removal.

Currently, Curragh's draglines are owner operated throughout the mine while pre-stripping and coal mining is contracted out to Thiess (a member of the CIMIC Group Ltd) in Curragh North and Goldings Contractors Pty Ltd ("Goldings") in Curragh East. In addition, Thiess is contracted for waste removal with the electric shovel and a fleet of Ultra trucks at Curragh East.

1.7 Coal processing

The Curragh Coal Handling and Processing ("CHPP") facilities consist of two separate coal processing plants ("CPP") with the initial processing plant commissioned in 1984 and the second commissioned in 2012. The processing facilities have been integrated via a system of conveyors and bins to provide the flexibility to process feed streams from the Curragh East or Curragh North operating mines in either processing facility.

The two processing plants have a nominal nameplate throughput capacity of 2300 t/h on a combined basis. Applying the nominal throughput capacity with industry standard practice of 6500 to 7000 operating hours per annum, the throughput is up to 16.1 Mtpa of ROM tonnes.

There are facilities to bypass over 0.7 Mtpa of ROM coal, which is currently in operation.

Metallurgical coal products produced by the processing facilities include 7%, 9% and 12.5% ash (adb) coking coal and PCI products. Product blending to final marketable product specifications takes place at the port. Domestic thermal coal averages 16% to 17% ash (adb)

A common product stacking and reclaiming system enables the plant products to be loaded onto trains before being railed to either RG Tanna or Wiggins Island Coal Export Terminal ("WICET"), and to the Stanwell Power Station receiving facility.

1.8 Infrastructure

Curragh operations are accessed via established sealed roads and rail network.

There is a 20 km overland conveyor to convey ROM coal from Curragh North to the coal preparation plant, which is an integral component of the coal transportation and logistics system at the Curragh operation. The two ROM systems are important features of the mine operations to ensure blending of the ROM coals for the Coal Preparations plants. A series of conveyors, a ROM crushed stockpile and small ROM bins allows flexibility in the operations of the two coal preparations plants.



9. Xstract Report (2018)

The processed coal is loaded onto trains via a single dedicated bucket wheel reclaimer designed to load both thermal and metallurgical coal.

The Curragh operations (including Curragh's coal processing facilities) receive water from two main sources:

- Through a supply agreement with Sunwater from the Bedford Weir and Fairburn Dam
- Additionally, process water is sourced from pollution control dams and old pits capturing rainfall and dewatering activities

Curragh has a dedicated 66 kV power supply to support mining operations with a capacity of up to 57 MW.

The entire Curragh operation is easily accessible from an established national road connecting Emerald and Rockhampton

The Curragh operation is linked to the main Blackwater rail link to RG Tanna and WICET port terminals at Gladstone by a dedicated rail loop balloon with a capacity of 14 Mtpa (see Figure 15.1).

Curragh's location is at a distance of 300 km to the Port of Gladstone. Curragh has the right to rail up to 10.0 Mtpa, plus surge of rail capacity on the Blackwater system. This network is operated by Aurizon and links Central Queensland mines from the Bowen Basin to two export terminals at the Port of Gladstone – RG Tanna and WICET

Curragh's steaming coal is railed 160 km to the Stanwell Power Station near Rockhampton. Under the Stanwell Coal Supply Agreement, Stanwell is responsible for the transport of the coal volumes to the power station and pays for the railing costs.

1.9 Environmental

There are no material issues pertaining to the surface water, rehabilitation, cultural heritage and social aspects affecting the Curragh asset that could result in an increase of more than 10% to the cost of operations or financing of the Curragh; nor likely to create a material issue that had the potential to delay further approvals or temporarily stop operations, or to cause significant negative public perception about Curragh.

1.9.1 Surface water

The Curragh Project is located to the east and south of the Mackenzie River. Minnie Creek, adjacent to the mining operation, flows into Blackwater Creek which in turn flows into the Mackenzie River downstream of the Bedford Weir. The Mackenzie River ultimately flows into the Fitzroy River. Both Minnie Creek and Blackwater Creek are naturally ephemeral.

Blackwater Creek has been the subject of extensive diversions around the Curragh mining operations. Regular monitoring and stabilisation of this diversion occurs.

Four regulated dams are currently in operation, with a plan to establish a regulated dam at the Tailings Storage Facility at Dam B. This will be subject to similar legislative requirements that apply to the existing regulated structures.

Levees have been constructed to prevent ingress of the Mackenzie River and the Blackwater Creek floodwaters into active mining areas. Levees are designed as regulated structures and have certified designs, annual assessments and annual inspections conducted by suitably qualified and experienced personnel.



1.9.2 Rehabilitation

This assessment considers the current laws with respect to rehabilitation and financial assurance, however it should be noted that changes are imminent, as noted in Section 16.5.2.

Currently no rehabilitation areas have progressed through the progressive rehabilitation certification process.

Financial assurance currently held by the State of Queensland is AUD270, 140,133 in the form of a bank guarantee.

Decision notice dated 1 February 2018 from Department of Environment and Science ("DES") to Wesfarmers Curragh Pty Ltd noted a decision on the amount and form of Financial Assurance ("FA") for Curragh relating to Plan of Operations ("POO") amendment dated 12/1/18 submitted to DES. It was noted the total cost of rehabilitation was AUD270, 140,133 (excluding GST) to be paid for the period 1 July 2016 to 30 June 2018 in the form of a bank guarantee.

1.9.3 Cultural Heritage

Curragh negotiated a Cultural Heritage Management Plan ("CHMP") for the project in 2012. There have been subsequent changes to the registration and composition of the Native Title claim for the relevant Aboriginal Party. A new CHMP has been prepared for the extended Curragh operations, signed on 19/12/17.

Cultural heritage is unlikely to pose any material issues to the Curragh operations.

1.9.4 Native Title

Only one tenement (ML 80123) required a native title process for its grant. Curragh undertook the Right to Negotiate process with the then Native Title Parties, the Kangoulou People, and concluded an ancillary agreement and a section 31 Deed to allow the ML to be validly granted in compliance with the *Native Title Act 1993* (Cth).

There are no material issues relating to native title for the Curragh operations.

1.9.5 Social Issues

To our knowledge, there is no Social Impact Management Plan applicable to the mine. There are no immediate or apparent social issues that are likely to impact on the Curragh Coal operations. All major social issues have been previously considered and addressed during the ongoing state approval processes.

Given the ongoing operation of the coal mine in line with accepted industry standards, it is unlikely that there are any social issues of material concern relevant to the Curragh operation

Draft Bank Guarantees in the name of Coronado Australia Holdings Pty Ltd on behalf of Wesfarmers Curragh Pty Ltd have been provided in respect of Environmentally Relevant Activities (ERA's) relating to EPML00643713.

1.10 Costs

1.10.1 Capital

Stay in Business ("SIB") capital expenditure is estimated by CCPL over the next five years to be AUD67.7M (real cost), comprising refurbishment of plant and mining equipment



9. Xstract Report (2018)

(includes expenditure on dragline overhauls, refurbishment of earth moving and ancillary equipment, CHPP). Xstract considers this estimate to be reasonable. There are capital costs in CY19 and CY23 which have been allocated to developing box cut areas and have been excluded from mine operating costs (Table 1.6).

Table 1.6: Curragh Capital Expenditure to 2023

Item (AUD M)	CY19	CY20	CY21	CY22	CY23
SIB	76.9	65.3	68.6	64.3	63.6
Development of Box cuts	25.4	-	-	-	28.6

1.10.2 Operating mine cash costs

Xstract has reviewed the projected mining costs for Curragh against historic mining costs. These were provided by Curragh and benchmarked against Xstract's internal database. Xstract has reviewed estimated costs related to workforce, equipment, maintenance, consumables, utilities, fuel, contract services, overheads, transportation etc., and considers them to be realistic and achievable subject to the projected improvements in equipment efficiencies.

Xstract has analysed the historic and forecasted mining costs (Table 1.7 and Table 1.8) for drill and blast, truck shovel, draglines, dozer push, pit services and indirect and opines that these appear to be fair and reasonable.

Table 1.7: Curragh average mining cost (real)

Item	Unit	Actual FY15	Actual FY16	Actual FY17	Forecast Mid term
Mine Cash Cost	AUD/t Prod	57.9	56.0	55.3	59.5

Source: Curragh

Table 1.8: Forecast mining costs (real)

Item	Unit	CY18	CY19	CY20	CY21	CY22	CY23
Mine Cash cost	AUD/t Prod	63.1	57.3	59.5	58.1	59.6	59.5

Source: Curragh

Note: the mine cash costs in CY19 and CY 23 exclude mining costs associated with the capitalisation of box cut costs

1.11 Risks and opportunities

1.11.1 Risks

General project risks

The Curragh operation is exposed to normal operational risks associated with mining, these being related to production, political and industrial disruption, as well as the economic factors such as currency fluctuation, interest rates and commodity prices. Profitability and asset values can be affected by unforeseen changes in operating circumstance and technical or economic issues. In addition to competent management, the success of the operation depends on the effectiveness of ongoing exploration and development programmes.



In respect of Curragh’s mining tenure, the various Mining Leases and Mining Development Licences are maintained in good order and the Company remains in compliance with the tenure, environmental and social related legislation.

The successful operation and/or development of a mining operation are dependent upon geological interpretation to define mineable blocks and an appropriate schedule to meet expected sales volumes. Actual coal mined may be different in quality and tonnage to the estimates, and the strip ratios and geological mining conditions anticipated may also prove to be different. Operating costs can be adversely affected by disruptions due to geological conditions, equipment failure or industrial disputes. Development of a new mining operation is dependent upon the provision of rail for transport and port facilities for international shipping while an adequate supply of water is also required.

Geology

The main geological risk relates to geological structure, principally low angle thrust faulting, as it applies to short-term planning and mining. These seam structural discontinuities require adequate drilling information in order to plan effectively and avoid disruptions to production as far as possible. This overall risk is low, with Curragh operations being well experienced in dealing with these situations.

Other geological risk pertains to the increased seam splitting encountered towards the north, east and south. This results in thinner coal seams/splits with associated effects on mining productivity and increased dilution.

Coal quality variations are known to occur (ash and yield). Mining plans and schedules should be adequately supported by appropriately spaced cored borehole drilling for coal quality.

Geotechnical

The structural geology at Curragh is considered relatively complex in comparison with other Bowen Basin operations. The occurrence of faulting and associated varying seam thicknesses and local seam dips require careful mine planning and operational geotechnical control.

The most significant risks and associated impacts at the Curragh operations are kinematic highwall/endwall instability in working areas, potentially resulting in safety and coal sterilisation consequences. The system of in advance hazard identification and implementing control measures (e.g. highwall cut back in areas of problematic highwall rock mass), is typically well construed and implemented. It is, however, essential to maintain the existing geotechnical hazard management systems in line with industry best practise.

Hydrology

The geohydrology risks and impacts appear to be relatively limited and are currently managed to industry accepted best practices. Future potential known risks and mitigation steps will require continued diligent management within the existing Environmental Authority (“EA”) and terms of reference for monitoring, management and mitigation.

Mining

The forecast production plans are predicated on Curragh achieving the planned production rates and product yields as indicated in this report. As with most mining operations in the Bowen Basin significant weather interruptions have caused major issues for coal production and rail transportation. Although management do have risk mitigation strategies in place this risk can be minimised but not eliminated.



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At Curragh, production is forecast to increase over the next five years to above historic levels. These forecasts are based on the Company achieving higher productivity levels than previously achieved. As such, there is a risk that forecast efficiency gains may not be realised and that forecast production rates are lower than currently forecast. Achievement of the forecast rates will require active and on-going management. There are additional plans being discussed to change dragline methodology and extend dragline strike lengths.

Currently most of the waste and coal mining is conducted by contractors, during recent boom periods the movement and lack of skilled workforce caused loss of production and increased costs. In recent months there appears to be similar labour issue which could lead to maintenance not being carried out in a timely and efficient manner which could lead to loss in production. Forward planning and locking in major contracts for maintenance and mining could minimise these effects. Currently the contract for mining Curragh North is required to be renewed in 2019, tenders are currently being sought for this work.

After 2021, it is evident that draglines will have to move excessively from pit area to pit area (especially in Curragh East). Thus, it is essential that detailed planning is carried out to mitigate the dragline downtime otherwise costs may increase due to increased use of truck and shovel excavation.

Processing

Curragh's coal processing operations consist of industry standard equipment that has been used in coal operations worldwide for over 50 years. The coal plants at Curragh are tried and tested designs, which do not give any major perceived risks to the continuity of the current operations. Potential risks going forward are that the plants are not actively maintained and as a result production rates are not achieved.

Key risks for the Curragh facilities include maintenance of the structural integrity of the plants especially CPP1, and the ROM wall.

Environmental

The most significant environmental risk is the cost of mine closure in the future and that the financial assurance to cover the cost of closure changes in the future due to changes in environmental legislation.

General risks associated with most coal mining activities in the Bowen Basin associated with environmental which includes creation of contamination off site (Tailings/pumping water/hazardous substances), ground water draw down weed infestation and sedimentation are prevalent and need continual good management.

Progressive rehabilitation is not undertaken or undertaken to the correct completion criteria this risk can be reduced by management continuing to conduct assessment of rehabilitated areas to ensure compliance.

1.11.2 Opportunities

Geology

As stripping ratio increases down dip towards the east in both the Stanwell Restricted Area part of Curragh North and the eastern parts of MDL 162, the potential for underground mining merits investigation, in particular searching for possible areas of coalesced seams to form thicker packages. The Aries and Castor seams are known to coalesce into the so called "Mammoth" seam on MDL 453 (not held by CCPL) which contiguously joins the eastern boundary of MDL 162.



The potential exists for future definition of additional Coal Resources to include coal seams from the Burngrove Formation where reasonable prospects for eventual economic extraction can be demonstrated. These seams generally show strong coking properties but lower primary product yields the Rangal Coal Measures.

Mining

Coal Reserves could be significantly increased through the conversion of the Stanwell Resources, inclusion of resources in MDL 162, which Xstract has not considered. Further potential additions to coal production would be bringing forward MDL 162 low strip ratio coals and the future development of underground resources.

Currently, the operating efficiency of the draglines are below best practice and there is an opportunity for improvement, which will reduce operating costs and improve overall mine production. Coronado is reviewing the Curragh operation to improve the dragline mining methods and improve the operational efficiency of the contract truck and shovel, so as to enhance the coal production and reduce waste mining costs. Current efficiencies are below the efficiencies observed at other Bowen Basin coal mine sites.

Processing

Currently, the Curragh processing plants are not working to capacity. As a result of an operating hours analysis (currently below 6,500 hours), the Curragh CPP has some latent processing capacity available for CCPL to exploit (some operations in the Bowen Basin are working at over 7,200 hours). However, this potential needs to be confirmed with a detailed review of past downtime, future mine production, coal allocation, and the effect of future coal quality on capacity. Improvements in coal flow through the plant could lead to reduced operating costs.

Currently, CCPL is installing spirals in CPP1, which could improve the yields through the plant by approximately 2%.

2 Introduction

2.1 Background

Xstract has been commissioned by Coronado to prepare a Technical Assessment Report on Curragh and associated tenures located in the Bowen Basin of Central Queensland, Australia.

In March 2018, Coronado announced the completion of the acquisition of Curragh from Wesfarmers Limited (“Wesfarmers”). This acquisition was the Company’s first investment outside of the USA and cemented it as a top tier global metallurgical coal company with a portfolio of low-cost, large scale operating coal assets in the USA and Australia.

Coronado is now seeking a listing on the Australian Securities Exchange (“ASX”) in order to fund the ongoing assessment, development and operation of its global asset base.

Xstract understands that this Technical Assessment Report is to be included in its entirety in documentation for an initial public offering (“IPO Documentation”) in support of Coronado’s proposed capital raising and associated listing on the ASX.

2.2 Review process

In preparing this Technical Assessment Report, Xstract carried out the following scope of work:



9. Xstract Report (2018)

- Introductory meetings with Coronado's management and technical teams to understand the assets and associated production/development strategy and business plan
- Inspection visits to the Curragh mining and processing facilities, surface structures and associated infrastructure.
- Discussion and enquiry following access to key project and corporate personnel between May and July 2018
- An examination of historical information and results made available by Coronado in respect of the technical aspects of the Curragh Assets. Key elements reviewed included:
 - Geology reports and models, including geotechnical and hydrology aspects
 - Coal Resource and Coal Reserve estimates (June 2017)
 - Mining operations and proposed growth options
 - Coal preparation facilities
 - Coal handling and transport
 - Environmental matters and approvals
 - Veracity of existing information supporting 5-year plans and business plans
 - Identification of key project drivers
 - Risks and opportunities

The technical information as provided to, and taken in good faith by, Xstract, has not been independently verified by Xstract by means of an independent re-estimation of the Coal Resource and Coal Reserve statements. Instead, Xstract's review focussed on the following:

- Wesfarmers/Coronado's Competent Person's Report for Curragh operations.
- Where fundamental base data was provided (5-year plans, capital expenditures, operating budgets, etc.), Xstract performed necessary verification procedures deemed appropriate in order to place an appropriate level of reliance on such information, in particular:
 - Assessments of drilling, sampling and quality assurance/quality control data, resource modelling, resource estimation, classification and reporting
 - Assessment and benchmarking of production assumptions, mining rate and production schedules against Curragh's historical production data supplied through management reporting and then matched against the physicals in Curragh's plan going forward.
 - Capital and operating costs were assessed against other comparable projects for reasonableness
- Material technical issues likely to impact on the 5-year plan and the future performance of Curragh were identified and evaluated.

Based on its review, Xstract has developed an in-house understanding of Coronado's Curragh Coal Mine and associated tenures. Xstract considers the technical information supplied to be appropriate for independent peer review and public reporting purposes.

2.3 Reliance/materiality/limitations

Xstract has assumed and relied on the accuracy of the information provided to us by Coronado and CCPL, and has assumed that the information is complete and is not misleading or deceptive by omission or otherwise. Coronado has represented in writing to Xstract that full disclosure has been made of all material information and that to the best of its knowledge and understanding, such information is complete, accurate and true. Xstract has also assumed and relied on the accuracy and completeness of all public searches and other



information obtained from public searches. We comment only on the laws of the Commonwealth of Australia and the State of Queensland as at the date of this report.

For the purposes of this Technical Assessment Report, Xstract has defined material issues as those that could result in an increase of more than 10% to the cost to the operations or financing of the Curragh Coal project; an issue that has the potential to delay further approvals or temporarily stop the project; or an issue that is likely to cause negative public perception about the project.

In regard to legal matters pertaining to Curragh coal mine, Xstract refers readers to the IPO Documents, in particular statements under Risk Factors and Preparation of this Document sections.

As such, this Technical Assessment Report specifically excludes all aspects of legal issues, land titles and commercial agreements, except such aspects as may directly influence technical, operational or cost issues. Xstract is not qualified to express legal opinion and has not sought any independent legal opinion on the ownership rights and obligations relating to the Coal Assets under licence or any other fiscal or legal agreements that Coronado may have with any third party in relation to the Curragh coal mine. Dispensation has been granted in this regard from inclusion in this report.

All opinions, findings and conclusions expressed herein are those of the specialists who completed this report.

2.4 Contributing authors

Xstract's consultants associated with the preparation of this report are experienced in preparing competent persons, mineral specialist, independent geologist and valuation reports for mineral exploration and production companies across the world.

Xstract's Competent Persons' responsible for the presentation of information and opinions expressed in this Technical Assessment Report are:

- Kevin Irving, MBA, BSc, FAusIMM(CP), FIMMM(CEng), who has overall responsibility for the review of Coal Reserves and mine engineering aspects of this report. Kevin is General Manager - Mining with Xstract and has practised his profession as a mining engineer for over 35 years, predominantly in coal. He is a Competent Person as defined in the JORC Code;
- Ian de Klerk, MSc (Expl Geol), BSc (Hons), GradDipEng(Mining), MAusIMM, who has overall responsibility for the review of Coal Resources and geological aspects of this report. Ian is a Principal Consultant – Geology with Xstract and has over 28 years' coal experience. He is a Competent Person as defined in the JORC Code;
- Chris Hanson MSc (Geotech Eng), BSc (Hons), MAusIMM(CP), RPEQ, is responsible for the geotechnical engineering aspects of this report. Chris has over 25 years mining experience in practical operational mining and consulting both in Australia and internationally. He has strong industry experience and credibility in the areas of underground and open cut geotechnical engineering and is a Registered Professional Engineer Queensland (RPEQ) in the area of mining geotechnical. He is a practising Site Senior Executive (under Queensland mining legislation) and qualified in Risk Assessment.
- Richard Klecha, City and Guild (UK) (Minerals Process), MAusIMM, is responsible for the coal preparation and processing aspects of this report. Richard is an Associate Principal Consultant with more than 35 years' in coal processing design, commissioning, optimisation and plant operations in both Australia and internationally.



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- Lana Shoesmith BSc (Hons), Grad Dip Environmental Management, B Ed, Lead Env Auditor, CEnvP, Member EIANZ and Bill Haylock BSc, Grad Dip Natural Resources, GAICD, CEnvP, LM EIANZ, Board Member CEnvP are responsible for the environmental aspects of this report. Lana is a Certified Environmental Practitioner (CEnvP#092) and registered Exemplar Global Lead Environmental Auditor (#12299) with over 25 years industry experience. Bill is a Certified Environmental Practitioner (CEnvP#108) with almost 40 years in the mining sector specialising in risk management and mine rehabilitation management. Lana and Bill are both Members of the Environment Institute of Australia and New Zealand, have extensive experience in environmental assessment and due diligence, and are independent of the Curragh operations.
- Jeames McKibben, MBA, BSc (Hons), MAusIMM (CP), MAIG, MRICS who is responsible for the peer review of this report. Jeames is an Associate Principal Consultant with Xstract and has over 25 years' international experience in the mining industry. He is a current executive member of the VALMIN Code Committee and a Specialist as defined in the VALMIN Code.

2.5 Independence

Xstract is an independent mining consultancy based in Brisbane, Queensland, Australia. Xstract was commissioned by Coronado on a fee for service basis according to Xstract's standard schedule of rates. Xstract's fee for the preparation of this report totalled AUD232,500. Xstract's fee is not contingent on the success of the any related transactions. None of Xstract's consultants or their immediate families involved in the preparation of this report have (or had) a pecuniary or beneficial interest in Coronado or the coal assets which are the subject of this report immediately prior to or during the preparation of this report.

In accordance with Clause 4.2 (c) Valmin Code, Xstract declares that we previously prepared a technical report for Coronado Coal during their due diligence assessment for the acquisition from Wesfarmers of the Australian Operations (Curragh) in 2017/18.

This report has been prepared based on a site visit and technical review by a team of consultants sourced from Xstract's staff and associate network over a two-month period. These consultants are specialists in the fields of coal geology, resource and reserve estimation, open pit mining, coal processing, infrastructure and environmental management. The qualification and experience of Xstract's team is listed in Section 2.4.

As recommended in Section 11.4 of the VALMIN Code, Coronado has provided Xstract with an indemnity under which Xstract is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required which:

- results from Xstract's reliance on information provided by Coronado that is materially inaccurate or incomplete, or
- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

A draft version of this report was provided to representatives of Coronado for comment in respect of errors, omissions and factual accuracy. Coronado has represented in writing to Xstract that full disclosure has been made of all material information and that to the best of its knowledge and understanding, such information is complete, accurate and true.

This report may contain or refer to forward-looking information based on current expectations, including, but not limited to timing of future production and economic viability of certain targets, Coal Reserve/Coal Resource estimates, future exploration or project development programmes and the impact of these events on Coronado's Coal Assets. Forward-looking information is subject to significant risks and uncertainties, as actual results



may differ materially from forecasted results. Forward-looking information is provided as of the date hereof and Xstract assumes no responsibility to update or revise them to reflect new events or circumstances.

The conclusions expressed in this Technical Assessment are appropriate as at 10 August 2018. The report is only appropriate for this date and may change in time in response to variations in economic, market, legal or political factors, in addition to ongoing exploration and development studies. All monetary values outlined in this report are expressed in Australian Dollars ("AUD") unless otherwise stated.

3 Background

3.1 Introduction

In March 2018, Coronado completed the acquisition of a 100% interest in Curragh from Wesfarmers.

Coronado, through its wholly owned subsidiary, Coronado Curragh Pty Ltd (CCPL), now owns and operates Curragh and associated infrastructure. The key assets at Curragh comprise the following:

- A 100 per cent interest in the Curragh coal mining and processing operations and associated infrastructure including borefield, rail siding and Gladstone port allocation, and
- Various contiguous coal tenures located immediately adjacent and to the north and south of Curragh Central.

Curragh is an integrated open pit coal mining and processing facility with a nominal processing capacity of over 15.5 Mtpa. After some 34 years of production, Curragh is currently one of Australia's largest and lowest cost producers of hard and semi-hard coking, pulverised coal injection ("PCI") and thermal coals. Major aspects of the operation include open pit mining, coal processing, tailings management, waste rock, stormwater drainage and storage, transport, water supply, power and waste management.

Curragh has been in operation since 1983, with mining currently carried out in two main areas, Curragh East and Curragh North, using conventional dragline and truck and shovel open pit mining methods. Coal processing is carried out in two separate, yet integrated, coal processing plants providing flexibility to process feed streams from both the Curragh East and Current North areas in either facility. Up to 12.2 million tonnes ("Mt") of marketable coal are produced annually for domestic (thermal coal) and export (PCI and metallurgical) markets, predominantly in Asia.

In addition to the open pit mining and associated coal processing facilities, the Curragh operations rely on other CCPL-owned and operated infrastructure including overland conveyors, and a dedicated rail-loading facility and balloon loop within ML 1870 with connections to the Blackwater rail line. Coal is loaded onto train wagons for transport to the either Stanwell coal fired power station or either the RG Tanna or WICET port facilities at Gladstone for export. There are agreements in place for the export of around 8.6 Mtpa from RG Tanna and a take-or-pay agreement with WICET for 1.5 Mtpa.

3.2 Location and access

Curragh is located near the centre of the Bowen Basin coalfields in central Queensland, at latitude 23°27'58" S, longitude 148°51'37" E and an altitude of approximately 156 m above

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mean sea level ("amsl"). The Project falls within the Duinga (SF55-16) 1:250,000 scale and Cooroorah (8651) and Comet (8650) 1:100,000 scale map sheets.

Curragh, as shown in Figure 3.1, is situated approximately 600 kilometres (km) northwest of Brisbane, 77 km east from the regional centre of Emerald and 15 km north northwest of the township of Blackwater in the Central Highlands region of Queensland, Australia. The nearest cities are Rockhampton 166 km to the east and Mackay some 260 km to the north northeast. Nearby third party owned coal mines include Blackwater, Cook, Jellinbah and Yarrabee.

Transport infrastructure in the surrounding region is good and includes the Gregory and Capricorn Highways and Fairhills, Boonal, Dingo-Mount Flora and Mount Stuart-Bedford Weir Roads, as well as the access to the Blackwater rail system with connections to coastal ports near Gladstone approximately 300 km east of Curragh. Commercial airlines operate regular daily services between Emerald and Brisbane. Drive time from Emerald is approximately 1 hour.



CORONADO COAL
Curragh Technical Assessment Report

Legend

- Spring Creek Road - Coronado
- Curragh Road - Coronado
- Curragh Coal Mine - Coronado
- Curragh Coal Mine - Queensland Rail
- Coal Terminal

Location of Curragh Operations

Owner: Chris Greenough
Reviewed by: Chris Greenough
Date: 06/10/11

XTRACT
Mining & Infrastructure
Sheet No. XING-CTR-CORONADO-001-A
Scale: 1:50,000



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3.3 Climate, physiography and land use

The region experiences a sub-tropical climate with warm to hot wet summers and cool to mild dry winters. Temperatures range from an average high of 34°C in January to average low of 7°C in July. Rainfall is seasonal, with an average of 90 mm in January and 18 mm in July, with annual totals of some 640 mm. Rainwater run-off generally flows from northwest to southeast across the site. Coal production and exploration activities are typically continuous throughout the year, although heavy summer rains may result in localised flooding which can disrupt coal production and rail transport.

The topographic surface in the area can be described as flat to gently rolling, bisected by the main drainages comprising the Mackenzie River and Blackwater Creek. Vegetation of the region comprises mostly cleared grass land that supports pastures for cattle grazing.

The primary land use within the area is low intensity cattle grazing on thinned natural vegetation with some small areas used for dryland cropping. Historically, the existing vegetation was largely cleared for agricultural purposes with the exception of some remnant vegetation located along Mackenzie River, Blackwater Creek and their tributaries. The use of the surrounding area includes coal mining and low intensity cattle grazing.

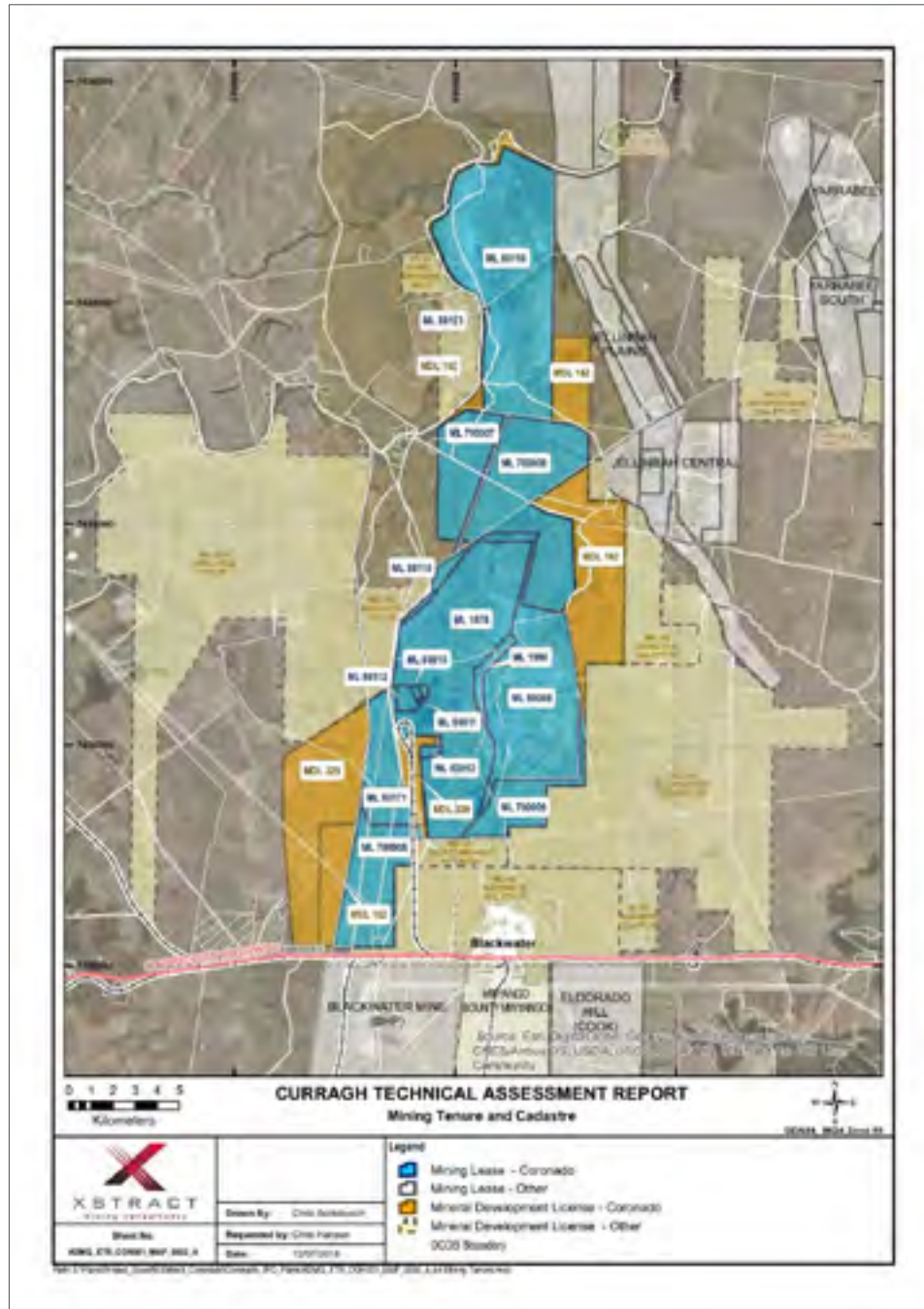
4 Tenure, Agreements and Permitting

4.1 Tenure

Mining tenure related to Curragh extends over a north-south strike length of 35 km, covering some 25,586 ha and comprising 14 granted Mining Leases ("ML") and three granted Mineral Development Licences ("MDL") as listed in Table 4.1, Table 4.2 and illustrated in Figure 4.1. The registered title holder is CCPL which is a wholly owned subsidiary of Coronado Australia Holdings which in turn is a wholly owned Brisbane based subsidiary company of Coronado Group LLC.



Figure 4.1: Curragh tenure status plan



Source: Curragh, redrawn by Xstract

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Table 4.1: Curragh Mining Lease status (MLs)

Permit	Permit Name	Status	Grant Date	Expiry Date	Area (ha)
ML 1878	Curragh	Granted	27/05/1982	31/05/2024	4,455
ML 1990	Curragh A	Granted	30/07/1992	31/05/2023	172.3
ML 80010	Curragh Extended No. 1	Granted	24/01/1992	31/05/2023	24.18
ML 80011	Curragh Extended No. 2	Granted	24/01/1992	31/05/2023	6.14
ML 80012	Curragh Extended No. 3	Granted	24/01/1992	31/05/2023	42.57
ML 80086	Curragh East	Granted	10/10/2000	31/10/2025	3,033
ML 80110	Curragh North	Granted	22/07/2004	31/07/2044	4,860
ML 80112	TL 218070	Granted	09/09/2004	30/09/2025	110.3
ML 80123	Part Curragh North project with ML80110	Granted	26/07/2007	31/07/2044	4.911
ML 80171	Curragh West	Granted	15/07/2015	31/07/2040	953.8
ML 700006	Curragh South	Granted	27/06/2016	30/06/2041	1,432
ML 700007	Curragh Central	Granted	27/06/2016	30/06/2041	1,123
ML 700008	Curragh Central Extended	Granted	11/12/2015	30/11/2040	2,643
ML 700009	Curragh Extended	Granted	11/12/2015	30/11/2040	797.3

Source: Queensland Government

Current mining activities are split between two areas on the basis of geography, namely Curragh East Mine and Curragh North Mine.

Mining at Curragh East Mine is conducted within three mining leases, ML1878, ML1990 and ML80086. Other leases, ML80010, ML80011, ML80012 and ML80112 are held to facilitate transport and infrastructure.

The Curragh North Mine is located some 25 km north of the Curragh East Mine and is covered by MLs 80110 and 80123.

The granted tenements and permits cover all infrastructure in the immediate vicinity of the mine site, including the open pits mines, CHPP and CPP, tailings storage facilities, conveying and train load facilities. Power, water, explosives and fuel storage facilities are in the immediate vicinity of the mine and are all located on granted tenements and are fully permitted.

Table 4.2: Curragh Mining Development Licence status (MDLs)

Permit	Type	Status	Grant Date	Expiry Date	Area (ha)
MDL 162	Mining Development Licence	Granted	02/06/1998	28/02/2023	3,213
MDL 328	Mining Development Licence	Granted	08/02/2001	31/08/2021	381.4
MDL 329	Mining Development Licence	Granted	08/02/2001	31/08/2021	2,334

Source: Queensland Government



A Mineral Development Licence allows the holder to evaluate the development potential of a defined resource. An MDL can be granted to the holder of an Exploration Permit where there is a significant mineral occurrence of possible economic potential. The MDL allows the holder to conduct geoscientific programs (e.g. drilling and seismic geophysical surveys), mining feasibility studies, metallurgical testing and marketing, and environmental, engineering and design studies. All, or part of, an MDL can be converted to a Mining Lease.

During 2016 and 2017, MLs 70006, 70007, 70008, 70009 and 80171 were granted over parts of MDLs 162 and 328.

4.1.1 Real Property

Real property title holdings are shown in Figure 4.2. CCPL holds title on real property over the current, and future, mining areas in Curragh East and over the PIT X area.

At Curragh North, real property title is secured by CCPL over the northern part of ML 80110 only (excludes Pit S). At Curragh South (Pit Z), CCPL holds real property title over the majority of ML 700006.

Compensation agreements are currently in place over areas where Mining Leases overlap areas of third party owned freehold title.

There are no outstanding disputes or litigation.

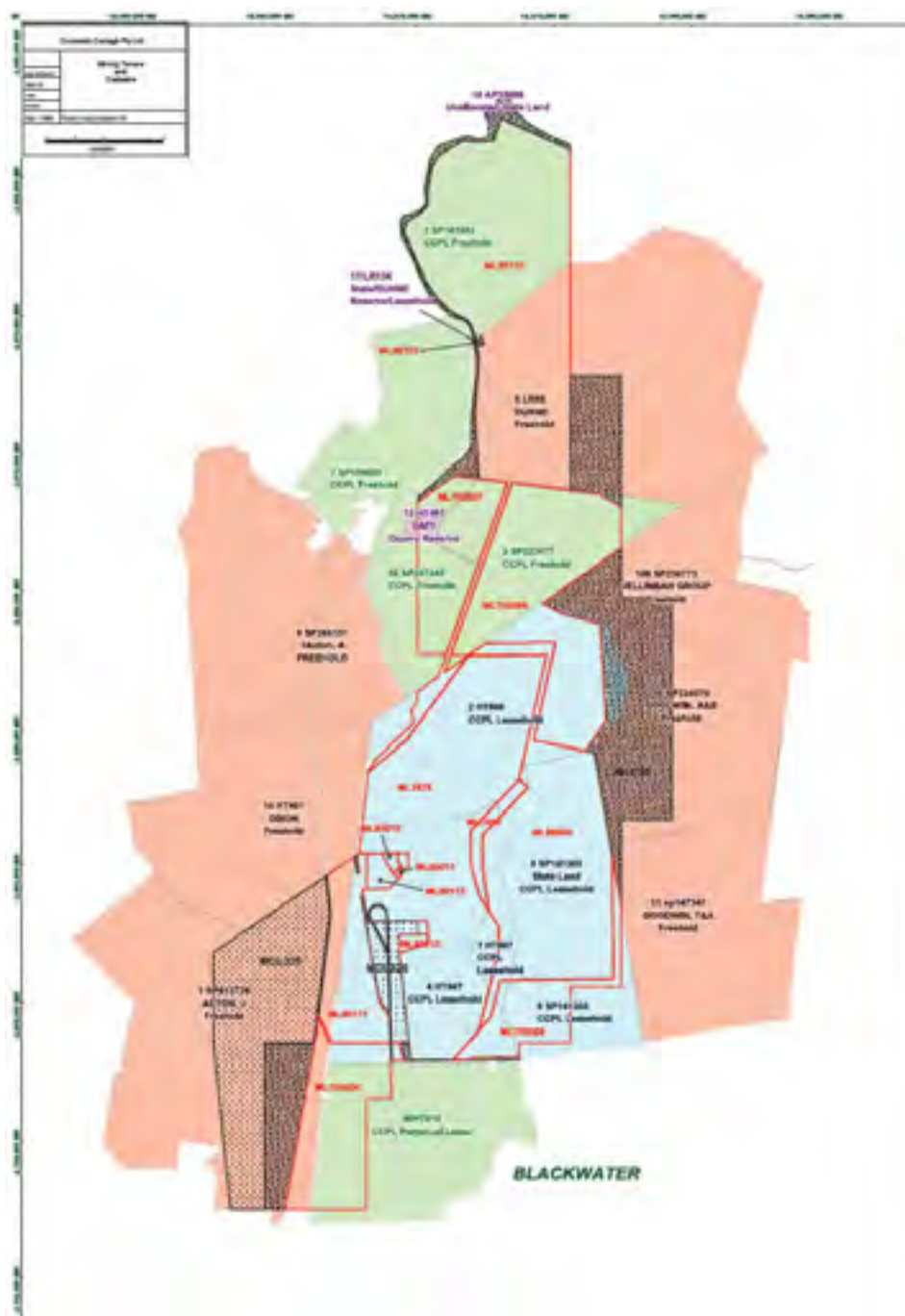


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Figure 4.2: Curragh surface tenure



Source: Curragh



4.2 Third Party Royalties

In addition to State ad valorem royalties, CCPL will pay to Wesfarmers 25 per cent of Curragh's export revenue, for two years starting from 29 March 2018, generated on sales above a metallurgical coal price of \$US145 a tonne.

4.3 Agreements and Contracts

CCPL has entered into various contracts including, but not limited to:

- Coal supply and sales agreements.
- Conduct and compensation agreements with the Central Highlands Regional Council (for certain roads and reserves) and various other landholders (mainly pastoral owners).
- Electricity and water supply contracts.
- Consumables supply including fuels, lubricants and reagents.
- Transport agreements including rail haulage and materials handling services that includes take-or-pay limits for Aurizon, WICET and RG Tanna.
- Various asset management and engineering supply/services contracts.
- Security.

Xstract has carried out a high-level review of CCPL's material contracts and considers them broadly in line with industry practice and supportive of on-going operations. Xstract understands that full details regarding the legal status of CCPL's contracts are provided elsewhere within the IPO Documents.

4.4 Native Title

Details relating to Native Title are discussed in Section 16.6.2.

4.5 Legal claims and litigation

Xstract has not been made aware of any legal claims or litigation pertaining to the operational aspects of Curragh going forward.

5 Project History

Curragh has been the subject of numerous phases of exploratory drilling programs extending back to the early 1960s. Currently there are some 15,000 boreholes available for geological evaluation of the asset. In brief, Curragh has been developed as follows:

- The mine opened in 1983 and was developed under joint venture arrangements between Arco Australia Limited (30%), Australian Consolidated Industries Limited (30%), R.W. Miller and Company Pty Limited (30%) and Mitsui and Co (Australia) Ltd (10%).
- Wesfarmers purchased Curragh in 2000 from these joint venture partners.
- The Mining Lease for Curragh East (ML 80086) was granted in 2000 and mining commenced in this area in July 2002.



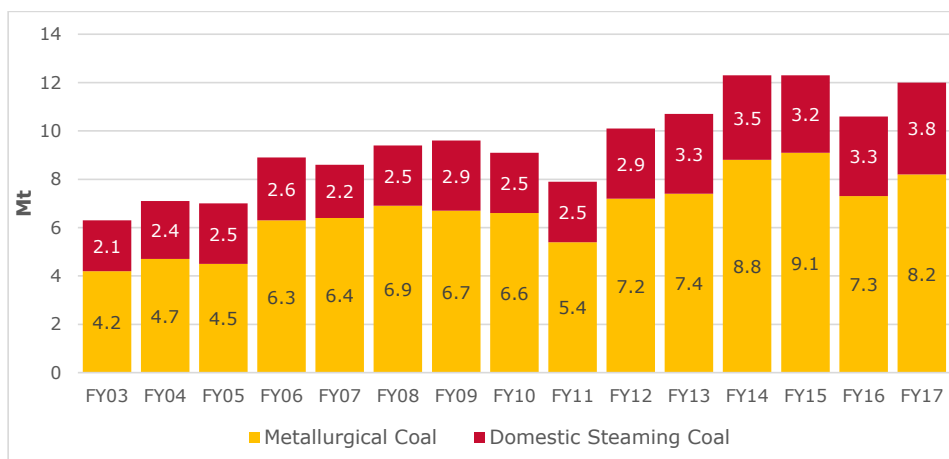
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- In 2004, ML 80110 and ML 80112 were granted over Curragh North, the area having been held previously by Stanwell Corporation Limited ("Stanwell"). Mine development at Curragh North began in 2004.
- Mineral Development Licence 162 (MDL 162) was acquired from Peabody Energy Budjero Pty Ltd, an Australian subsidiary of the New York Stock Exchange listed Peabody Energy Corporation ("Peabody"), in 2014. Several Mining Leases have recently been granted over parts of MDL 162. These include; ML 700006 (2016), ML 700007 (2016), ML 700008 (2015) and ML 700009 (2015).
- In March 2018, Coronado acquired Curragh from Wesfarmers Limited ("Wesfarmers").

Since acquiring the mine, Coronado has focussed on improving the operational efficiency of the mine and reviewing development options for MDL 162, and is in discussions with Stanwell to develop more of the Resources controlled by Stanwell within the Stanwell Reserved Area ("SRA").

The last 15 years of historical production of marketable coal is shown in Figure 5.1.

Figure 5.1: Historical production of marketable coal from Curragh



Source: Xstract Analysis

5.1 Current Project

The principal components of the current Curragh coal mining and processing operation are as follows:

- Curragh is an open cut coal mine producing metallurgical grade coking coal and low volatile PCI coal for the export market as well as thermal coal for the export and domestic market.
- Coal Reserves of 252 Mt (240 Mt Proved and 12 Mt Probable) and Marketable Coal Reserves of 139 Mt.
- Coal Resources of 696 Mt (305 Mt Measured, 251 Mt Indicated and 140 Mt Inferred) in addition to Coal Reserves.
- Open pit operations mining from two areas, Curragh North and Curragh East, using dragline and truck shovel operations with both out-of-pit and in-pit dumping of



overburden into the advancing mined out void before rehabilitation. Targeted mine life from Curragh North is till 2025 (without an extension to the Stanwell agreement).

- Curragh targets the Cancer, Aries, Castor, Pollux, Orion and Pisces seams of the Rangal Coal Measures.
- Raw coal is loaded into rear dump trucks and delivered to two ROM pads at Curragh North and Curragh East respectively. ROM coal is transferred to the coal handling and preparation plant (CHPP) for washing. The CHPP has a processing capacity of 17 Mtpa of raw coal. There are bypass facilities.
- Product coal is transported 300 km to the RG Tanna Coal Terminal (RG Tanna) or WICET. Approximately 3.25 Mtpa of domestic thermal coal is transported to Stanwell Power Station by rail.
- Curragh has a diversified base of longstanding customers in key export markets.
- Current Production levels are at 15.6 Mtpa ROM, producing approximately 12 Mt of marketable coal products.
- Operating costs of approximately AUD63/product t.
- Mine infrastructure includes power distribution, fuel storage and distribution, water treatment and distribution, wastewater collections and treatment, compressed air, service buildings, surface water management, waste handling facility and landfill, train load out, on-site laboratory, haul roads and communication and information systems.

5.1.1 Mining and development areas

Current mining activities at Curragh are focussed in two separate areas, namely; the Curragh North area comprising Pits S, T, U, and the Curragh East area, situated some 15 km to the south of Curragh North, and comprising Pits C, D, E, F, G, H, K and L, as illustrated in Figure 5.2.

Pit X (Figure 5.2, Left) is currently unexploited and lies between the northern and southern mining operations. It is located over part of the original MDL 162 area which was converted to ML 700008 (in 2015) and ML 700007 (in 2016). These MLs are separated by the ML 80110 Curragh North access corridor.

Pits J and Z are also currently unexploited and comprise the Curragh South area. Pit J is covered partly by ML 1878 and partly by ML 700009 granted in 2015 which formed part of the original MDL 162 area. Pit Z is covered by ML 700006 granted in 2016 and a remnant of MDL 162 in the western part of Pit Z.

There are potential options, depending the outcome of negotiations with Stanwell, to expand Curragh North mine into the adjacent Stanwell Reserve Area. This would be advantageous to both Curragh and Stanwell as it is would allow the current operations to expand seamlessly into a new area.

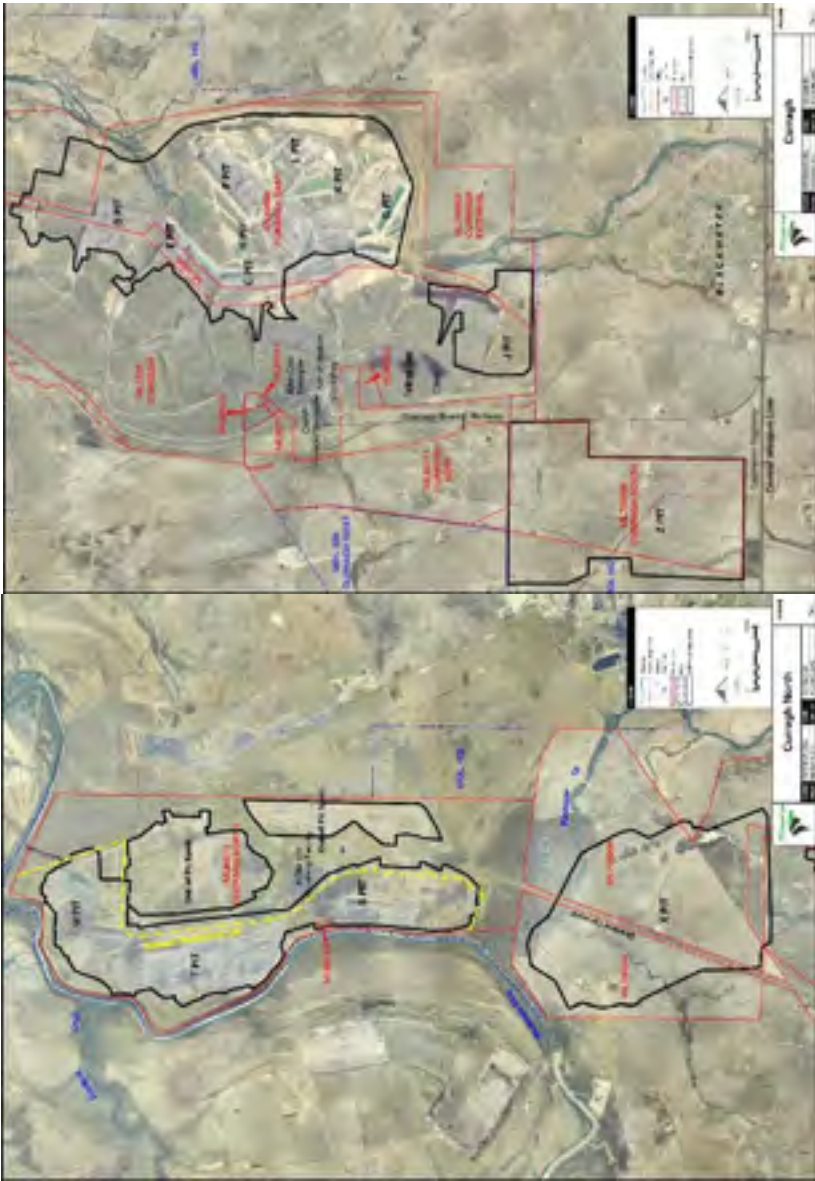


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Figure 5.2: Curragh pit areas (Left – Curragh North mine and Pit X, Right – Curragh East mine and Curragh South)



Source: Minserve

August 2018

6 Geology

6.1 Geological overview

Geologically, Curragh is located in the central part of the Permo-Triassic aged Bowen Basin, a few kilometres to the north of the township of Blackwater.

Late Permian and Triassic (~265 Ma) sedimentary units were deposited on the northeastern flank of the Comet Ridge, a basement-high structural feature that controlled depositional environments during the Permian and Triassic periods and are overlain in part by more recent alluvial sediments. The surface geology covering the Curragh area is shown in Figure 6.2.

The coal-bearing sediments form part of the Upper Permian Blackwater Group and comprise the Rangal Coal Measures and the underlying Burngrove and Fair Hill Formations of the Fort Cooper Coal Measures. The geological stratigraphy of the area is shown in Figure 6.3.

The stratigraphically uppermost Rangal Coal Measures consist of grey mudstone and siltstone, light grey fine-grained sandstone and with the key economic coal seams being the Cancer, Aries, Castor, Pollux, Orion and Pisces seams. The strata dip shallowly to the east at approximately three to five degrees.

The Rangal Coal Measures represent the final phase of coal deposition in the Bowen Basin in the Late Permian resulting in formation of the so-called Group IV coals. These include the Rangal Coal Measures, Baralaba Coal Measures and the Bandanna Formation. The coals in this group are the most diverse in terms of quality, and also the most widely distributed within the basin. Group IV coals were deposited under fluvial, lacustrine and swamp conditions. Although the quality and rank of Group IV coals vary greatly, they are characterised by comparatively low reactive contents and low sulphur. They are of major economic importance as a source of coking, PCI and thermal coal having been mined extensively over the past 40 years.

Seams of the Burngrove Formation are best developed at shallow depth in Curragh West on MDL 328, MDL 329 and the southwestern part of MDL 162. The Pisces Lower, Virgo and Scorpio seams are the best developed. These Burngrove seams are not currently mined at Curragh and are not included in the reported Coal Resources. They commonly host abundant interbedded tuffaceous material and demonstrate significantly lower primary product yields than currently obtained from the Rangal Coal Measures. They do however constitute a potentially important resource base for the future.

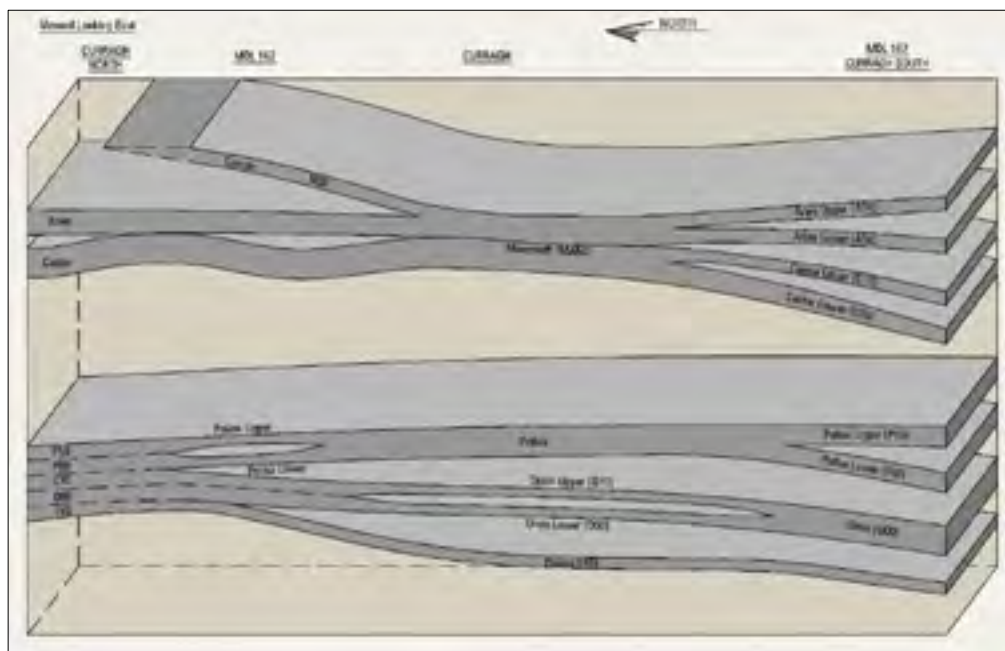
The Fair Hill Formation at Curragh is present at depth and is of no economic significance currently.

Seam splitting and coalescing within the Rangal Coal Measures is common at Curragh with the prevalence of seam splitting increasing towards the north, south and east of the Central Curragh mine area (ML 1878). The schematic in Figure 6.1 shows the main trends in seam splitting and coalescing from north to south.



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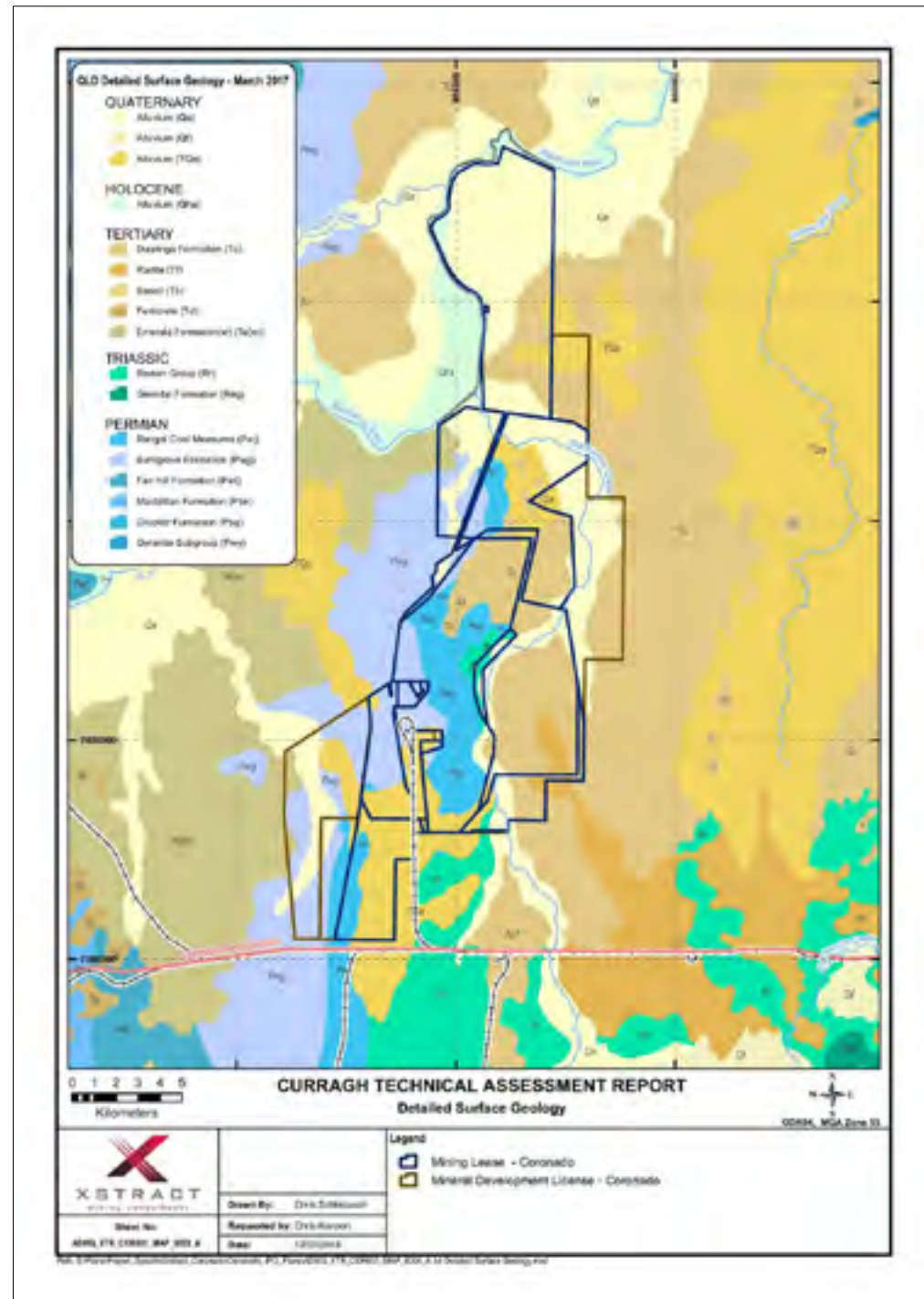
Figure 6.1: Trends in seam splitting and coalescing from north to south



Source: Curragh



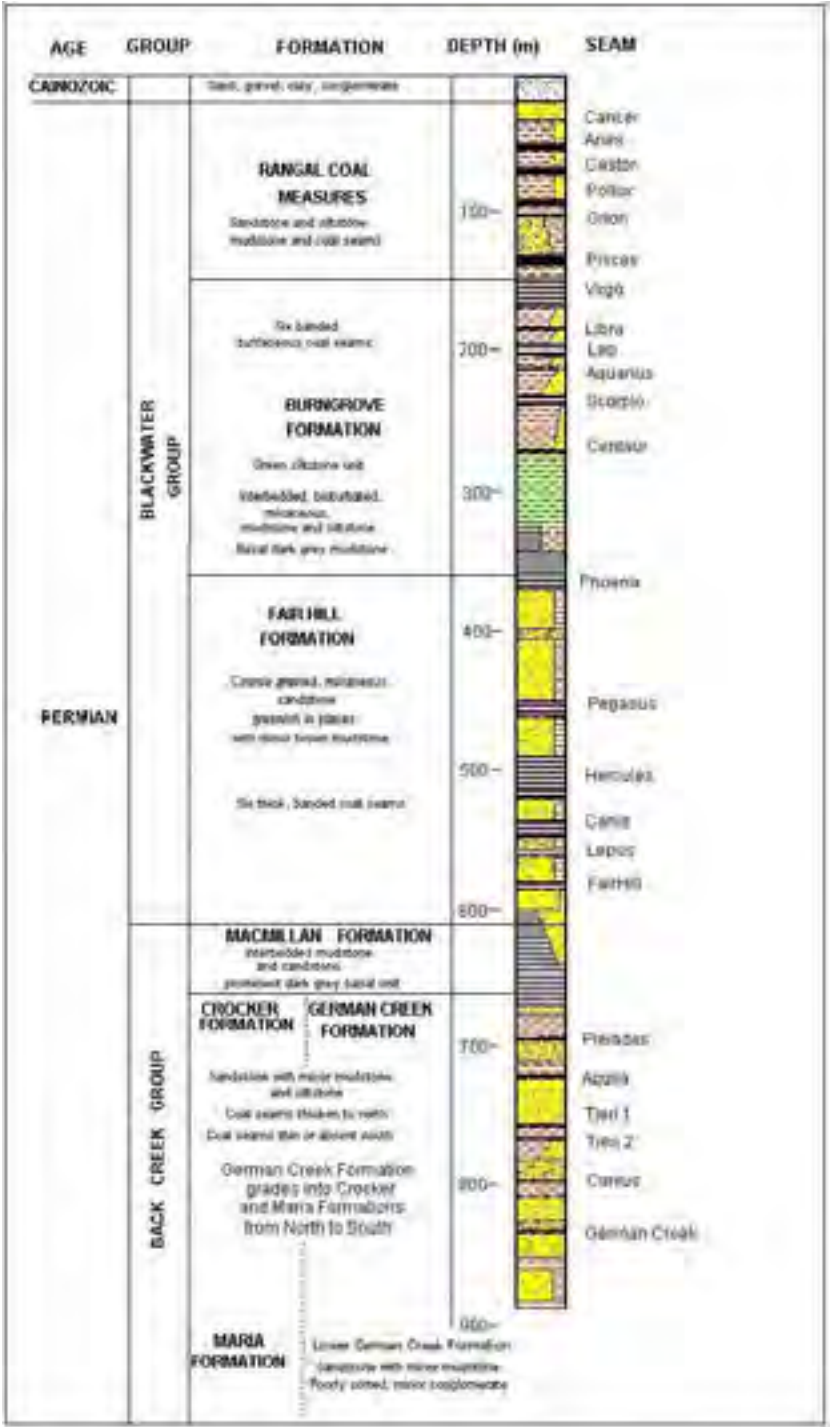
Figure 6.2: Curragh area surface geology



Source: Xstrat

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Figure 6.3: Bowen Basin Stratigraphy, Blackwater area



Source: Curragh



6.1.1 Curragh East Mine

The depth of weathering in the Curragh East Mine area is approximately 14 m except where Quaternary erosion and deposition has resulted in the replacement of Permian sediments by Quaternary alluvium. Where this occurs, deeper weathering up to 35 m is possible. Highly weathered rocks are greatly reduced in strength and do not retain any rock structure. Slightly weathered rocks were discoloured only along joints and fractures and normally require blasting.

Three main seams are typically mined from the Rangal Coal Measures at Curragh East, namely; Aries (raw ash 19.0% adb), Castor Lower (raw ash 18.5% adb) and Pollux (raw ash 15.8% adb). Minor seams include Cancer, Castor Upper and Pollux Upper, Orion and Pisces. These minor seams generally have higher ash contents. The typical stratigraphy is shown in Figure 6.4.

The seams tend to split towards the north, south and east of the central mining area, while the Aries and Castor seams are coalesced in Pits B and C and the Cancer seam is a split from the Aries seam in Pit D.

Both the Aries and Castor seams split into upper and lower components in Curragh East Mine.

The Pisces seam is a minor seam located approximately 25 m below the Orion seam. The Pisces seam has only been mined in Pit I, with an average thickness of 1.5 m and a raw ash of approximately 25% on an air-dried basis.

The thickness of the seams varies throughout the mining area. Average thicknesses are: Cancer 1 m, Aries 2.5 m, Castor 2 m, and Pollux 3 m. The Orion seam is less than 1 m thick and was previously mined up dip in Pits B and C.

The observed seam deformation in the area is the result of thrust faulting directed from the northeast, with fault throws of up to 30 m. Structural thickening can occur where thrust faults cause affected seams to be repeated. This is particularly common in the Pollux seam. Thrust faulting may also result in barren areas where seams have been faulted out. North-south and east-west trending normal faults also occur, but are less common than the thrust faulting.

Overburden and interburden lithologies are clay-rich sediments principally comprising siltstone with minor sandstone interbeds. Sandstone beds up to 40 m thick occur in the northern and eastern areas of the Curragh East Mine area.

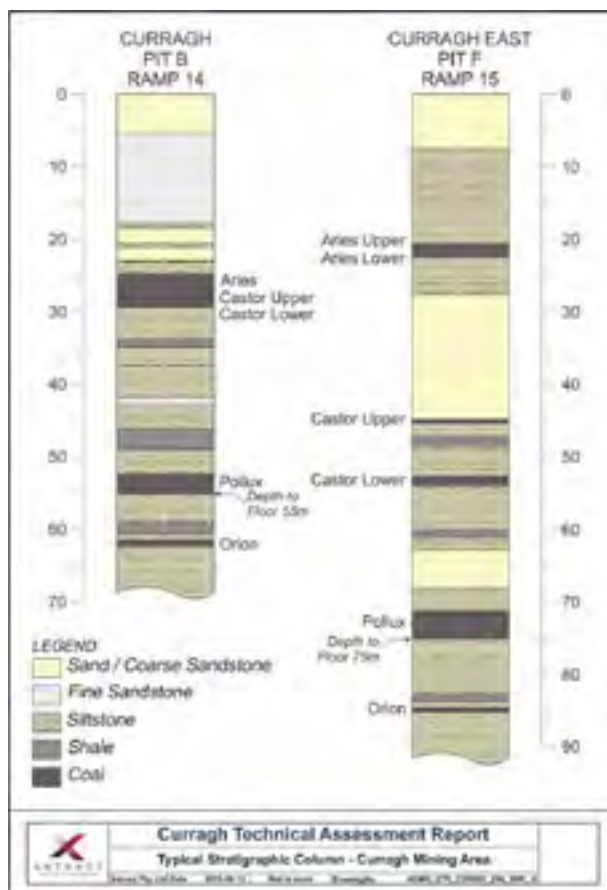
The seams generally dip to the east at less than 3 to 5 degrees, however dips steepen locally (up to 15 degrees) in faulted and deformed zones. On the western side of Curragh East Mine, the local dip is to the west, due to local dome and basin structures.

Igneous intrusions are generally absent, except for a thin (<1 m thick) dyke in Pit D.



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Figure 6.4: Typical stratigraphy in Curragh East Mine



Source: Curragh, redrawn by Xstract

6.1.2 Curragh North

The Pisces seam is split by the Yarrabee Tuff ("YT"), an approximately 1 m thick, high gamma signature, tuffaceous claystone. The YT forms the uppermost stratigraphic unit of the Burngrove Formation, which underlies the Rangal Coal Measures.

Below the YT, the Pisces Lower seam is high ash (40 to 60%, adb) and is not typically mined, but does contain abundant vitrinite bands with good coking properties. The very weak YT is removed during mining for geotechnical reasons.

The Pisces Upper seam, immediately overlying the YT, constitutes the stratigraphically lowermost coal seam within the Rangal Coal Measures.

At Curragh North Mine, the Pollux (raw ash 13.6% adb), Orion (raw ash 11.5% adb) and Pisces Upper (raw ash 18.9% adb) seams are coalesced above the YT to form what is known as the "Pisces Working Section" ("PWS"), shown in Figure 6.5.

The PWS is split into four plies, with the top two (usually I11 and I12) and the bottom two (usually I13 and I14) mined separately. The top two plies (lower ash in Pit T than Pit S) produce a PCI product with low CSN and approximately 80% yield for a 9% ash washed



product, while the lower two plies, although of higher raw ash, produce a coking coal product with approximately 7 CSN, at 7.0% ash and fluidity of approximately 50 ddpm.

The PWS middlings produce either high-ash PCI or thermal steam coal.

The PWS averages 7 m in thickness in Pit T and thickens to about 10 m towards the north of Pit T. It thins to the south to approximately 5 m in the south of Pit S.

In the central part of the Curragh North Mine, the Castor seam (raw ash 16.2% adb) occurs some 50 to 60 m above the PWS and ranges in thickness from approximately 3 m in the south to 1.5 m in the north. Towards the north, the PWS/Castor interburden decreases rapidly while the Castor seam quality deteriorates to a high-ash (raw ash ~58% adb), low vitrinite, coaly rock. The PWS maintains its normal character.

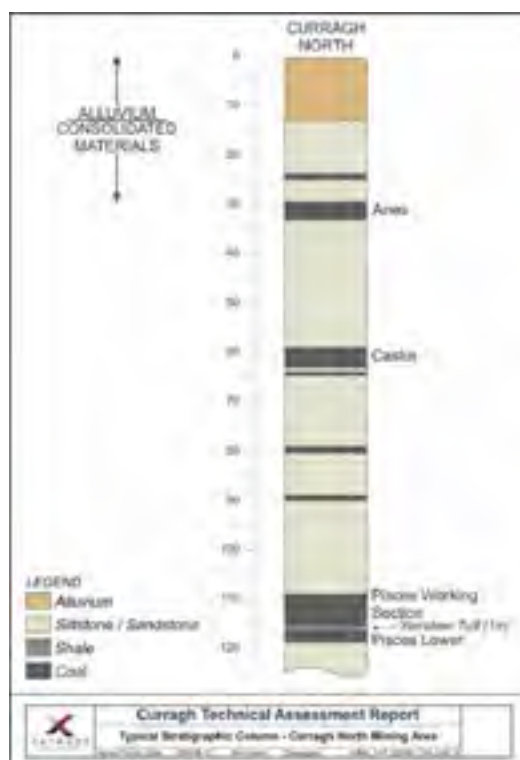
In the south of Curragh North area, the Aries seam, (raw ash 14.5% adb) averaging 1.5 m thick, and Castor seam are coalesced, with splitting occurring toward the north.

The weathering profile and fault structures at Curragh North Mine are similar to those encountered in Curragh East Mine. Weathered overburden averages 15 m thick.

The well-known north-northwest trending Jellinbah Fault occurs to the east of the Curragh North area and intersects the northeast corner of ML 80110. This major regional-scale thrust fault, up-thrown by some 300 m on the eastern side, is a physical boundary to coal mining.

There are a number of intrusive igneous dykes (<5 m thick) in Curragh North at the northern end of Pit T and along the western side of Pit U. There is also an intrusive body measuring approximately 500 m by 100 m that affects Coal Resources in the Aries and Castor seams in Pit U.

Figure 6.5: Typical stratigraphy in Curragh North



Source: Curragh, redrawn by Xstract

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6.1.3 MDL 162

For ease of reference, the area referred throughout this report as MDL 162 comprises the historical MDL 162 area in order to refer to areas outside of the current mining areas at Curragh East and Curragh North. During 2015 and 2016, mining leases were granted over parts of the historical MDL 162 area, namely; MLs 700006, 700007, 700008 and 700009.

Therefore, reference within this report to MDL 162 includes the above mentioned MLs and the remnant areas of the historic MDL 162 not covered by the new MLs (see Figure 4.1). This area includes Pits X, J and Z.

The Cancer, Aries, Castor, Pollux, Orion and Pisces seams are all present within MDL 162 and seam splitting and coalescing are common, particularly in Curragh South.

Pit X area (see Figure 5.2)

The Pit X area has historically comprised that part of MDL 162 situated between Curragh Central (ML1878) and Curragh North (ML 80110) mining leases. This area is now covered by the recently granted ML 700007 and ML 700008.

The Cancer seam (raw ash 25.0% adb) is thin and discontinuous, averaging 0.67m in thickness.

The Aries Lower seam (raw ash 19.3% adb) averages 1.2 m in thickness (0.2 to 3.0 m), while the Castor Lower seam (raw ash 18.5% adb) averages 2.0 m in thickness (0.3 to 3.5 m). The Aries and Castor seams coalesce to the east of Pit X.

The Pollux Upper seam (raw ash 23.2% adb) averages 1.2 m in thickness (0.2 to 6.0 m) but the seam is absent over the western part of the area, while the thickest intersections are the result of seam duplication due to thrust faulting.

The Pollux Lower seam (raw ash 19.3% adb) averages 1.1 m in thickness (0.1 to 5.4 m) and shows a similar distribution to the Upper seam due to control by faulting.

The Orion seam (raw ash 20.2% adb) is discontinuous and thin, averaging 0.4 m in thickness.

The Pisces Upper seam (raw ash 26.6% adb) is present over most of the area and increases in thickness towards the north. It averages 1.25 m in thickness (0.2 to 2.7 m). Unlike Curragh North, there is no development of a coalesced PWS.

The area to the southeast of Pit X covered by a remnant of MDL 162 includes the down-dip equivalent of the seams historically mined in Curragh Central Mine (ML 1878). The area is poorly drilled and seam thicknesses and coal quality are assumed to be similar to the Curragh Central Mine (ML 1878).

All seams subcrop to the west on ML 700007 and ML 700008.

Pit Z Curragh South (see Figure 5.2)

The Pit Z area historically comprised the southern part of MDL 162 in the area known as Curragh South. This area is now covered by the recently granted ML 700006.

Seam splitting is most prevalent in Curragh South (see Figure 6.1) and the following seams and splits are observed:

- The Aries Upper seam (raw ash 12.2% adb) averages 0.6 m in thickness (0.2 to 1.4 m).
- The Aries Lower seam (raw ash 26.6% adb) averages 1.1 m in thickness (0.3 to 1.7 m).



- The Castor Upper seam (raw ash 39.8% adb) averages 2.0 m in thickness (0.3 to 3.5 m).
- The Castor Lower seam (raw ash 32.5% adb) averages 1.0 m in thickness (0.5 to 2.8 m).
- The Pollux Upper seam (raw ash 29.7% adb) averages 0.8 m in thickness (0.2 to 1.9 m).
- The Pollux Lower seam (raw ash 20.6% adb) averages 0.9 m in thickness (0.2 to 2.4 m).
- The Orion seam (raw ash 18.3% adb) averages 1.1 m in thickness (0.2 to 2.0 m).
- The Pisces Upper seam (raw ash 31.0% adb) averages 0.8 m in thickness (0.3 to 1.6 m).

Low angle thrust faulting is common in both Pit Z and Pit J areas. The regional dip is approximately 3 degrees to the east. Where dips exceed 10 degrees, fault disturbance is inferred. These disturbances can result in both seam absences and repetitions, and an apparent flattening of the dip between boreholes.

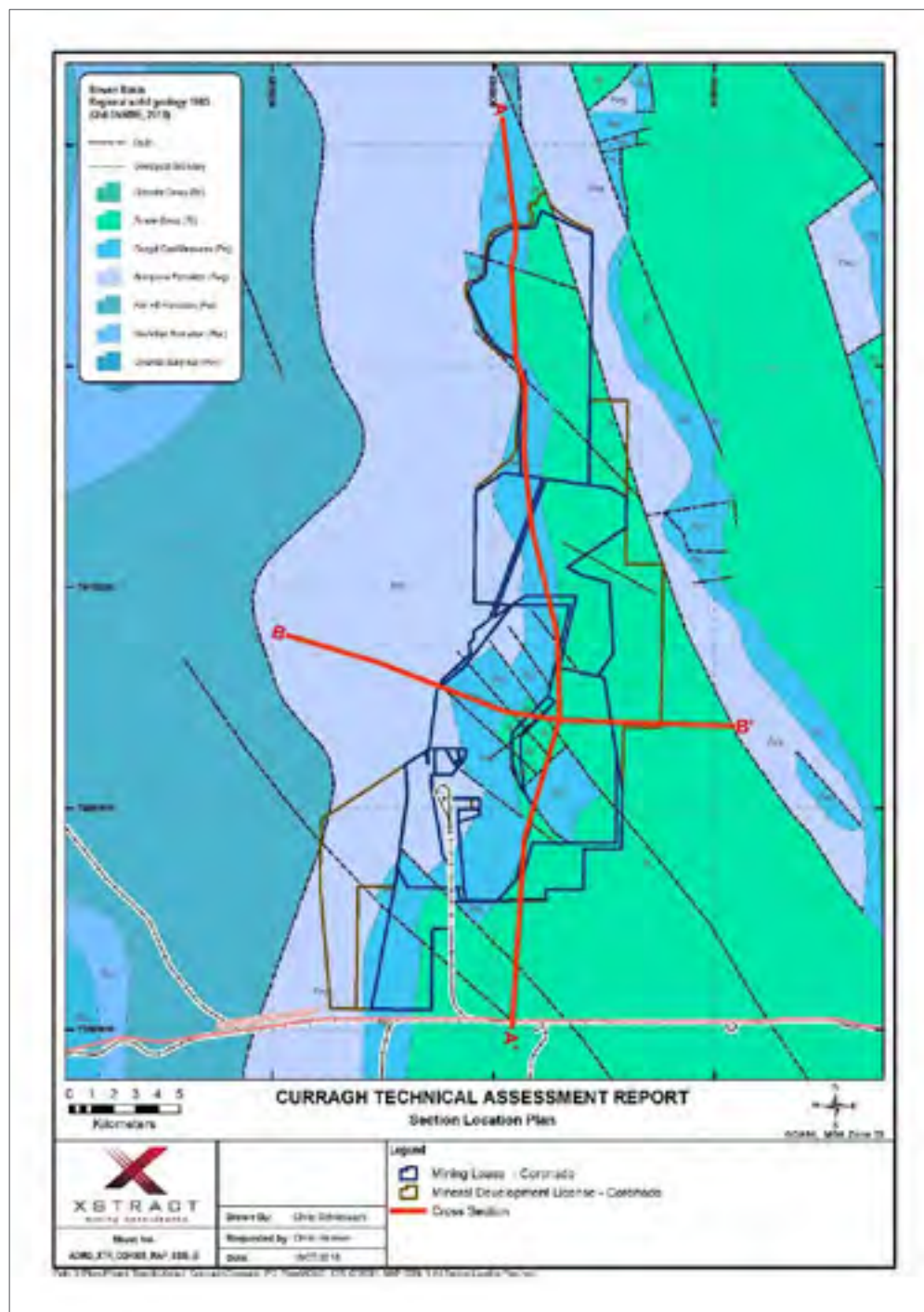
Figure 6.7 and Figure 6.8 show schematic north-south and east-west cross sections through the Curragh asset, with section line locations shown in Figure 6.6.

The cross sections illustrate the persistent lateral continuity of seams, as well as the tendency for seams to diverge and coalesce.

The steep apparent dips evident in the cross-section diagrams are the result of the large vertical exaggeration applied. Actual coal seam dips are in the range of 3 to 5 degrees with local steepening rarely greater than 10 degrees.

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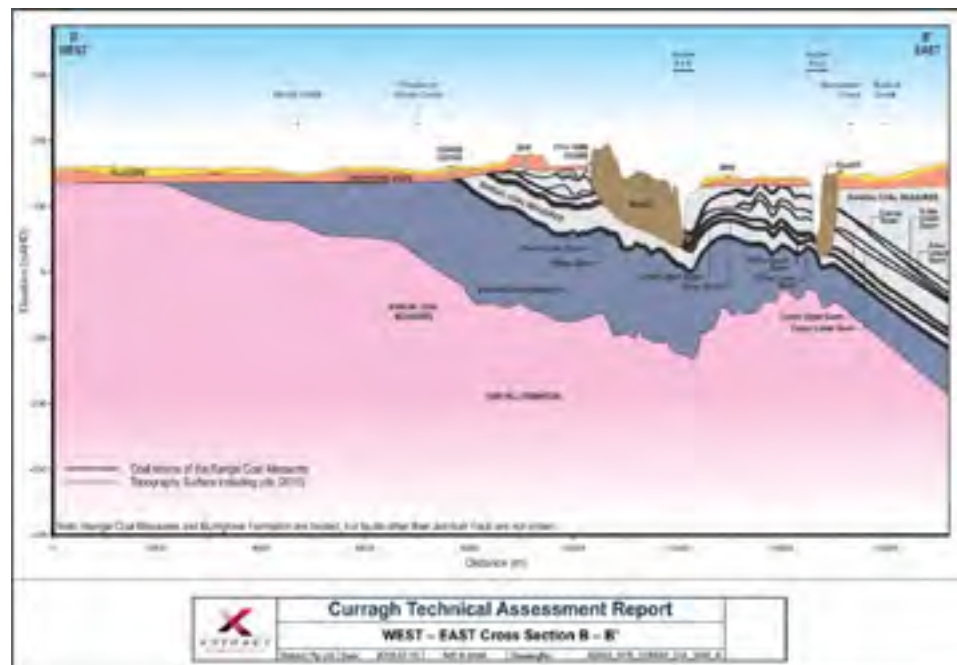
Figure 6.6: Cross section location plan



Source: Curragh, redrawn by Xstract

[illegible]

Figure 6.8: Cross section east-west



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6.2 Coal quality

Raw coal quality on a seam/split basis for key areas is presented below. Overall, the ash content increases toward the south.

The air-dried moisture content is approximately 1.3% and the in-situ moisture content is estimated to be 5.3%, while total sulphur content is less than 1% on a raw coal basis, and generally in the range 0.4% to 0.7%.

Table 6.1: Curragh East Mine raw coal quality (adb)

Curragh East	Proportion in-situ %	Ash %	Volatiles %	Energy MJ/kg
Cancer	2.0	26.4	21.2	24.69
Aries Upper	3.8	29.0	19.0	23.62
Aries Lower	12.5	23.7	19.0	25.84
Castor Upper	2.1	28.2	20.2	23.95
Castor Lower	17.5	18.5	20.8	28.01
Pollux Upper	0.7	37.9	17.0	19.91
Pollux Repeat	3.1	17.6	19.3	28.37
Pollux Lower	36.8	15.8	19.1	29.12
Orion Upper	0.4	23.3	20.2	26.01
Orion Lower	1.7	32.1	19.1	22.35
Pisces	19.4	23.2	18.1	26.04

Source: Curragh

Table 6.2: Curragh North raw coal quality (adb, including Stanwell Reserved Area)

Curragh North (SRA)	Proportion in-situ %	Ash %	Volatiles %	Energy MJ/kg
Aries	16.6	15.3	18.9	29.33
Castor Lower	25.5	17.9	18.3	28.26
Pollux Upper	16.7	14.2	17.8	29.79
Pollux Lower	11.4	10.3	19.0	31.41
Orion Upper	8.0	9.0	18.8	31.94
Orion	7.3	11.4	18.2	30.96
Pisces	14.5	19.5	18.7	27.56

Source: Curragh



Table 6.3: Pit X raw coal quality (adb)

MDL 162 (Pit X)	Proportion in-situ %	Ash %	Volatiles %	Energy MJ/kg
Cancer	3.8	25.0	19.2	25.28
Aries Upper	1.0	27.6	18.3	24.21
Aries Lower	25.0	19.3	19.1	27.67
Castor Lower	18.4	18.5	18.6	28.02
Pollux Upper	9.0	23.2	17.7	26.03
Pollux Lower	23.5	19.3	17.9	27.68
Orion Upper	1.4	10.6	19.3	31.28
Orion	2.7	20.2	18.5	27.30
Pisces	15.2	26.6	17.8	24.64

Source: Curragh

Table 6.4: Pit Z raw coal quality (adb)

MDL 162 (Pit Z)	Proportion in-situ %	Ash %	Volatiles %	Energy MJ/kg
Aries Upper	5.0	12.2	24.9	30.62
Aries Lower	12.5	26.6	20.3	24.63
Castor Upper	1.2	39.8	18.3	19.12
Castor Lower	15.2	32.5	18.6	22.16
Pollux Upper	8.9	29.7	20.6	23.36
Pollux Lower	17.7	20.6	21.1	27.14
Orion	21.5	18.3	22.2	28.06
Pisces	19.0	31.0	18.4	22.78

Source: Curragh

ROM coal to plant feed is washed for either a 7% ash product or a 9% ash product depending on the washability and product quality characteristics (especially CSN and fluidity) of the seam in question, as well as the type and financial value of the achievable product.

Table 6.5 shows the typical plant primary and secondary yields and primary target ash for the most important seams at Curragh. Secondary products are typically thermal coal with ash contents varying between 12.5% and 17.0% ash at 7.5% moisture. The 12.5% ash product is sold as high-ash PCI coal.



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Table 6.5: Plant washed products at 7% or 9% ash primary product from Curragh East and Curragh North (middlings products are typically thermal coal)

Seam	Primary Yield %	Secondary Yield %	CSN Primary	Comments
Cancer	~30 @ 9% ash	30	7 - 8	~ 0.5 m thick. Typically a PCI blend.
Aries	~50 @ 9% ash	20 - 30	6 - 7	Aries Lower has better coking coal (semi-hard) and higher CSN than Aries Upper, also has fluidity 50 - 100 ddpm. Aries Upper is typically produces a high-ash PCI.
Castor Lower	45 - 50 @ 7% ash	30 - 35	7 - 8	Prime coking coal seam. Highest fluidity ~200 ddpm. Good middlings blend product for steam coal.
Pollux	~45 @ 7% ash	30 - 35	6.5 - 7.5	Coking coal, Pollux has low fluidity.
Pisces Working Section	UWS: ~80% @ 9% ash, mainly PCI.	-	<6	Split into upper working section (UWS) and lower working section (LWS). LWS Middlings typically produces high-ash (12%) PCI.
	LWS: ~45% @ 7% ash	30 - 35	6.5 - 7.5	

Source: Curragh

6.3 Overview of data supporting the Coal Resource estimates

6.3.1 Drilling and sampling

The Curragh asset, including surrounding areas, is supported by a database of approximately 15,000 exploration type boreholes. The majority of these boreholes comprise open holes (chip holes) mostly with accompanying down-hole geophysical logs. Only those open holes with geophysical logs are used in the current resource model. Other borehole types include partially cored boreholes, for the purpose of gathering coal quality information, cored geotechnical boreholes to measure rock mass characteristics and water monitoring boreholes. The distribution of drilling suitable for geological modelling purposes is shown in Figure 6.9.

In the Curragh Central and East area, over 10,300 boreholes have been drilled. The majority of these boreholes are open holes with geophysical logs. Partially cored boreholes, which provide coal sample material, are regularly spaced over ML 1878 and ML 1990. During the early phases of mine development, partially cored boreholes were drilled on a 250 m by 250 m or 400 m by 400 m grid. Cored borehole spacing in ML 80086 is significantly wider.

At Curragh North Mine, approximately 3,500 boreholes have been drilled. These are again predominantly open holes with geophysical logs. Partially cored boreholes in this area are between 200 m and 1000 m apart and prediction of the mining conditions relies heavily on detailed high wall mapping, including survey information on roofs and floors of the seams.

Current drilling practice is to design open hole drilling along fences at spaced approximately 100 m apart and aligned orthogonal to the known major thrust faulting. Borehole spacing along the fences is at 60 m on the first pass drilling with infill drilling closing the spacing to 30 m in areas of structural complexity. These are used in the model for seam and structural modelling.



Geotechnical boreholes are designed as either one or two per 1.5 strips and target both faulted and unfaulted areas to determine both rock strength and rock mass strength and structural orientations.

Full quality boreholes are currently planned at approximately 400 m centres with grade control boreholes now designed on a staggered north-south pattern along the strips at approximately one borehole every second block per 1.5 to 2 strips.

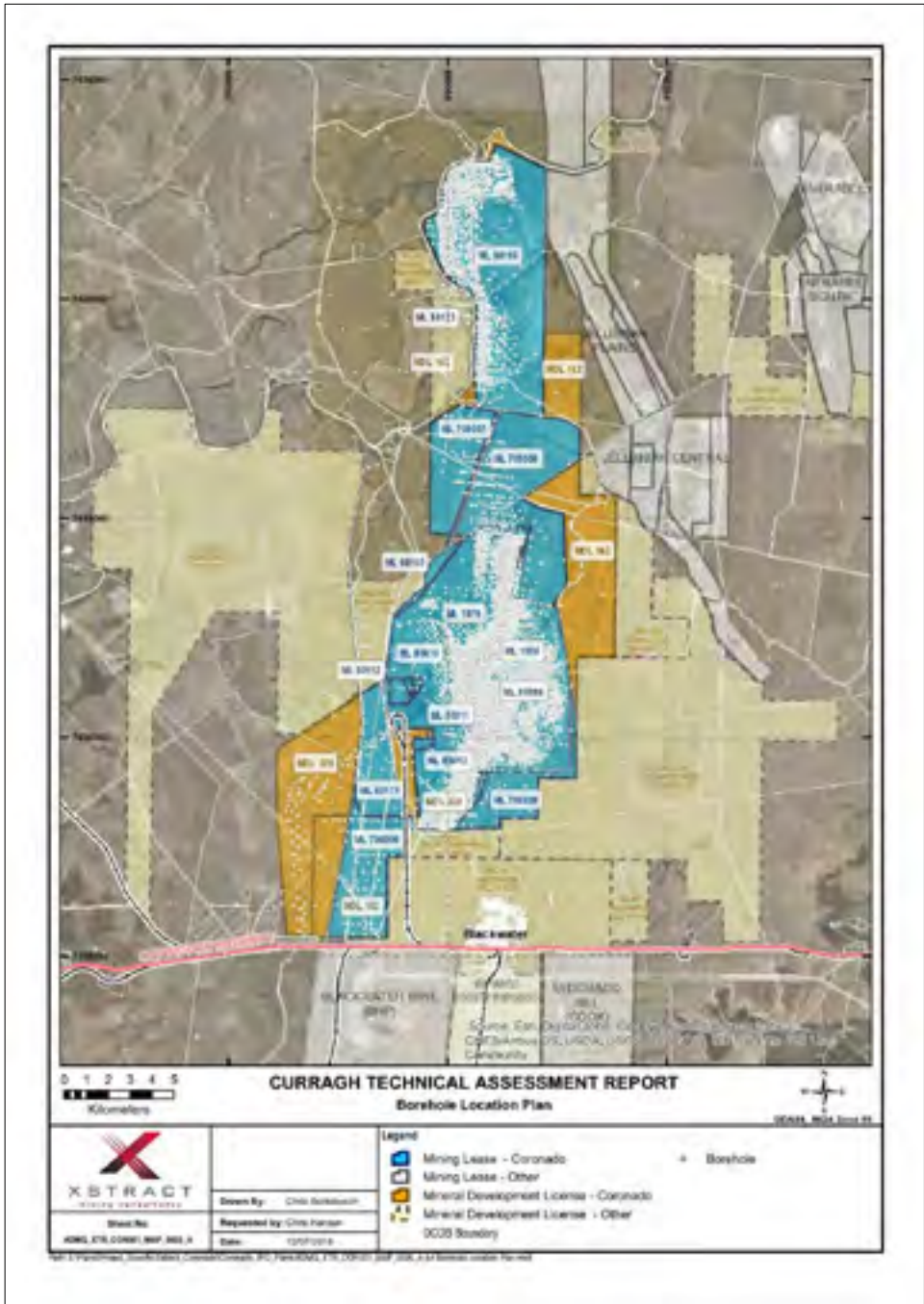
Analytical work is undertaken by the NATA registered, ACIRL Ltd's coal laboratory in Ipswich. Core sample analyses include raw coal, particle size distribution, pre-treatment, washability and clean coal product.

Practical product yields and quality are simulated using A&B Mylec Pty Ltd's proprietary product simulation program known as the Whole of Resource Optimisation Model ("WOROM") designed to predict practical primary and secondary product yields, ash, CSN, sulphur, fluidity, phosphorous, volatiles and total moisture. WOROM also has the ability to optimise coal product complexities including multiple products, potential for bypass and blending options in order to achieve an optimised product strategy to deliver the best revenue outcome.



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Figure 6.9: Shows distribution of drilling suitable for geological modelling purposes



Source: Curragh, redrawn by Xstract



6.3.2 QA/QC procedures

Validation of the lithological database followed the following procedures:

- All borehole data is logged by the field geologist and encoded to hardcopy field coding sheets.
- The field geologist validates the data through validation of the text file within VULCAN. On receipt of information from the site surveyors, borehole collar survey is updated to the final database. For non-cored boreholes, intercept depths are adjusted to match down-hole geophysical records.
- Once the temporary database has been validated, the boreholes are added to the main modelling database.
- Cross checks of quality data are completed for the Mining Lease areas using laboratory data obtained during production.
- The raw coal quality grids are visually inspected and compared with borehole data values.
- Data is finally uploaded into a VULCAN ISIS database reviewed by the Competent Person.
- Structure model validation is carried out during the modelling process using a variety of procedures including iterative model adjustments and revisions of contour plans and cross-sections.

6.3.3 Modelling methodology

Geological models are constructed using VULCAN's seam grid modelling software module. The Curragh resource model was built using two VULCAN databases (curccd.lit.isis and curqualitydbcore.com.isis). The geological structural model utilised both non-cored boreholes (chip/open holes) with geophysical logs and partially cored boreholes.

In constructing the coal quality model, only cored boreholes with valid coal quality data for the Points of Observation were used. All the data incorporated in the geological and coal quality models were reviewed by the Curragh Competent Person.

VULCAN software is a well-known industry standard used commonly in Australia for the geological modelling of coal deposits.

6.3.4 Coal Resource estimation

Coal Resources are estimated using the VULCAN seam model and subject to the following limitations and factors:

- Limited to coal thickness >0.3 m and only full seam unweathered coal is reported. Where seams are <0.3 m wide they are excluded from the resource estimate. Seams as thin as 0.3 m have been mined at Curragh during the open cut mining operation.
- Parent/daughter splits were dealt with in the *.lit.isis database. The Aries Lower and Castor Lower are the parent seams.
- In-situ raw ash cut-off of 50% (adb).
- In-situ moisture of 5.3% is applied. Coal tonnes are adjusted to an in-situ moisture basis using the Preston and Sanders formula to adjust Relative Density from an air-dried moisture basis at 1.2% to an in-situ moisture basis at 5.3% moisture.



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- All geophysically logged open holes with seam correlations were included in the estimation of resource volumes.
- Coal contained in the repeat (due to thrust faulting) of any seam was not included in the estimation, except for the Pollux Repeat seam in Pit E (ML 1990) and Pits F, K, L (ML80086). Small repeats are not included in the estimation due to problems in estimation reliability and are not material to the overall estimate.
- The Relative Density (air-dried) is estimated from a regression relationship between Relative Density and ash based on a database of values for all seams. This relationship is a more reliable predictor of Relative Density than using single laboratory analysed samples.
- Limits to resource estimation also included the coal toe in mined out areas, tenement boundaries, barren areas, and >50% ash areas.

Coal Resources are estimated per seam or seam split, as well as per ply if necessary, over all Curragh tenements but only those Coal Resources in addition to Coal Reserves are publicly reported.

6.3.5 Resource classification

Points of Observation are defined as cored seam intersections with valid coal quality composites and greater than 90% linear core recovery within coal seams. Spatial analysis of the spacing between Points of Observation, and between open hole drilling data with downhole geophysics, was the subject of geostatistical studies by both JB Mining Services Pty Ltd (2015) and Tenzing Pty Ltd (2011). This has resulted in the determination of appropriate spacing between Points of Observation for the purpose of resource classification, as follows:

- Measured Resource 1 000 metres.
- Indicated Resource 2 000 metres.
- Inferred Resource 4 000 metres.

Resource classification is achieved by constructing classification polygons from radii of influence circles around Points of Observation with the appropriate resource class radii set to half the spacing distances above. Extrapolation beyond data Points of Observation is limited to half the above distance per resource category.

Xstract is satisfied that Coal Resources are reported in accordance with the guidelines set out in the JORC Code, 2012.

7 Coal Resources and Reserves

7.1 Coal Resources

The Coal Resources shown in Table 7.1 were reported on page 145 of Wesfarmers' 2017 Annual Report as announced to the ASX on 20 September 2017 and are in addition to Coal Reserves (Competent Person is Mr Barry Saunders, Director of QGESS PTY LTD).

CCPL is in the process of updating the Coal Resource and Coal Reserve estimates.



Table 7.1: Coal Resources on a 100% basis as reported by Wesfarmers as at 30 June 2017

Project	Measured	Indicated	Inferred	Total	Coal Quality (in-situ, adb)			
	Mt in-situ	Mt in-situ	Mt in-situ	Mt in-situ	Ash (%)	CV (MJ/kg)	TS (%)	VM (%)
Curragh (June 2017)	305	251	140	696	19	28	0.6	19
Curragh (June 2016)	323	243	145	711	19	28	0.6	19

Source: Wesfarmers Annual Report 2017

- a) Coal Resources have been stated on a 5,3% in-situ Moisture basis, qualities are reported on an air-dried basis
- b) Coal Resources are reported in addition to Coal Reserves
- c) There is a change in Coal Resources (2016 to 2017) due to changes in mined footprint

A split of the Coal Resource tonnages into key areas at Curragh is shown in Table 7.2. The Coal Resource of 352 Mt in Curragh North includes approximately 318 Mt of Coal Resources located within the Stanwell Reserved Area ("SRA"). There are currently no Coal Reserves reported over the SRA.

Note, the resource tonnes allocated to MDL 162 in Table 7.2 includes areas covered by the recently granted MLs 700006, 700007, 700008 and 700009 and the remnant parts of MDL 162.

Table 7.2: Coal Resources tonnages split by area

Category	Curragh East Mt	Curragh North Mt	MDL 162 Mt	Total Mt
Measured	64	126	115	305
Indicated	34	131	87	251
Inferred	8	95	36	140
Total	106	352	238	696

Source: Curragh Management Presentation, October 2017

Xstract is of the opinion that the Coal Resources reported in June 2017 are reasonable and appropriate.

7.2 Coal Reserves

The Coal Reserves shown in Table 7.4 were reported on page 146 of Wesfarmers' 2017 Annual Report as announced to the ASX on 20 September 2017 (Competent Person is Mr Paul Wood, a full-time employee of Wesfarmers).

The coal is bituminous and is used in metallurgical processes (primarily steel production overseas) and power generation (principally domestic). The resource is contained in five seams of varying thickness and quality characteristics. Coal is produced from all these seams. Coal is extracted by open cut methods and processed through a wash plant using dense medium cyclones and froth flotation.

The Curragh mine is currently operated with owner operators on the draglines assisted by contractors on the truck and shovel operations.

For the estimation of tonnages in the Curragh Coal Reserve Statement (as per Wesfarmers' 2017 Annual Report as announced to the ASX on 20 September 2017), the geological and economic boundaries of the open cut operations were determined based on the Mining



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Leases, economic cut off thickness and minimum separation distances from surface features such as water courses, water pipelines, power lines and local villages.

CCPL has developed a financial model based on the estimated production, mining and processing costs and capital expenditure to demonstrate the economic viability of the extracting these Coal Reserves.

The Coal Reserves 2017 were based on assumptions developed by Wesfarmers before the purchase of the mine by Coronado. Coronado is in the process of developing its own Reserve statement. It must be noted that the Reserves may change depending on the assumptions that Coronado may take in the future especially in respect to coal prices.

Wesfarmers' coal pricing assumptions for the Reserves are set out in Table 7.3. Prices are real (1 July 2016) and expressed in AUD. The LOM foreign exchange ("FX") average is \$0.714.

Table 7.3: Wesfarmers Revenue assumptions for Coal Reserves

Product	Curragh East	Curragh North	MDL162
HCC	\$145.97	\$140.03	\$152.59
Export Thermal	\$101.56	\$93.13	\$110.55
PCI	\$118.73	\$113.68	\$124.55

Source: Wesfarmers Curragh 2017 JORC Reserves Report
Note: Long term coal pricing (real 1 July 2016)

During Xstract's review, the schedule was checked for consistency, tallying with the Coal Resources from which the Coal Reserves have been converted and the practical achievability of the mining rates. Future production targets are slightly higher than historic and current performance, however this is further discussed in Section 10.1.2.

Table 7.4 presents the current Curragh Coal Reserves estimate as publicly reported by Wesfarmers in accordance with the JORC Code (2012) guidelines. The Coal Reserves at Curragh have been well defined with 95% of the reserves in the Proved category and only 5% classified as Probable Reserves. The Reserves are estimated for the Curragh East, Curragh North and MDL162 mining areas, but do not include the Stanwell Reserve Area. There is potential for Coal Resources, in addition to Coal Reserves, to be converted to future reserves after further studies for both open cut and underground operations.

Xstract notes that under section 44 of the JORC Code (2012), when public disclosing Coal Reserves, reporting of Marketable Coal Reserves is required.

Xstract notes that Wesfarmers annual report (2017) does not include the Marketable Coal Reserves for Curragh. In order to appropriately inform readers, the Marketable Coal Reserves, as disclosed in the Wesfarmers Management Presentation provided to potential purchasers of Curragh in October 2017 is presented by Xstract in Table 7.5.



Table 7.4: Coal Reserves (ROM) on 100% basis as at 30 June 2017

Project	Mining Method	Proved	Probable	Total	Coal Quality of Reserve inclusive of loss and dilution (adb)			
		Mt ROM	Mt ROM	Mt ROM	Ash (%)	CV (kcal/kg)	TS (%)	VM (%)
Curragh (June 2017)	Opencast	240	12	252	26	26	0.6	17
Curragh (June 2016)	Opencast	244	24	268	24	26	0.6	19

Source: Wesfarmers Annual Report 2017

- a) Curragh's reserves, as stated, are 100 per cent of the site reserves, including all reserves in the Curragh Project.
- Wesfarmers Curragh Pty Ltd ('WCPL') and Stanwell Corporation ('Stanwell') share in value generated from certain parts of the Curragh Project (being the Curragh East and Curragh North mining areas, but excluding the MDL 162 area) pursuant to the terms of a Coal Supply Agreement between them ('Stanwell CSA')
 - Reserves are reported above on a project basis before any division of economic value under the Stanwell CSA. It is not possible to express the economic entitlements of Stanwell from the Curragh Project as a simple numerical percentage. The reason such a statement is not possible is that the entitlements of Stanwell pursuant to the Stanwell CSA are variable with, and dependent upon, contingent events which include all of the actual future export volumes, prices, and the duration of the Stanwell CSA relative to the timing and mine sequencing of production from the various areas of the Curragh Project. It is not necessary for the Competent Person to analyse the Stanwell CSA and respective entitlements of WCPL and Stanwell thereunder given that reserves are stated on a total Curragh Project basis before application of the Stanwell CSA.
- b) No reserves have been declared with respect to the Stanwell Reserved Area.
- c) Coal Reserves have been stated on a 7.5% Moisture basis, qualities are reported on an air-dried basis

Reserves at Curragh North will be exhausted by around 2025 at the current predicted production rates. Xstract notes that the Curragh North reserves are bound by an agreement with Stanwell, which expires in 2025. Xstract understands that there is the possibility of extending the coal mining within the Stanwell Reserve Area beyond the current confines, if an agreement can be reached with Stanwell.

If no agreement is reached by 2025, Coronado will continue to exploit MDL 162 areas known as Pits X, Z and J (refer Figure 9.2 Curragh North layout).

Table 7.5: Coal Reserves split by area

Project	Curragh East Mt	Curragh North Mt	MDL162 Mt	Total Mt	Ash %	Volatiles %
Proved	94	68	78	240		
Probable	7	0	5	12		
Total ROM	101	68	83	252	26	17
Marketable	139		54	193		

Source: Curragh Management Presentation, October 2017

Note: Typical marketable coal products produced range from low-ash, hard coking coal to mid-ash semi-hard coking coal, a variety of low-volatile PCI products ranging from low to high ash, and thermal coal.

In its half year (February 2018) and third quarter (April 2018) reports to the ASX, Wesfarmers reported the following production marketable tonnes from Curragh (Table 7.6).



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Table 7.6: Wesfarmers publicly reported coal production results FY2018

Coal Type		Half Year FY2018*	Third Quarter FY2018*	FY18 up to 31 March 2018*
Metallurgical coal production	kt	4,106	2,085	6,191
Steaming coal production	kt	1,873	784	2,657
Total (Marketable)	kt	5,979	2,869	8,848

Source: Wesfarmers half yearly and third quarter public reports 2018

Note * Publicly reported by Wesfarmers in February and April 2018

In addition, Xstract has been informed by CCPL of preliminary production results for quarter 4, FY2018. On this basis, Xstract estimates the total production since the preparation of the last reserve estimate to be in the order of 12 Mt and ROM tonnes of some 15.6 Mt as presented below (Table 7.7).

Table 7.7: Coal production depletion estimate for FY2018.

Coal Type		FY18 up to 31 March 2018*	Fourth Quarter FY18 Curragh*	Total Estimated FY18***
Metallurgical coal production	kt	6,191	2,290	8,481
Steaming coal production	kt	2,657	932	3,589
Total (Marketable)	kt	8,848	3,222	12,070
Estimated ROM Tonnes (from CCPL)**	kt	11,495**	4,129**	15,624

Source: Wesfarmers half yearly and third quarter public reports 2018; and CCPL

Note *CCPL estimates

Note ** Best estimates of the FY18 ROM production

Note *** Best estimates of the combined Wesfarmers publicly reported and CCPL estimates

Through depletion of mined coal, Xstract estimates the current Curragh Coal Reserves are approximately 236 Mt of ROM coal and 181 Mt of Marketable coal.

Xstract is of the opinion that the Coal Reserves reported in June 2017 are reasonable and appropriate for the mine plan as of June 2017. As CCPL are in process of re-estimating the coal reserves, with possible changes to mine plans and coal prices the current Coal Reserves may change in the future.

7.2.1 Technical modifying factors

Losses and dilution

Numerous seams are mined at Curragh, however loss and dilution factors are the same for each seam and are set out in Table 7.8.

Table 7.8: Loss and dilution assumptions

Item	Unit	Value
Combined Roof and Floor loss	m	0.15
Combined roof and Floor Dilution	m	0.13
Overall loss factor	%	2.5
Density of Dilution	t/bcm	2.2
Ash Dilution	%	100%

Source: Wesfarmers Curragh 2017 JORC Reserves Report



8 Geotechnical and geological structure

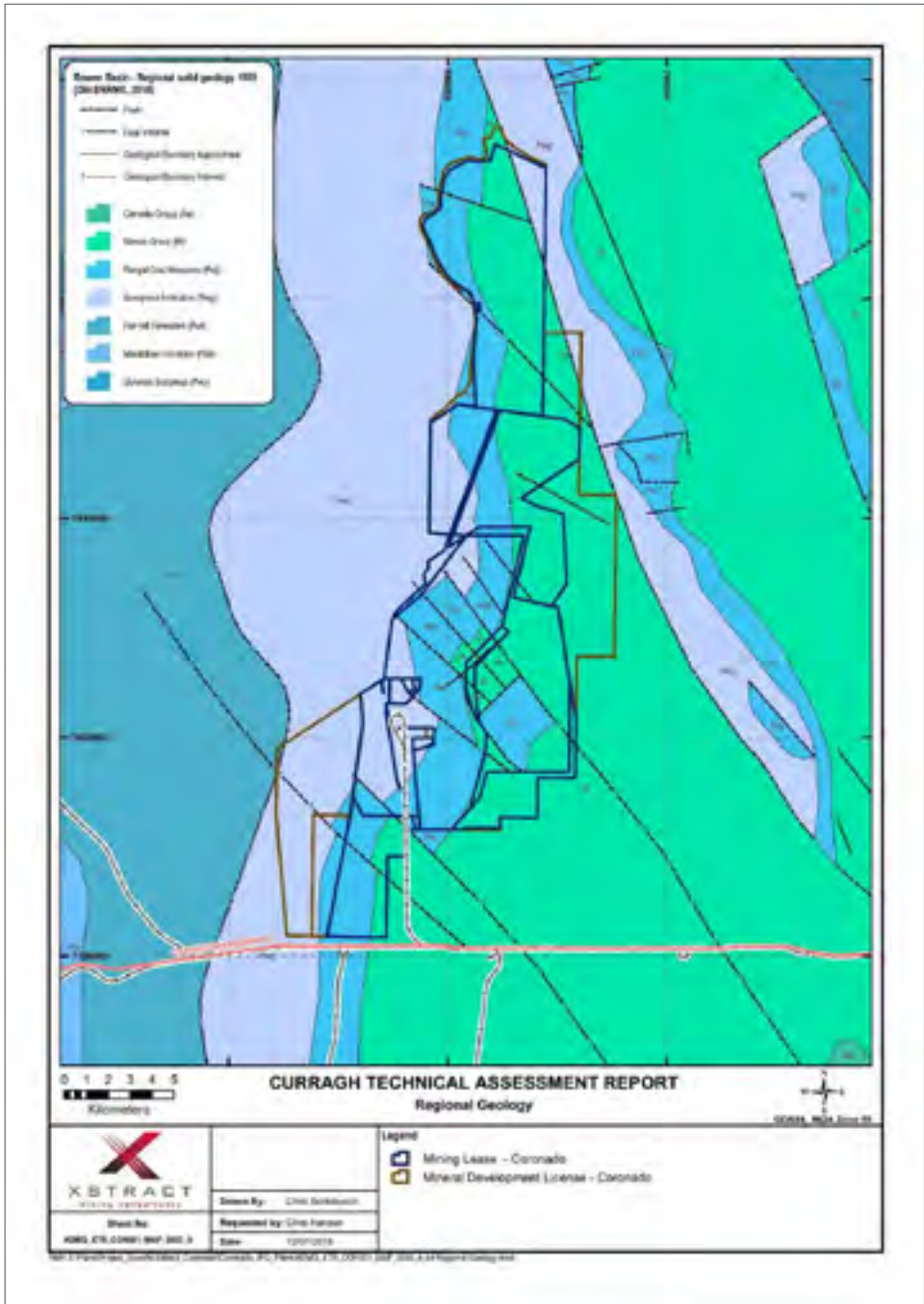
As the geotechnical environment is significantly influenced by geological structure at Curragh, it is important to understand the regional structural geological setting. A regional geological structure plan is shown in Figure 8.1.

The major, north northwest trending, Jellinbah Fault lies approximately 4 km to the east of Pit X and intersects the northeastern corner of Curragh North (ML 80110). Low angle thrust faulting from the northeast occurs through the project area with displacements up to 30 m vertically. Regional dip is approximately 3 degrees to the east, so when bedding dips are greater than 10 degrees, structural disturbance is typically inferred.



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Figure 8.1: Regional structure environment



Source: Curragh, redrawn by Xstract



The structural geology at Curragh is considered relatively complex in comparison with other Bowen Basin coal mining operations. The occurrence of faulting and associated varying seam thicknesses and local seam dips require careful mine planning and operational geotechnical control.

Whilst the general stratigraphic sequence is consistent throughout the existing operational mine and future project areas, there are subtle differences in the seam and interburden sequences between the operations at Curragh East and Curragh North.

A typical stratigraphic column of the Curragh East mining area is shown in Figure 6.4. Deformation in the Curragh East mine area predominantly takes the form of thrust faulting, and vertical displacements in pit can be up to 30 m. Lateral displacements are typically less than 10m, but not exceeding 30m. However minor north south trending extensional faulting and east west trending normal faulting is also present.

An example of in pit seam exposure in Pit EDD at Curragh East is shown in Figure 8.2. The impact of thrust faulting is clearly visible to the right of this figure, where thrust faulting has resulted in a significant seam displacement referred to locally as the “ski jump”.

Figure 8.2: Seam exposure in EDD Pit, Curragh East Mine area



Source: Xstract

A typical stratigraphic section for the Curragh North area is shown in Figure 6.5. Triassic aged Rewan Formation sequences are present at Curragh North on the eastern edge of the deposit, with poorly consolidated Tertiary sediments in the southeastern part and Quaternary alluvium (sand, clay and gravel) in the central and northern parts of the Curragh North area. An example of in pit seam exposure at Curragh North is shown in Figure 8.3

The discreet PWS (local terminology) is developed at Curragh North from the coalescence of the Pollux Upper and Lower, Orion Upper and Lower and Pisces Upper seams. While compressive thrust faulting does occur in places at Curragh North, it is typically less intense and has less impact on the mining environment when compared with Curragh East.

The YT is a basin wide marker horizon occurring at the base of the Pisces Upper seam and marks the base of the Rangal Measures. The soft nature of the YT has resulted in geotechnical issues whilst mining the lower contact of the PWS and these issues are described here in more detail.

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Figure 8.3: Seam exposure at Pit S, Curragh North (looking south)



Source: Xstract

8.1 General mining practise, history and geotechnical management

Mining practise at Curragh operations entails multiple pass open cut mining with overburden removal undertaken by draglines, assisted by bulk dozer push and truck and shovel fleets.

Past mining experience at Curragh East and Curragh North has provided geotechnical challenges and several geotechnical incidents, including some significant highwall and lowwall failures. Xstract has reviewed in detail the history of geotechnical incidents, back analyses and implemented management controls, which have been well documented through the operational history at Curragh.

Some examples of the more significant geotechnical incidents are provided herein, as they are considered relevant in the context of overall geotechnical management evolution and control implementation from learnings. In a general sense, however, it is considered that prior back analysis and learnings from these incidents have been effectively considered and improvement processes implemented that have led to continually improved management and control of geotechnical hazards at Curragh which, if maintained, should continue to reduce the frequency and impact of future geotechnical incidents.

Early experience at the Curragh East E and EDD Pits was difficult, with a number of predominantly kinematic highwall failures associated with faults and/or the intersection of discontinuities (dipping bedding planes and joints). The most significant was a major failure in 2011, leading to the loss of a digger. It is concluded (in hindsight), that many of these failures may have been prevented with the more advanced geotechnical hazard management systems that have been developed since.

As mining developed in Curragh North, extracting the PWS highwalls continued to be problematic in the context of managing highwall instability associated with structure. However, lowwall stability management associated with dumping above the YT also became increasingly problematic. As with highwall instability, it is considered that geotechnical management systems and alternative mining practise have continuously evolved and improved at Curragh North to effectively manage and control these lowwall geotechnical hazards.

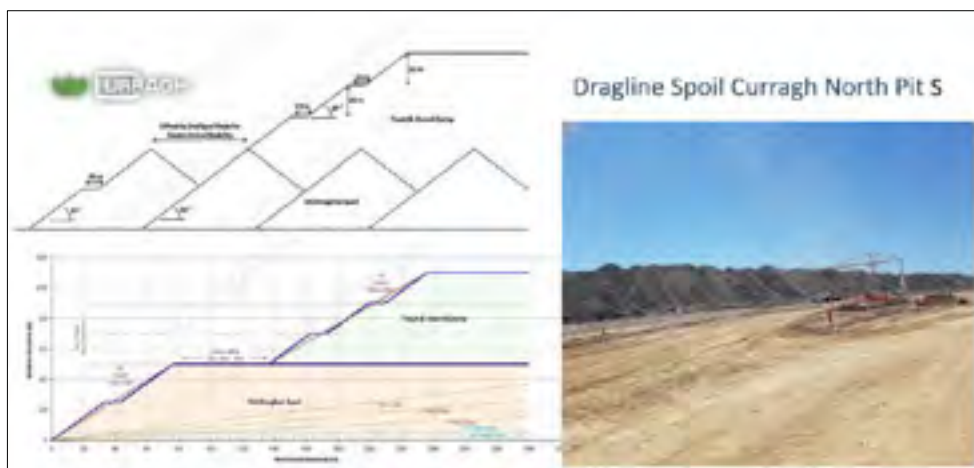


8.2 Geotechnical design

Geotechnical highwall and endwall design at Curragh operations was initially guided by independent engineering consultants, GHD using well considered and calibrated geotechnical modelling, which included taking into account stereographic projections of discontinuities, in particular predominant joint sets and orientations identified from pit wall mapping and Sirovision technology. Mining highwall and endwall pit wall orientations and angles were designed taking into account kinematic analysis, discontinuity styles and orientations and rock mass classification. Typically, highwalls are designed at 65 degrees and endwalls at 53 degrees, although these designs are cut back through areas of more adverse structure and rock mass.

Lowwall spoil dumps are constructed by truck and shovel dumping over old dragline spoil and is typically based on low 35 to 37 degree batters with 10 m berms, constructed as shown in Figure 8.4.

Figure 8.4: Illustrates typical lowwall design (left) and dragline spoil at Pit S Curragh North (right)



Source: Curragh

8.3 Geotechnical hazard assessment and management

Xstrata has reviewed the on-site geotechnical processes with site based technical staff to assess the effectiveness of geotechnical management and control implementation. Geotechnical hazard maps and reports are used to identify risks and outline control measures to mitigate the risk for persons working at the mine. Before each strip is mined the geologist and engineer develop and document a geotechnical hazard plan. This provides details on the geological and geotechnical conditions likely to be encountered and based on geotechnical risk assessment, a history of the strip, an all-encompassing hazard map for each strip, recommended pit wall designs, recommended groundwater and surface water controls, and pit operational recommendations.

There are clearly defined on site accountabilities commencing with the geologist ensuring that information is communicated and distributed to all relevant operational staff.

The overall process of managing geotechnical risk at the Curragh operations entails:

- Identification of geotechnical hazards;
- Planning and design risk controls;
- Monitoring performance against design;
- Devising controls and trigger action responses;
- Managing change; and
- Formal audit and review processes.

8.4 Hydrology

8.4.1 Hydrogeological characterisation, recharge and discharge

The major water-bearing units at Curragh are the sand and gravel layers associated with alluvium from the Mackenzie River and the coal seams of the Rangal Coal Measures, Burngrove Formation and Fair Hill Formation. The established aquitard units include silt and clay layers in the alluvium, the Rewan Formation, coal seam interburden of the Rangal Coal Measures, aquitard units of the Burngrove Formation, and the Back Creek Group. Aquifers are confined by impermeable interburden layers, except in subcrop zones, and have variable hydraulic conductivity with low to moderate permeability.

Investigations have demonstrated that the alluvium is dry in many areas, and where water is present, it occurs within palaeochannels in the deeper sections of alluvium.

The depth from surface to groundwater is reported to vary from 5 m to 48 m below ground level ("mbgl") throughout the existing mine and potential development areas, and is affected by aquifer connectivity, confining conditions, topography and mining impacts.

Ground water can affect pre-stripping operations in Curragh if not managed correctly.

8.4.2 Groundwater chemistry

Spoil is placed in-pit and in out-of-pit dumps. Mine water storage dams have been tested for water quality and the water has been found not to be a source of acidity, with salinity comparable to, or fresher than, groundwater. Groundwater quality at Curragh Mine operations is reported to be similar for all formations and is brackish to saline with neutral pH and a major ion composition dominated by sodium, chloride, magnesium and sulphate. Dissolved metal concentrations are reported to be generally low.

Groundwater monitoring of in-pit and out-of-pit spoil dumps, tailings storage facilities and mine water storage dams at Curragh has, to date, indicated that tailings and mine water storage dams are not acid generating and are fresh when compared to groundwater.

Whilst there has not been any acid mine drainage ("AMD") recorded from Curragh operations to date, this does not preclude the potential for AMD in future project areas, especially around any potential igneous intrusions.

8.4.3 Design, Construction and monitoring of Regulated Structures

On the 1st November each year, the Curragh operations are required to report on the stability and performance of all regulated structures. Regulated structures include:

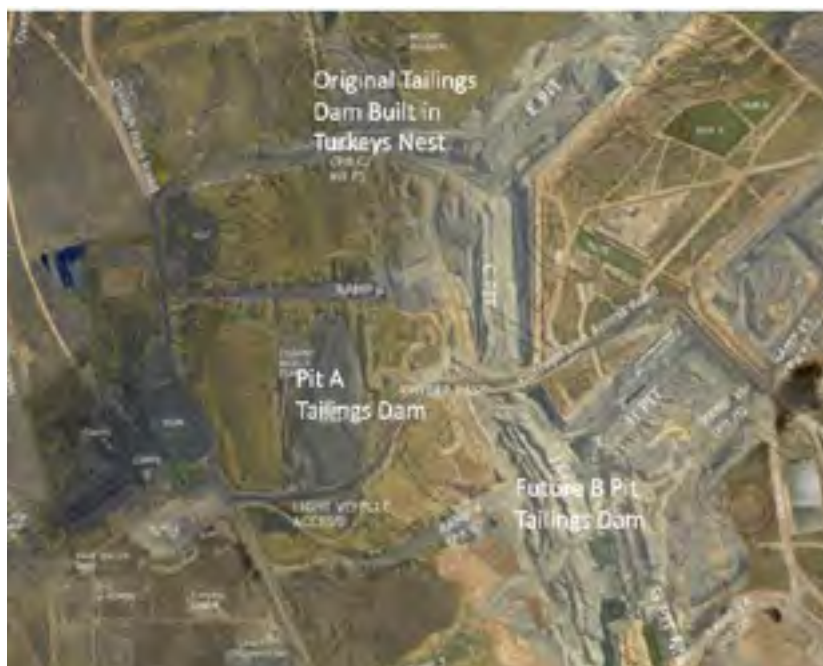


- Tailings Storage Facility (“TSF”) and Ramp 2 (Pit A);
- Retention Dam CN3;
- Retention Dam CN5;
- Blackwater Creek Flood Levee;
- Curragh North V Pit Levee;
- Curragh North U Pit Levee;
- Curragh North T Pit Levee; and
- Curragh North S Pit Levee.

Regulated structures at the Curragh operations are designed and monitored in accordance with the requirements of Environmental Authority (“EA”) EPML 00643713.

The location of the main storage facilities is illustrated in Figure 8.5. Examples of the main regulated structures at Curragh are shown in Figure 8.6 and Figure 8.7.

Figure 8.5: Location of main storage facilities



Source: Curragh

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Figure 8.6: Original tailings dam (left) and Pit A tailings dam (right)



Source: Xstract

Tailings and mine water storage dams are constructed, monitored and operated in accordance with the Manual for Assessing Consequence Categories and Hydraulic Performance of Structures (DEHP 2013), and Curragh's regulated structure operational plans.

The original (first) Curragh tailings dam as shown in Figure 8.6 (left), was constructed in 1990s from coarse rejects and is approximately 24 m high. It has associated drains and a spillway, which are considered to be well constructed and maintained.

The Pit A tailings storage facility, permanently storing coal tailings from the wash plant, is shown in Figure 8.6 (right). The Design Storage Allowance ("DSA") for tailings dams in Queensland under relevant environmental legislation should allow for sufficient free board to provide for excess water management in wet seasons. There have been prior issues reported, with overtopping of the DSA in the Pit A TSF. These issues have been compounded more recently as the dam is reaching close to final capacity. However, the mine site staff have demonstrated that adequate mitigation measures are in place to control impacts and risks are within acceptable levels.

A discharge channel to Pit B from the Pit A TSF exists as shown in Figure 8.7(left). This has been utilised in periods of high rainfall to divert excess water and maintain the Pit A TSF within the mandated DSL.

Figure 8.7: Pit A tailings discharge spillway (left) and Pit B tailings disposal facility (right)



Source: Xstract



The current Pit A TSF has approximately 3 months of life remaining before it reaches capacity.

Upon the Pit A TSF reaching its design capacity, tailings will be discharged to the new designated Pit B TSF, as shown in Figure 8.7 (right). Golders has completed a draft Registered Professional Engineer in Queensland (“RPEQ”) design for Pit B.

The Blackwater Creek diversion as shown in Figure 8.8 was completed in 2010 and was designed for 1 in 10,000-year flood events. Since construction, the diversion has easily withstood two large flood events and is considered, based on inspection, to be in very good condition. RPEQ reports to date indicate no major defects or compromises to the structural integrity of the creek diversion, however occasional erosion and gullyng will continue to require ongoing repairs and regrades. A further creek diversion (Minnie Creek) will be required prior to the commencement of MDL 162 operations to the west.

Figure 8.8: Blackwater Creek diversion



Source: Xstract

8.5 Groundwater inflows and modelling

The beneficial use of groundwater is limited to livestock usage due to the elevated salinity and relatively low yields (generally less than 1 litre / sec). There are 15 registered landholder bores in and around Curragh operations. One of these bores is used to irrigate grass and supply water to the toilet block at a camp ground near Bedford Weir.

Depth to groundwater through the general area indicates that watercourses are unlikely to receive baseflow from groundwater, and also indicate that groundwater levels in alluvium are generally more than 4 m below wetlands, such that even if wetlands are present on surface, they are unlikely to be connected to groundwater.

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Inflows of 0.5 to 0.6 Megalitres per day at Curragh East Mine and 0.6 to 5.6 Megalitres per day at Curragh North have typically been recorded. Inflows at Curragh East Mine are sourced from the Rangal Coal Measures, whereas inflows at Curragh North are sourced from both alluvium and the Rangal Coal Measures. Inflows in all pits typically increase with increasing pit depth, however this varies at Curragh North due to an underlying palaeochannel system with significant lateral variability.

9 Mining

9.1 Introduction

9.1.1 Background

Since 1983, coal mining at Curragh has focussed on the Rangal Coal Measures with the coal sold on both the domestic thermal and export thermal, PCI and metallurgical coal markets.

Mining is carried out at Curragh using open cut mining methods typical of the Bowen Basin open cut coal industry, comprising a mix of dragline and truck/shovel operations (Figure 9.1). This is a very common and conventional coal mining methodology and therefore is perceived to be of very low risk. The Curragh mining areas are divided into pits of varying shapes with the pit configuration based on economic parameters and other drivers, such as surface infrastructure and environmental constraints.

The Curragh mining area consists of two distinct areas, Curragh North and Curragh East with potential mine development in MDL 162 Pits X, Z and J (the latter is expected to occur over the longer term i.e. post 2023 commencement), and hence is beyond the period considered in detail in this report), refer to Figure 9.2 and Figure 9.3. The CHPP is located nearer to the Curragh East operation.

The Curragh South Development Area (Pit Z, Figure 9.3) is adjacent to the current mining areas and utilises the existing coal processing, stockpiling and train loading assets. It is currently earmarked for future development beyond 2025.

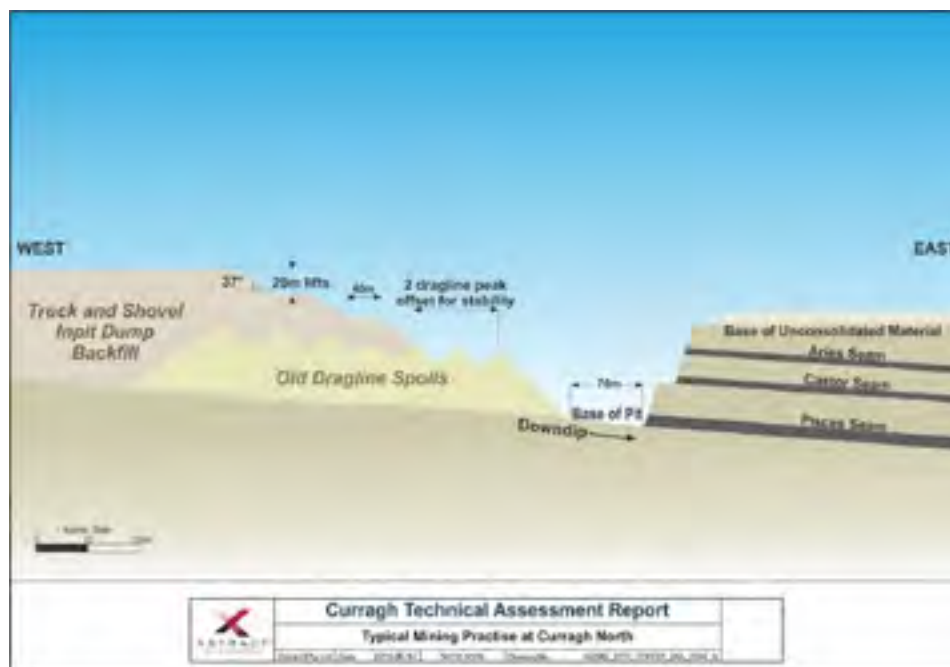
9.1.2 Mining methods and access

Both the Curragh East and Curragh North areas are mined using a combination of dragline and truck and shovel operations. Drilling the overburden and interburden is carried out with a fleet of contract drill rigs and blasting is with conventional Ammonium Nitrate Fuel Oil ("ANFO").

Currently there are four large draglines at Curragh operating in the four main areas Pits T, S, EDD and F, supplemented by truck and shovel operations. Pre-stripping is performed by a single electric shovel and numerous diesel excavators, while the remainder of the waste is removed by the draglines using various methods of multiple passes. Figure 9.1 shows a schematic of the typical mining operations. Some waste removal is performed with the use of dozer push fleets.

Coal mining at both the Curragh East and Curragh North mining areas is performed by diesel excavators and rear dump trucks. Coal is hauled from the Curragh North pits to a central ROM stockpile area, where the coal is crushed and transported by a 22 km long overland conveyor to the coal preparation plant. While at Curragh East, coal is transported by rear dump trucks to a ROM stockpile adjacent to the main coal preparation area and from there belly dump trucks transfers the coal into a ROM crusher and conveyed to the coal preparation plant.



Figure 9.1: Schematic of a typical mining practice

Source: Xstract

9.2 Curragh North Mine

Curragh North is split into numerous smaller mining areas, pre-dominantly T Pit and S Pit, as well as two smaller areas adjacent to these pits, namely U Pit and S Pit Extension (see Figure 9.2). The Curragh North Reserves are currently under the Stanwell Agreement and will be depleted by 2025.

Xstract understands that Coronado is in discussions with Stanwell over extending access to the Stanwell Reserved Area beyond the currently defined Reserve limit.

T Pit waste is mined with a single dragline (M8200) and a fleet of trucks and excavators. S Pit is mined by the largest dragline (M8750) and a fleet of truck and excavators.

The main economic seams available in the Curragh North area are the Aries, Castor, and the Pisces Working Section (comprising the Pollux Upper and Lower, Orion Upper and Lower and Pisces Upper seams). The coal produced from these seams is a mix of metallurgical and steaming coal. The average thickness of the seams is:

- 1.5 m for Aries seam
- 2.3 m for the Castor seam
- 6.3 metres for the Pisces Working Section

All seams dip towards the east.

Currently, all draglines are owner operated by Coronado throughout the Curragh Operations, while pre-stripping and coal mining is contracted out to Thiess, a well credentialed mining contractor and a member of the CIMIC Group Ltd, at Curragh North.

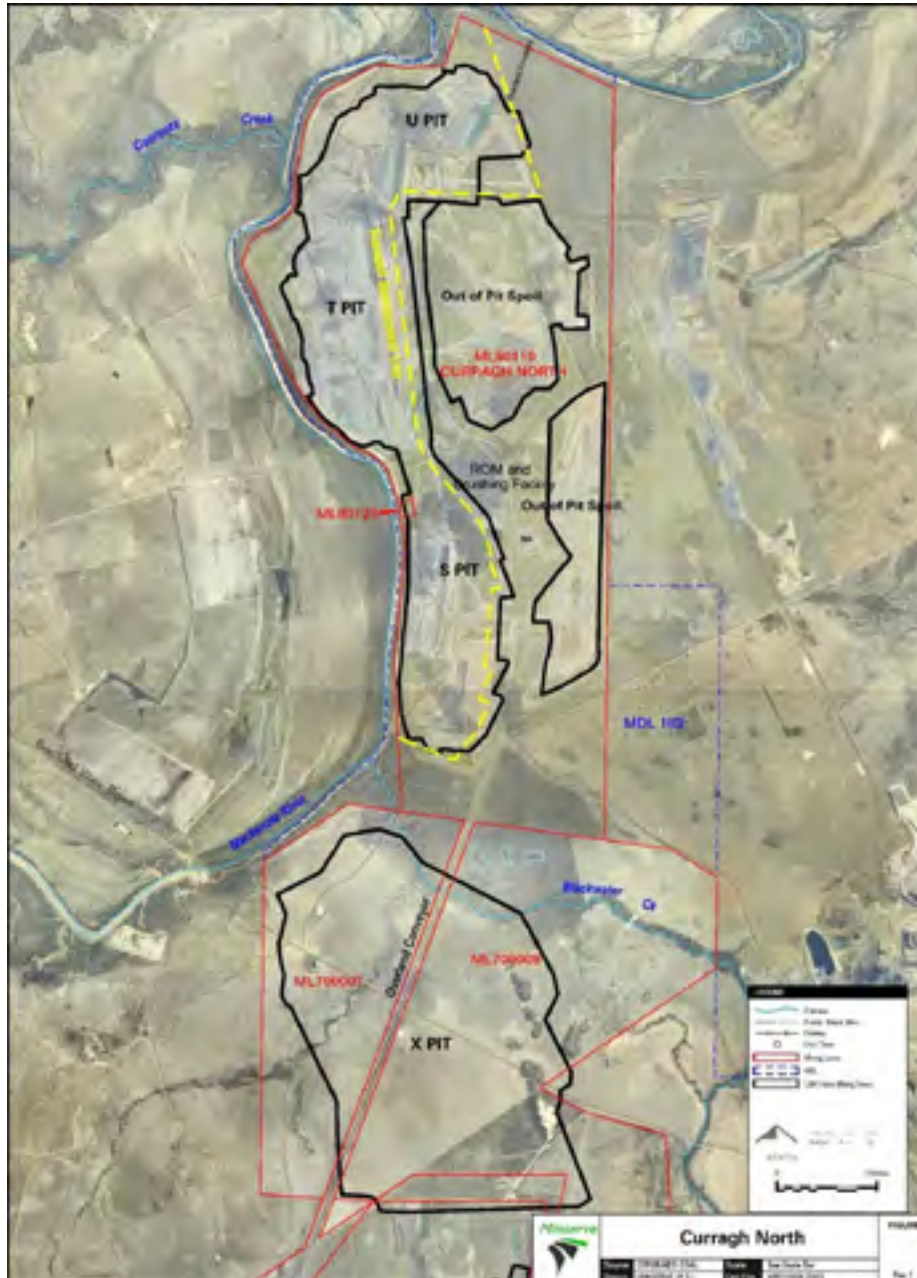
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One of the features of both mining areas in Curragh North is that the strike length for the draglines is relatively short due to the strategy adopted by Wesfarmers to focus mining in high grade areas. This led to some inefficiencies in the low-cost removal of waste by draglines in comparison to other mines in the Bowen Basin and an increase in the use of truck and shovel operations for waste removal. There have previously been issues with draglines standing down due to insufficient space for ongoing operations.

Xstract understands that Coronado is investigating options to increase dragline strike length, dragline efficiencies and change the dragline operation method. Xstract consider there is reasonable potential to improve waste tonnages moved by draglines and hence lower the future mining costs.



Figure 9.2 Curragh North layout



Source: Minserve

9.3 Curragh East mine

Curragh East is split into numerous smaller mining areas pre-dominantly EDD Pit and F Pit (see Figure 9.3).

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F Pit waste is mined with a dragline (M8200) and a fleet of trucks and excavators. EDD Pit is mined by the larger dragline (M8750) along with an electric rope shovel and a fleet of Ultra size haul trucks, as well as a fleet of truck and excavators.

The main economic seams in Curragh East are the Cancer, Aries Upper and Lower, Castor Upper and Lower, and Pollux Lower and Pollux Repeat seams.

Currently, CCPL's draglines are owner operated throughout the mine while pre-stripping with the electric shovel and ultra-size haul trucks is contracted out to Thiess. Most of the other waste operations are contracted out to Goldings Contractors Pty Ltd ("Goldings"), including coal mining.

Similar to Curragh North, the Curragh East dragline strike length is relatively short due to the strategy adopted by Wesfarmers to focus mining in high grade areas. This had led to similar issues with lower efficiencies of the draglines and increase stand down times. Xstract understands that Curragh has recently increased the strike length of dragline DL303 in Pit EDD.

Xstract understands that Coronado are investigating options to increase dragline strike length and dragline efficiencies.



The map displays the Curragh area, including the Curragh River and surrounding land. Key features include:

- Pits:** A through Z, with labels like 'D PIT', 'E PIT', 'F PIT', 'G PIT', 'H PIT', 'I PIT', 'J PIT', 'K PIT', 'L PIT', 'M PIT', 'N PIT', 'O PIT', 'P PIT', 'Q PIT', 'R PIT', 'S PIT', 'T PIT', 'U PIT', 'V PIT', 'W PIT', 'X PIT', 'Y PIT', 'Z PIT'.
- Infrastructure:** Roads (e.g., 'Curragh Road', 'Curragh Highway'), railways (e.g., 'Central Western Line'), and bridges (e.g., 'Curragh Bridge').
- Administrative Boundaries:** Shown as red and blue lines, with labels like 'MDL 100', 'MDL 102', 'MDL 104', 'MDL 106', 'MDL 108', 'MDL 110', 'MDL 112', 'MDL 114', 'MDL 116', 'MDL 118', 'MDL 120', 'MDL 122', 'MDL 124', 'MDL 126', 'MDL 128', 'MDL 130', 'MDL 132', 'MDL 134', 'MDL 136', 'MDL 138', 'MDL 140', 'MDL 142', 'MDL 144', 'MDL 146', 'MDL 148', 'MDL 150'.
- Other Labels:** 'Curragh', 'Blackwater', 'Curragh South', 'Curragh West', 'Curragh East', 'Curragh External', 'Curragh Internal', 'Curragh North', 'Curragh South', 'Curragh West', 'Curragh East', 'Curragh External', 'Curragh Internal', 'Curragh North', 'Curragh South'.

A legend in the bottom right corner provides a key for the symbols used on the map, including roads, railways, and other features. The map is oriented with North at the top.

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10 Mine Plan

10.1 Mine Plan and Schedule

10.1.1 Mine Life

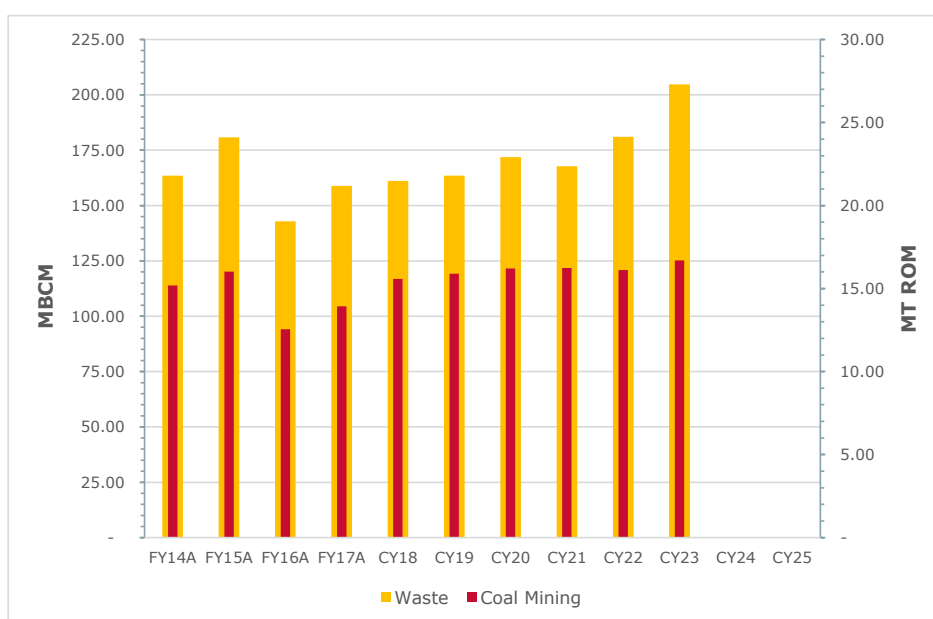
The current Coal Reserves, as at 30 June 2017 (refer Table 7.4) have a scheduled mine life to 2031, which includes coal from both X Pit and Z pit. Coronado is in the process of developing their own Coal Reserve estimates.

10.1.2 Mine Plan

Figure 10.1 shows the historical annual ROM coal and waste production for the last three years, in addition to the forecast production plan to 2023. Mine ROM production is forecast to increase from the current 15.6 Mtpa to 16.7 Mtpa in 2023. Considering historical performance (which was affected by the decline in coal prices in FY16, a change in strategy by Wesfarmers and subsequent acquisition by Coronado), Xstract considers the 16.2 Mtpa (CY20, CY21, CY22) represents an achievable target over the medium term. Xstract is of the opinion that the 16.7 Mtpa in 2023 is a stretch target and will require close management guidance and effective mine planning to ensure this level of production is achieved.

Waste excavation gradually increases by 14% until CY2023, as strip ratio increases.

Figure 10.1: Curragh historic and forecast production breakdown

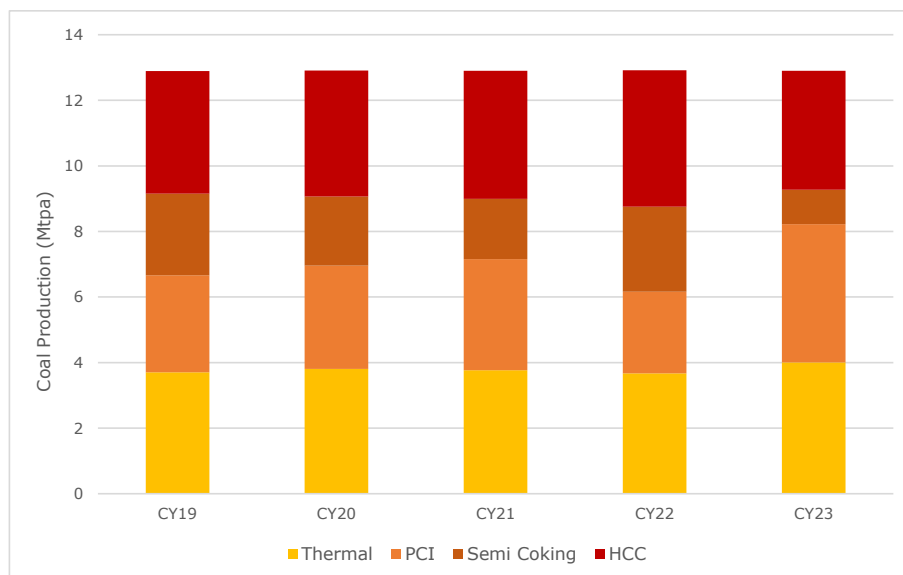


Source: Curragh

Figure 10.2: Curragh historic and forecast production breakdown

Figure 10.3 shows annual forecasted marketable coal production until CY23 by coal product (hard coking coal, semi coking coal, PCI and thermal).

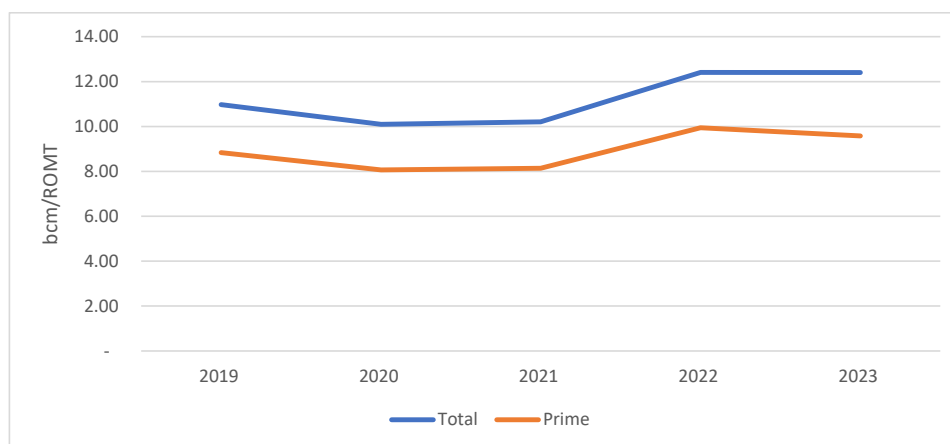


Figure 10.3: Annual marketable coal showing product split

Source: Curragh

10.1.3 Historical and forecast operating statistics

In most Australian opencut coal mining operations, the ratio of waste excavation to coal mining is critical to the overall cost efficiency of the mine. Combined strip ratios for Curragh North and Curragh East from 2019 to 2023 are forecast at around 8.9 bcm (prime)/t ROM (refer Figure 10.4). In Curragh's operations, it is therefore important to consider historical efficiency of the major items of equipment operating in the waste removal.

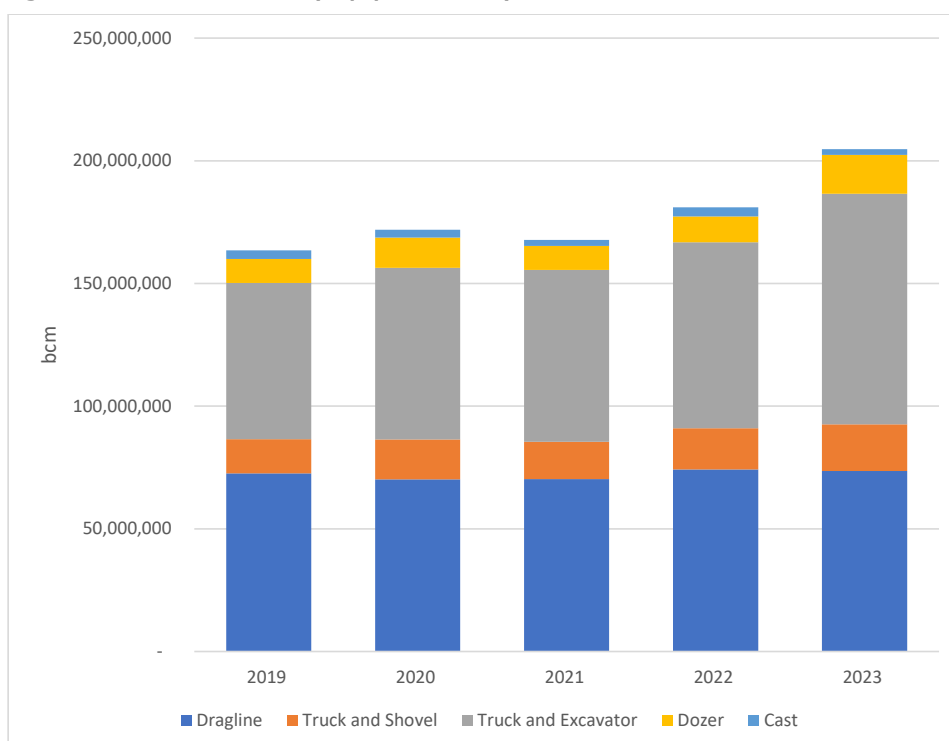
Figure 10.4: Forecasted ROM strip ratio

Source: Curragh

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Open pit operations at Curragh North and Curragh East are expected to remain as predominantly truck and shovel operations with dragline operations assisting. Recent historical production shows that truck and shovel operations at Curragh remove over 52% of the prime overburden, while forecasted production by truck-shovel is over 65% (Figure 10.5). The historical combined dragline annual operating hours for FY14 to FY17 are approximately 5,800 annual operating hours, which is a low utilisation for draglines compared to other third-party dragline operations in the Bowen Basin. Forecasted performance shows a slight increase in annual hours for each of the four draglines used at Curragh, relative to historical performance. Analysis shows that these proposed improvements actually stem from reductions in equipment downtime, which represent an increase in equipment availability.

Figure 10.5 Waste movement by equipment activity



Source: Curragh

Whilst the forecast annual dragline operating hours are just under 6,000 hours, Xstract considers there are opportunities to improve the utilisation of the dragline. There are currently numerous Bowen Basin mines successfully operating draglines at over 6,400 operating hours annually.

Truck and excavator operations at Curragh are operated by contractors and historically have been below average rates for other similar operations in the Bowen Basin. CCPL is forecasting an improvement in truck and shovel operations through greater utilisation and better planning, which appear reasonable.

The historical productivity associated with the electric shovel production of approximately 12.5 million bank cubic metres ("Mbcm") is well below the capability of the machine. CCPL



is forecasting to significantly improve electric shovel productivity going forward relative to past performance through improved utilisation and planning. Current shovel productivity is around 5,300 hours, whilst CCPL is forecasting rates around 6,400 hours.

Xstract notes that productivity improvements occur over the next two to five years and require close management supervision to ensure these improvements are achievable.

11 Coal processing

11.1 General Description

The Curragh Coal Handling and Processing (“CHPP”) facilities consist of two separate coal processing plants (“CPP”) with the initial processing plant commissioned in 1984 and the second commissioned in 2012. The processing facilities have been integrated via a system of conveyors and bins to provide the flexibility to process feed streams from both the Curragh East and/or Curragh North operating mines in either processing facility.

A common product stacking and reclaiming system enables the final products to be loaded onto trains before being railed to either the Port of Gladstone or to the Stanwell Power Station receiving facility.

11.2 Surface Layout

The aerial view in Figure 11.1 outlines the proximity of the two coal preparation plants (CPP1 and 2) and the location of the Curragh North overland conveyor, Curragh East ROM stockpile and crushing system, raw coal handling facilities, product handling facilities, reject bin, train load out system and the related surface infrastructure.

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Figure 11.1: Aerial view of CHPP facilities and associated infrastructure



Source: Curragh

11.3 Raw coal handling

The 22 km overland conveyor from Curragh North is an integral component of the coal transportation and logistics system at Curragh operation. The two ROM systems are important features of the mine operations to ensure blending of the ROM coals for the CPPs. A series of conveyors, a ROM crushed stockpile and small ROM bins allows flexibility in the operations of the two CPPs, however this flexibility comes at a cost to the operation in terms of complexity and increased maintenance costs.

11.4 Coal Processing

11.4.1 CPP1

CPP1 is the oldest of the two processing plants and has a documented nameplate capacity of 1100 t/h (as received)

The CPP processes the 32mm x 0.7 mm fractions through a 2-stage dense medium cyclone ("DMC") circuit operating in a low density / high density configuration to produce a low ash primary and a high ash secondary product respectively.

The primary cyclone underflow has the functionality to bypass the secondary DMC circuit and report directly as a secondary product.



The minus 0.7 mm fraction is directed to a Jameson cell flotation circuit for processing. The concentrate from the flotation circuit is pre-thickened via classifying cyclones before reporting to horizontal belt vacuum filters and screenbowls for further dewatering prior to being conveyed to the primary product conveyor. The classifying cyclone overflow is directed to a coal thickener, where the thickened product material is then combined with the horizontal belt vacuum filter feed.

During recent times, a program was established to replace the aging vibrating screens within the plant. Screen component failures are said to be high and realise an impact to the available plant operating hours. Further investigations are required to be undertaken to identify the cause of the failures. Similar problems have been experienced previously in the coal industry with the likely short-term solution having a negative impact to the plant throughput rate.

11.4.2 CPP2

CPP 2 has a documented nameplate capacity of 1200 t/h (as received) with a capability of up to 1350 t/h when processing selected feed types.

CPP2 largely mirrors CPP 1 with the following exceptions.

- Raw coal screens have been installed as an option to separate the plant feed material into a plus and minus 12 mm size fraction. This functionality directs the higher ash, coarse fraction directly to the secondary dense medium circuit reducing the circuit loading of the primary circuit.
- A spirals circuit has been included in the plant to reprocess the flotation tailings stream. The product stream from the spirals circuit is directed to a splitter box which allows the recovered product to be diverted to either the primary product or secondary product streams via the screen-bowls or fine coal centrifuges respectively.

The functionality of screening the minus 12 mm fraction in CPP 1 has been removed from the original 2004 CPP upgrade and the provided functionality in CPP 2 is said to be used infrequently.

Test work data undertaken on the performance of the flotation retreat circuit using spirals in CPP 2 has demonstrated an average increase in plant yield of between 2 to 3%. A capital upgrade program is nearing completion (4th quarter 2018) to retrofit a similar flotation retreat circuit to CPP1. The remaining capital requirement of AUD7.5M to complete the installation has been committed and to be expended by the close of CY18.

11.5 Coal Products

The plant will produce metallurgical coal products through the primary processing circuit targeting 7% and 9% ash coking and PCI coals with a small amount of 12.5% ash PCI produced through the secondary processing circuit. The secondary processing circuit will typically produce thermal coals targeting product ash in the range of 12.5% to 17%.

Final blending to marketable product specifications is undertaken to meet individual customer requirements with the typical marketable coking coal products produced ranging from low-ash, hard coking coal to mid-ash semi-hard coking coal, and a variety of low-volatile PCI products ranging from low to high ash. Some small tonnage of export thermal coal is also produced.

Typical metallurgical coal product specifications are shown in Table 11.1.

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Table 11.1: Average metallurgical coal product specifications.

Coal Property	Units	Hard coking coal	Semi-hard coking coal	PCI
Moisture (adb)	%	1.5	1.5	1.5
Ash (adb)	%	7.0 - 7.6	9.0	9.0 - 12.0
Volatiles (adb)	%	19.5 - 21.0	19.0	~18.0
Fixed carbon (adb)	%	~72.0	70.5	~68.0 - 71.5
Total sulphur (adb)	%	0.48	0.52	0.45 - 0.50
Phosphorous (in coal)	%	0.050	0.050	0.045 - 0.050
Gross CV (adb)	kcal/kg	-	-	7,380 - 7,700
Gieseler maximum fluidity	ddpm	20 - 100	5	-
Crucible swell number	#	7.0 - 8.0	5.0 - 6.0	-

Total Moisture is 9.0% to 9.5%

Source: Curragh

The approximate total product split until 2023 is shown in Table 11.2.

Table 11.2: Average Curragh coal product split until 2023

Product	Proportion of total product coal
Hard coking coal	30%
Semi coking coal	16%
PCI	25%
Thermal	29%

Source: Curragh

11.6 Product Handling

Product coal is stockpiled on to either the primary or secondary product stockpiles. Two stockpiles of approximately 190,000 t each are available for metallurgical and steaming coal products.

Multiple stockpiles of differing quality can be built on the overall stockpile footprint and reclaimed discretely by means of the 4400 t/h bucket wheel reclaim system.

The two installed product stackers have the capability to slew 180° and stack to an emergency stockpile area. The emergency stockpile area is not able to be recovered by the bucket wheel reclaimer and must be relocated by truck and front-end loaders.

11.7 Train load out

The processed coal is loaded onto trains via a single dedicated bucket wheel reclaimer which loads two 580 t capacity bins, designed to load both thermal and metallurgical coal. In an emergency, there is a dozer push loading system in place should there an electrical outage at the mine site, which reduces the risk of train loading system.



11.8 Reject and Tailings

Coarse reject is conveyed from each CPP to a common reject bin for collection by mine trucks and deposited in the allocated reject dump, as capping material for the tailings dam or as part of the rehabilitation process.

Flotation tailings material is passed through thickening cyclones with the underflow directed to a fine coal dewatering screen for dewatering. The screen overflow is combined with the coarse reject material and conveyed to the reject bin.

The remaining flotation tailings material from either CPP is directed to dedicated tailings thickeners with the underflow pumped to the TSF. The LOM TSF is currently a project in progress assessing the use of the void at Pit B.

Water recovered from the in-pit TSF is included as part of the site water balance model and is reused within the site to offset the volume of purchased raw water.

11.9 Operating Performance

The two processing plants have a nominal nameplate throughput capacity of 2300 t/h on a combined basis. Applying the nominal throughput capacity with industry standard practice of 6500 – 7000 operating hours per annum the range of achievable operating plant throughput would be as follows.

Table 11.3: Operating performance of processing plants

Nameplate Feed (t/h)	Operating Hours (t/annum)	Plant Throughput (t/a)	Forecast Yield (%)	Total Processed Product (t/a)
2300	6500	14,950,000	78	11,661,000
2300	7000	16,100,000	78	12,558,000

Source: Curragh

Historical operating performance indicates that the combined facilities have achieved a maximum processed throughput of 15.2 Mtpa in recent years and would require further increases in utilised hours to be achieved to exceed this value.

The ability to bypass selected raw feed material directly as a thermal product is considered an accepted site practice and where quality shortfalls are realised can be blended with washed thermal product to achieve the required product specification and the required annual product volumes.

11.10 Operations and maintenance

The responsibility for the operation and maintenance of the CHPP is conducted by separate operations and maintenance departments on the basis of 24-hour, 7 day per week coverage.

The CHPP operations team has five crews of 10 operators supplemented by shift supervisors engaged on a 5-panel roster and control the processing operations from the Curragh North ROM bin, Curragh East ROM bin, CPP 1 and 2 stockpile stacking and tailings dam emplacement.

The Curragh maintenance teams are further supplemented during normal operations from Monday to Friday by contract maintenance staff. Contract tradesmen are engaged to undertake conveyor inspections, blast and paint services and standard maintenance tasks.

Additional contract trades are engaged for maintenance shutdowns with the number dependent upon the tasks to be completed.



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11.10.1 Structural Integrity

Structural audits were undertaken in 2014 on all areas of the CHPP. A total of 877 areas were identified as being of significant or high risk in the report with CPP 1 and the Curragh East ROM wall featuring heavily. Curragh has recently employed a Structural Engineer to manage future works, structural audits and inspections.

Estimated rectification costs were generated post the audit, with a total value of AUD10 million forecast for corrective works but with a disclaimer that further works may be identified as preliminary corrective actions are undertaken.

Corrective works have commenced but it is considered that a resource loaded schedule be developed to outline the duration required to rectify completion of the high-level risks.

12 Equipment and employment

12.1 Curragh

12.1.1 Equipment

Curragh owns and operates four Marion electric draglines. The Marion 8750 Super in operation at Curragh North is one of the world's largest draglines with a 114 cubic metre bucket. There are two Marion 8200 draglines and another 8750 refer to Table 12.1.

Table 12.1: Summary of electric draglines

Machine	Dragline 1	Dragline 2	Dragline 3	Dragline 4
Make	Marion	Marion	Marion	Marion
Model	8200	8200	8750	8750 Super
Year Acquired	1983	1983	1985	1992
Capacity (million bank cubic metres per annum)	18	18	23.5	25.5

Source: Curragh

A list of the major mining equipment on site, along with the average age of each equipment type, is shown in Table 12.2.

Table 12.2: Summary of key Curragh mobile fleet

Equipment Type	Number	Average hours
Buycyrus 495HR rope shovel	1	6 years old
Hitachi EX5600 Excavator (leased)	1	-
Hitachi EX3600 Excavator	1	63,830
Hitachi EX2500 Excavator	1	54,047
Liebherr R9350 Excavator	1	47,719
Komatsu 730E Rear Dump	15	35,134
Komatsu 785 Rear Dump Trucks	7	23,420
Caterpillar 776G Coal Haulers	2	7,690
Caterpillar 777D Water Truck	1	44,948
Komatsu HD785 Water Truck	3	37,714
Komatsu 830E Equipment Float	1	9,051
Komatsu HD785 Equipment Float	1	33,320



Caterpillar D11 Track Dozer	10	37,788
Caterpillar D10 Track Dozer	5	33,318
Komatsu WD900 Wheel dozer	1	28,413
Caterpillar 16M/H Grader	4	42,291
Caterpillar 24M Grader	2	23,931
LeTourneau L-1850 Front End Loader	2	48,709
LeTourneau L-950 Front End Loader	1	19,893
Komatsu WA380 Front End Loader	1	7,892
Drill Fleet (contractors)	5*	

Source: Curragh

* This is flexible depending on drill and blast requirements

12.1.2 Employment

As of 30 June 2017, 417 people were employed by CCPL at the mine site, including 57 employees located in Brisbane which comprise management, marketing, corporate and support services employees.

Employees predominantly are engaged on Dragline operations, CHPP operations and maintenance of the dragline and CPP's, as well as management of the operation.

In addition to CCPL employees, there are between 1,300 and 1,400 contractors supplementing the permanent workforce, all based at Curragh, depending on the maintenance shutdowns and project requirements. Contractors currently operate all waste removal apart from that that excavated by draglines. Contractors assist with maintenance of Curragh's mobile equipment and supplement maintenance on the CHPP.

There are three mine camps operated by Curragh, accommodating the large number of contractors on site.

The majority of Curragh's employees live in accommodation provided by Curragh in the nearby town of Blackwater, a regional township with a population of 7,000.

13 Management and industrial relations

During the review, Xstrat's project team were in regular contact and held numerous discussions with all levels of CCPL's management. Since Coronado completed the acquisition of the Curragh mine in March 2018, the majority of the operational management team has been re-employed, which has provided continuity in the management of the operations. Based on its interactions to date, Xstrat is satisfied that CCPL has established a capable management team at Curragh, that the mine management understands the key drivers and risks at the mine and have developed credible systems and operational plans to manage the mine effectively. In restructuring the mine, Coronado has established a technical services group, which coordinates life-of-asset ("LOA") mine planning and comprises of geological, mining engineering and environmental management.

The majority of the wages workforce is unionised, belonging to one of three of the major Australian unions; the Automotive, Food, Metals, Engineering, Printing and Kindred Industries union ("AMWU"); or Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia ("CEPU"); or the Construction, Forestry, Mining and energy union ("CFMEU").

The current union collective enterprise bargaining agreement ("EBA") in place is currently being negotiated as it is due for renewal in July 2018. These collective agreements are



negotiated with unions and other employee representative organisations from time to time. The collective agreements establish and set the terms and conditions of employment of the employees covered by the collective agreements. Curragh has a stable industrial relations climate and has not had any major industrial actions for over 15 years.

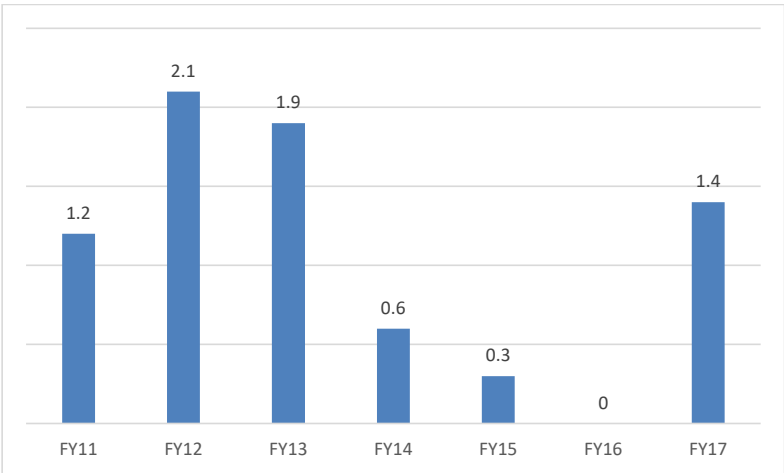
14 Health and safety

Xstract understands that an executive safety committee sets health and safety management policy within Curragh. Direct health and safety responsibility rests with the line management and, as is essential in the effectiveness of any system, relies on workforce involvement.

Safety performance in the last few years at Curragh has steadily improved. Figure 14.1 and Figure 14.2 Curragh’s Lost Time Injury Frequency Rate (“LTIFR”) and Total Recordable Injury Frequency Rate (“TRIFR”). The lost time injury increased in 2017 due to five separate LTI’s. The TRIFR results are primarily a result of the reduction in recordable injuries, which is a good result and the preferred outcome from safety initiatives.

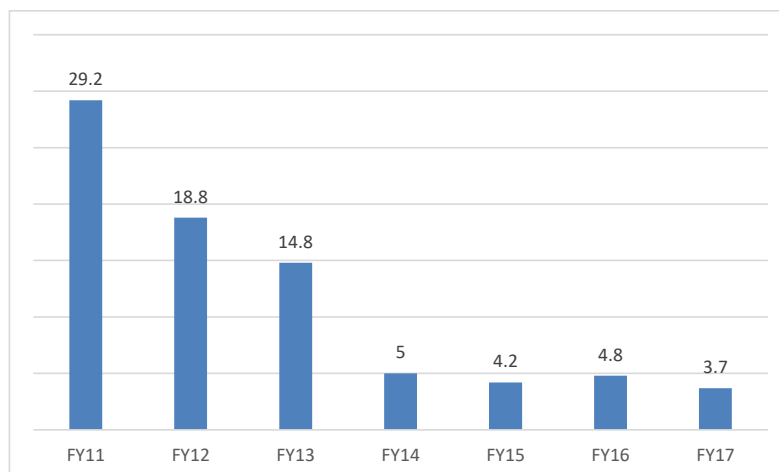
During Xstract’s site visit, safety was observed to be at the forefront of the operation and is reflective of the safety culture that exists.

Figure 14.1: Curragh LTIFR



Source: Curragh



Figure 14.2: Curragh TRIFR

Source: Curragh

15 Infrastructure and transportation

15.1 Water

The Curragh operations (including Curragh's coal processing facilities) receive water from two main sources:

- Through a supply agreement with Sunwater Ltd ("Sunwater") from the Bedford Weir and Fairburn Dam
- Additionally, process water is sourced from pollution control dams and old pits capturing rainfall and dewatering activities

Curragh is entitled to draw 3,220 ML per annum through an offtake agreement with SunWater. By recycling, CCPL can reduce the purchase of water to be significantly less than the total water usage of the mining operation.

CCPL's 2025 plan for Curragh suggests that the water required to carry out mining operations can be met by the current system.

15.2 Power

Curragh has a dedicated 66kv power supply to support mining operations with a capacity of up to 57MW sourced from the main grid power. The substation is located on the southwest corner of the lease and multiple 22kV distribution network supplies the draglines, shovel and CHPP. Xstract is aware the site completed an upgrade to the site electrical system in 2015.

CCPL's forecast plans suggests that the power required to carry out mining operations can be met by the current system.

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15.3 Roads

The entire Curragh operation is easily accessible from an established national road connecting Emerald and Rockhampton and serviced by well-established electrical infrastructure. A network of haul roads and ramps connect the various working areas.

15.4 Rail

The Curragh operation is linked to the main Blackwater rail link to Port of Gladstone’s RG Tanna Coal Terminal (“RG Tanna”) and Wiggins Island Coal Export Terminal (“WICET”) coal terminals by a dedicated rail loop balloon with a Marketable Coal capacity of 14 Mtpa (see Figure 15.1). Train capacity averages 8,400 tonnes at a loading capacity of 4,400 t/h with an average 28 trains loaded every week (with capacity up to 36 trains).

15.4.1 External rail

Curragh’s location is at a distance of 300 km to the Port of Gladstone for export to predominantly Asian markets. Under an existing agreement, CCPL has the right to rail up to 10.0 Mtpa, plus surge of rail capacity on the Blackwater system. This network is operated by Aurizon and links Central Queensland mines from the Bowen Basin to two export terminals at the Port of Gladstone – RG Tanna and WICET, under two long term rail haulage agreements with Aurizon.

Domestically, Curragh’s steaming coal is railed 160 km to the Stanwell Power Station near Rockhampton. Under the Stanwell Coal Supply Agreement, Stanwell is responsible for the transport of the volumes to the power station and pays for the railings costs.

Figure 15.1: Blackwater rail line operated by Aurizon



Source: Aurizon Website



15.5 Port

The Curragh export coal is shipped either from RG Tanna or WICET terminals at Gladstone. Curragh saleable coal is blended at the port to optimise proceeds and meet the market requirements.

There are agreements in place to around 8.6 Mtpa with exports from RG Tanna and a take or pay agreement with WICET for 1.5Mtpa.

16 Environment

16.1 Introduction

Coal mining operations in Queensland are subject to both Federal and State environmental laws and regulations. These regulations are implemented at the Federal level (via approval under the *Environment Protection and Biodiversity Conservation Act 1999*) administered by the Department of Environment and Energy, and at the State level (via approval under the *Environmental Protection Act 1994*) and administered by the Department of Environment and Science.

Environmental issues (such as water quality, air quality, dust impact, noise impact and land rehabilitation) that are specific to a particular coal mining operation are governed by State environmental approvals that detail conditions relating to such things as air quality, noise and vibration limits, water quality and release limits, waste storage or disposal, and land use and rehabilitation.

There may also be conditions applied under an EPBC Act approval, relating to Matters of National Environmental Significance. Australian state governments require coal companies to post deposits or give other financial security on the land which is being used for mining and exploration, with those deposits being returned or security released after satisfactory rehabilitation is completed.

16.2 Legislative Status

16.2.1 Summary

- Correspondence dated 29 May 2018 from the Queensland Department of Environment and Science (“DES”) has been received to confirm the Environmental Authorities (“EA”) EPML00643713 for 14 MLs, EPV00635313 for MDL162, EPS00039913 for MDL328 and EPS0038913 for MDL329 have been issued and are in the name of Coronado Curragh Pty Ltd.
- The relevant Commonwealth approvals “controlled actions” for the project have been obtained. See Section 16.2.3.
- Management Plan of Operation (“POO”) and the Financial Assurance (“FA”) required by the approvals are in place.
- There have been no major breaches with the operating permits and licences, as identified via a limited site inspection and a review of the documents made available for the purposes of conducting an Environmental Site Assessment. Annual Return Notices for MDL 162, MDL 328 and MDL 329 for period 8 May 2016 to 7 May 2017 state full compliance. Annual return for EPML00643713 for period 31 May 2016 to 30 May 2017 state full compliance was not achieved and data had been provided to the administering authority. Annual return notice for period 31 May 2017 to 30 May



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2018 nominates Coronado Curragh Pty Ltd to receive annual returns and states that the site has fully complied with all the conditions of the environmental authority for the reporting period.

- There are no outstanding compliance actions of material standing.

An historic Transitional Environmental Program ("TEP") was issued for the site from 2012-2015 to address surplus water and site releases. This matter is now closed. There are no material issues relating to environmental compliance, cultural heritage, native title or social issues relevant to the CCM operations.

16.2.2 Queensland Legislation

The *Environmental Protection Act 1994* (Qld) ("EP Act") is the main piece of environmental legislation in Queensland. It regulates activities that are likely to have impacts on the environment, referred to as "environmentally relevant activities" ("ERA"). Carrying out mining activities is an ERA.

Of relevance to mining activities, the EP Act states that:

- All mining activities are to be carried out in compliance with the conditions of an EA and an associated Plan of Operations;
- There are a number of offences, including to prohibit activities that:
 - cause unlawful environmental harm;
 - breach the general environmental duty, which prevents the carrying out of any activity that causes, or is likely to cause, environmental harm unless all reasonable and practicable measures to prevent or minimise that harm have been taken;
 - breach conditions of an EA;
 - result in the deposition of a prescribed contaminant in an unlawful way; and
 - failure to notify an environmental incident.
- Deems that executive officers (broadly defined) of a company commit an offence in circumstances where the company has committed an offence;
- Requires as a condition on almost all EAs for mining activities that a FA, which may be in the form of cash or a bank guarantee, be deposited with the Queensland Government in the amount determined by the DES to reflect the likely rehabilitation cost for the site; and
- Allows remediation and rehabilitation costs to be passed to "related persons" of an operating company that fails to meet the costs.

Registered Suitable Operator

A search of the DES Suitable Operator Register on 7 June 2018 indicated that Coronado Curragh Pty Ltd has been registered as being suitable to carry out an ERA under the EP Act.

Environmental Authority

Coronado Coal Pty Ltd is the principal and sole holder of environmental authority EPML00643713, which authorises the mining operations for Curragh operations. Correspondence dated 29 May 2018 from DES confirms EPML00643713 for 14 MLs, EPV00635313 for MDL162, EPS00039913 for MDL328 and EPS0038913 for MDL329 are in the name of Coronado Curragh Pty Ltd.



There is a current Plan of Operations for the period 2016 to 2018. An amended Plan of Operations was submitted to DES on 22 May 2018 and was finalized on 28 June 2018 with confirmation of a final financial assurance calculated at AUD279.7M.

The DES EA register (accessed 7 June 2018) indicated that the following EA's are in place for the following tenements:

- MDL 328 (EPSX00038813) and MDL 329 (EPSX00038913) EA's have standard Environmental Conditions Code of Environmental Compliance for Exploration and Mineral Development Projects (dated January 2001, Version 0, now superseded). Any amendment or commencement of activities would require negotiation of different conditions.
- EA for MDL 162 (EPVX00635313) has some variations to the standard conditions of Code of Environmental Compliance for Exploration and Mineral Development Projects 31 March 2013 (Version 1.1). Disturbance areas are restricted to <1000m² in any location. Any amendment or commencement of activities would require negotiation of further variation to conditions.

The EA conditions are not considered a material issue as approvals currently exist and amendments and variations can be granted via an administrative process.

16.2.3 Commonwealth Legislation

Commonwealth Government approval under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) ("EPBC Act") is required where proposed activities constitute a 'controlled action'. This depends on whether or not the activities are likely to have a significant impact on matters of national environmental significance ("MNES").

EPBC Submissions and Approvals

The Commonwealth environmental approvals required for the Curragh Project have been secured for the relevant mining activities and areas. Applications have been made sequentially as expansions and changes have been developed, as shown in Table 16.1

Table 16.1: Applications

Title	Reference	Date of Decision	Decision	Expiry
Original Mine Referral	2001/276	6 June 2001	Not a controlled action	NA
Curragh North	2003/1096	14 April 2004	Controlled Action	13/4/2056
Blackwater Creek Diversion and Coal Mine	2007/3925	25 July 2007	Controlled Action	2030 (no day or month)
Curragh North Pit U	2010/5458	12 July 2010	Particular Manner	NA
Curragh West	2011/6187	20 December 2011	Particular Manner	NA
Curragh Extension Project	2015/7508	1 November 2016	Controlled Action	31/11/2046

Source: Curragh



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An Independent Audit of Compliance against the conditions of approval for 2003/1096 and 2007/3925 was conducted in September 2017, identifying a number of non-compliances requiring action. These related to matters relating to reporting and have either been completed and/or addressed. No items raised would be considered as a material issue.

The action subject to 2015/7508 relating to the Curragh Extension Project has not yet commenced.

The POO for the period 2016 to 2018 cites a life of mine up to 2038, which would trigger variations and/or extensions to EPBC (2007/3925) and potentially the Offset Deed associated with the conditions of that approval.

The EPBC Approval is not considered a material issue as extensions can be granted via an administrative process.

16.3 Environmental Setting

16.3.1 Physical Setting

The primary land use within the Curragh area is low intensity cattle grazing on thinned natural vegetation with some small areas used for dryland cropping. Historically, the existing vegetation was largely cleared for agricultural purposes with the exception of some remnant vegetation located along Mackenzie River, Blackwater Creek and their tributaries. The use of the surrounding area includes coal mining and low intensity cattle grazing.

The Regional Planning Interests Act 2014 (Qld) ("RPI Act") regulates competing land use activities on farming land. The RPI Act identifies parts of Queensland that are of regional interest, including strategic cropping areas and strategic environmental areas. Under the RPI Act a resource activity must not be carried out without a regional interests' development authority in an area of regional interest, such as a strategic cropping area, unless operating under exemption.

Pre-existing mining activities being undertaken at the time of introduction of the legislation, are exempt and as such the established Curragh mining activities, namely; Curragh North and Curragh East, are exempt.

Subsequent to introduction of the RPI Act, approval to mine under the RPI Act has been obtained for MLs 80171, 700006, 700007, 700008 and 700009.

16.3.2 Operations

Standard environmental management practices for central Queensland coal mines are applied at the Curragh operations. CCPL has systems, procedures and controls in place to address any environmental and cultural heritage risks or incidents as they manifest. There have been no environmental issues reported that would result in a material impact on the site.

The Curragh operations have an incident reporting and investigation process on site. This includes procedures in place to report and investigate incidents and statutory reporting to Department Environment and Science (DES, previously Department of Environment and Heritage Protection ("DEHP")) which has occurred. Where required, remediation actions are implemented and subsequently monitored, with progress reports sent to DES, as required.

A number of incidents have been reported, with two Penalty Infringement Notices issued by DEHP (now DES) in 2013 relating to a diesel spill of 88,000 litres and in 2016 relating to overflow of water. In 2017, approximately 25,000 litres of diesel spilled in an active pit area from a damaged drain valve in a fuel truck. The impacted area has been remediated.



There was a small tailings line spill in September 2017 which was reported to DEHP (now DES) and confirmation from DEHP was received in October 2017 noting that no further action was required due to the level of impact, notification was received and no recent prior similar non-compliances.

It was verified during the conduct of the Ardent Group Due Diligence – Environmental Site Assessment (“ESA”) that spills have been contained on site and no environmental harm has been caused. There are procedures in place to report and investigate incidents and statutory reporting to DEHP (now DES) has occurred. Where required, remediation actions are implemented and these are monitored, with progress reports sent to DEHP (now DES), as required.

All hydrocarbon tanks and storages areas are bunded and designed in accordance with Australian Standard AS1940. An external compliance audit of hydrocarbon tanks and storage areas against AS1940 is undertaken on a biennial basis (report not sighted). Chemical and fuel storage on site appeared appropriate. Systems are in place for routine checks and maintenance. Procedures are in place for reporting and management of incidents.

Waste is managed via Curragh waste management plan. Actions are being undertaken to improve waste management processes. Three sewage treatment plants are in operation for the industrial and accommodation facilities. These Sewage Treatment Plants (“STP”) are checked and maintained by qualified and experienced operators. Treated water is recycled.

No major environmental issues of concern have been identified that would result in a material impact on the Curragh operations.

16.3.3 Water

The Curragh coal mine is located to the east and south of the Mackenzie River. Minnie Creek, adjacent to the mining operation, flows into Blackwater Creek which in turn flows into the Mackenzie River downstream of the Bedford Weir. The Mackenzie River ultimately flows into the Fitzroy River. Both Minnie Creek and Blackwater Creek are naturally ephemeral.

Blackwater Creek has been subject to extensive diversions around the Curragh mining operations. Regular monitoring and stabilisation of this diversion occurs.

Four regulated dams are currently in operation with a plan to establish a regulated dam at the Dam B TSF. This will be subject to similar legislative requirements that apply to the existing regulated structures.

Levees have been constructed to prevent ingress of the Mackenzie River and the Blackwater Creek floodwaters to active mining areas. Levees are designed as regulated structures and have certified designs, annual assessments and annual inspections conducted by suitably qualified and experienced personnel.

Annual inspections are undertaken of the dams and levees in line with legislative requirements. The Ardent Group ESA report noted annual compliance inspection as conducted by RPEQ 12182 on the 4/10/16 of the regulated dams and levees on site. The 2017 Inspection of Regulated Dams and Levees Report dated 7 December 2017 noted that the water management operations at Curragh are undertaken in line with the site Water Management Plan (“WMP”) and actions that were raised in the previous annual inspection had largely been undertaken. Ongoing maintenance actions are required. These appear to be in line with standard items that would form part of the normal maintenance requirements for dams and levees at a coal mine in central Queensland.

Multiple water storage monitoring programs are in place and results are reported to the administering authority as a part of the EA requirements. There is also a Receiving Environmental Monitoring Program which monitors the conditions of waterways including the



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potential adverse environmental impacts from mine-affected water releases. Historically, some discharge limits have been exceeded during high rainfall events, however no environmental harm or adverse impacts to the downstream environment have been reported.

No material issues were identified in relation to water management at Curragh.

16.3.4 Groundwater

Groundwater monitoring programs are in place and results are reported to the administering authority as a part of EA requirements. Whilst there have been some exceedances, investigations have concluded that no environmental harm has occurred.

16.3.5 Ecology

Curragh includes three areas of Endangered Regional Ecosystems ("ERE") located on ML 80086 and ML 80110. These areas of conservation significance are associated with the Mackenzie River riparian vegetation and Brigalow growth located in various sections of the Curragh Project. Areas of conservation significance are clearly separated from mining activities to avoid disturbance.

16.4 Offset Requirements

State and Commonwealth approvals require offsetting for impact on environmentally significant habitats. The Curragh Project has three controlled action elements being Curragh North (2003/1096); Blackwater Creek Diversion and Coal Mine (2007/3925) and Curragh Extension Project (2015/7508). Each of these has an offset and/or environmental management area requirement.

The environmental management areas for Curragh North (109 ha) and Blackwater Creek Diversion and Coal Mine (66.3 ha) have been combined to be managed under the Consolidated Environmental Management Plan ("CEMP"). The maintenance and management of these 175 ha is an obligation that endures until performance targets are met. The CEMP indicates that BioCondition indicators will take between 15 to 30 years to be reached.

The Mount Flora Offset Area Management Plan (Rev 3, 4 March 2015) relates to the offset requirements of the conditions for (2007/3925) to compensate for the clearing of 220 ha of Brigalow ecological community associated with the development on ML80086. The offset deed has been executed and appears to have costs to date of approximately AUD1,250,000 and has a financial obligation until 2030 in the order of AUD187,500 per year rising at the annual rate of 3% until 2030.

The Curragh Extension Project (2015/7508) has a requirement for an offset management plan as a part of the controlled action decision (1 November 2016) and a further requirement for state related matters are included in Condition G24 Environmental Offset delivered for Table G2 (for ML700006, ML700007, ML700008 and ML700009).

The magnitude of the required offset is 79 ha, being Eucalyptus coolabah woodland on alluvial plains; 30.8 ha remnant vegetation within a defined distance of a watercourse; 1.3 ha essential habitat for Ornamental snake, 44.8 ha connectivity area. The details of offset arrangements reside in the EPBC referral decision conditions (2015/7508). Offsets relating to these ML's have not yet been undertaken, as this is not required until there is a plan to disturb these areas.

There are no additional offset requirements identified that could be considered a material impact on the Curragh operations.



16.5 Mine Rehabilitation

16.5.1 Rehabilitation and Financial Assurance

This report is based on the current laws with respect to rehabilitation and FA, however it should be noted that changes are imminent and noted in Section 16.5.2.

No rehabilitation areas at Curragh have been through the progressive rehabilitation certification process.

The FA currently held by the State of Queensland is AUD270, 140,133 in the form of a bank guarantee.

Decision notice dated 1 February 2018 from DES to Wesfarmers Curragh Pty Ltd noted a decision on the amount and form of the FA for Curragh relating to Plan of Operations amendment dated 12 January 2018 submitted to DES. It noted the total cost of rehabilitation was AUD270, 140,133 (excluding GST) to be paid for the period 1 July 2016 to 30 June 2018 in the form of a bank guarantee.

Draft Bank Guarantees in the name of Coronado Australia Holdings Pty Ltd on behalf of Wesfarmers Curragh Pty Ltd have been provided in respect of ERA's relating to EPML00643713.

As outlined in Section 16.2.2, an amended POO has been submitted. The potential FA increases to AUD279.7M, which is not considered a material impact on the Curragh operations.

16.5.2 Mineral and Energy Resources (Financial Provisioning) Bill 2018

The *Mineral and Energy Resources (Financial Provisioning) Bill 2018*, is expected to be enacted in late 2018.

Under this new Bill, all mines (including new Mining Licences) will be required to make a submission to DES, in respect of an Estimated Rehabilitation Cost ("ERC") for the mine site. The ERC must be determined using the DES approved ERC Calculator. ERC's are likely to be about 10% higher than current financial assurances, as the DES's new calculator intends to add a 10% Project Management cost.

Using this information, DES will set the ERC for the mine.

DES will provide the ERC to the Financial Provisioning Scheme Manager. The Scheme Manager will undertake a risk assessment of the mine/company, which will be based upon independent advice from a Scheme Risk Advisor. It will include detail on the business's financial soundness, credit rating, characteristics of the mining operation (LOM and off take agreements), rehabilitation history, environmental compliance history and the submission made by the Company.

Risk categories will range from 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 submit a small percentage of the ERC to the Schemes Fund. If the category is high, then the operation will provide a surety for the whole ERC and possibly a contribution to the Schemes fund. Sureties are assessed and paid annually in perpetuity, or until a clearance certificate is obtained.

From Xstrat's knowledge of Curragh operations, it could possibly achieve a moderate or low risk rating. Thus, it is our expectation that the new Financial Provisioning Bill will not have a material impact upon the Curragh operations.



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16.6 Native Title, Cultural Heritage and Social Issues

16.6.1 Cultural Heritage

Curragh negotiated a Cultural Heritage Management Plan ("CHMP") for the project in 2012. There have been subsequent changes to the registration and composition of the Native Title claim for the relevant Aboriginal Party.

A new CHMP has been prepared for the extended Curragh operations, signed on 19 December 2017. There are no sites of significance. The new Services Agreement dated 20 December 2017 is in place detailing a fee schedule for the costs of obtaining the Aboriginal Parties' services for conducting cultural heritage management arrangements prior to the Curragh operation needing to undertake land clearing.

There are unlikely to be any significant issues relating to cultural heritage for the project. The ongoing costs of administering cultural heritage compliance are likely to be within industry standards and expectations.

Cultural heritage is unlikely to pose any material issues to the Curragh operations.

16.6.2 Native Title

Only one tenement (ML 80123) required progression through a native title process for its granting process. Curragh undertook the Right to Negotiate process with the then Native Title Parties, the Kangoulou People, and concluded an ancillary agreement and a section 31 Deed to allow the ML to be validly granted in compliance with the *Native Title Act 1993* (Cth).

In the Ancillary agreement, Curragh was to pay a total of AUD100,000 in compensation to two nominated trusts, presumably who represent the Native Title Parties. There is no ongoing obligation to make continuing payments of compensation to the Native Title Parties. The agreement states that this compensation paid is in full and final satisfaction of any entitlement to compensation.

There are no material issues relating to native title for the Curragh operations.

16.6.3 Social Issues

To Xstract's knowledge, there is no Social Impact Management Plan applicable to the mine. There are no immediate or apparent social issues that are likely to impact on the Curragh operations. All major social issues have been previously considered and addressed during the ongoing state approval processes.

Given the ongoing operation of the coal mine is in line with accepted industry standards, it is unlikely that there are any social issues of material concern relevant to the Curragh operation.

17 Operating and capital costs

17.1 Mining costs

Xstract has reviewed the projected mining costs for Curragh against historic mining costs. These were provided by Curragh and benchmarked against Xstract's internal database. Xstract has reviewed estimated costs related to workforce, equipment, maintenance, consumables, utilities, fuel, contract services, overheads, transportation etc., and considers



them to be realistic and achievable subject to the projected improvements in equipment efficiencies.

Based on its review of the available technical data, Xstract considers Coronado's operating and capital cost forecasts to be within the expected range of accuracy for similar benchmark Australian coal mining operations and in line with historic Curragh costs. However, Xstract notes that unit operating costs are sensitive to lower than expected production volumes or events which could materially affect the escalation of forecast costs (e.g. change in foreign exchange on diesel costs, demand for labour, state and federal taxes, etc.).

The forecasted average waste removal cost is AUD2.78/bcm (real cost). This includes costs for draglines, dozer push, truck shovel/excavator and blast cast over the 5 years CY19 to CY23 (see Table 17.1). Xstract considers this cost to be appropriate given Curragh's requirement to move additional waste material to access coal, resulting in higher waste mining costs.

Curragh estimates the average coal mining cost is AUD2.27/t ROM (real cost) to 2023. (Note; some of the coal mining costs for Curragh East are included in pit service cost)

Xstract has analysed the historic and forecasted mining costs Table 17.2 for drill and blast, truck shovel, draglines, dozer push, pit services and indirect and opines that these appear to be fair and reasonable.

Table 17.1: Curragh mining cost (real)

Item	Unit	Actual FY15	Actual FY16	Actual FY17	Forecast Mid term
Mine Cash Cost	AUD/t Prod	57.9	56.0	59.2	59.5

Source: Curragh

Table 17.2: Forecast mining cash costs (real)

Item	Unit	CY18	CY19	CY20	CY21	CY22	CY23
Mine Cash cost	AUD/t Prod	63.1	57.3	59.5	58.1	59.6	59.5

Source: Curragh

Note the mine cash costs in CY19 and CY 23 exclude mining costs associated with the capitalisation of box cut costs

17.2 Processing costs

The wash plant has an average overall washed product yield until CY23 of 78 per cent. As a result, Curragh's average processing cost is estimated at AUD5.40/ROM t (real cost). Xstract considers this processing cost to be appropriate for the Curragh operation.

17.3 Port and transportation costs

Xstract understands that there are long-term agreements in place with Aurizon, the rail operator, RG Tanna and WICET. It should be noted that the WICET port costs are substantially higher than those at RG Tanna. Due to the commercial sensitivity surrounding the arrangements for rail and port costs, Xstract has used historic costs to estimate the total rail, port and demurrage costs over the next five years to be approximately AUD16.10/product t.

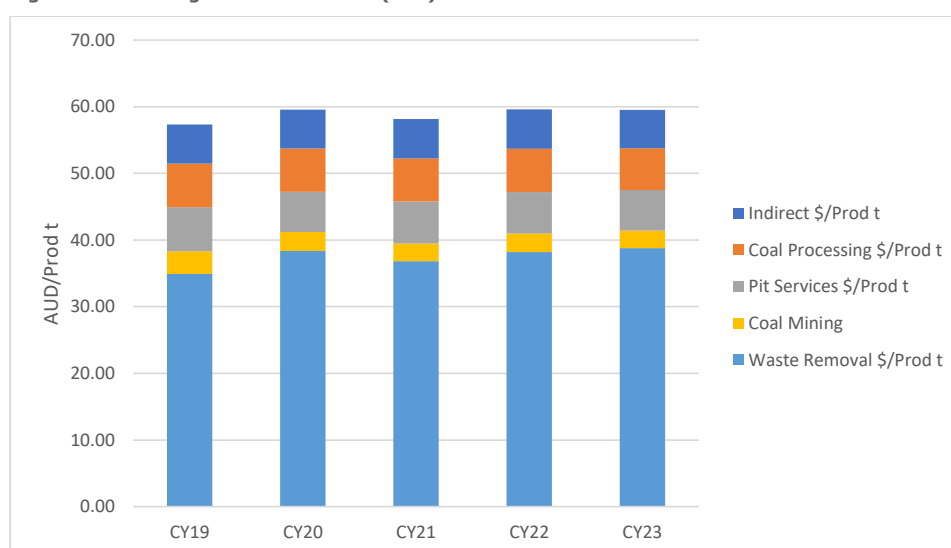
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17.4 Mine cash costs

Figure 17.1 illustrates the real cash costs of the scheduled Coal Reserves over the period CY19 to CY22. Operating costs are expected for CY18 to be approximately AUD63/product t (real cost) per annum. Waste mining costs account for an average of 66% per cent of total operating costs (on a cash cost basis). Pit services and indirect costs account for approximately 20 per cent (on a cash cost basis).

Indirect costs are comprised mainly of overheads (management, supervision, commercial, HR, HSE and Technical Services), while pit services include support contractors, pumping, support maintenance labour, etc.

Figure 17.1: Curragh mine cash costs (real)



Source: Curragh

Note: These real costs are exclusive of the capital associated with the box cuts in CY19 and CY23

17.5 Capital expenditure

Stay in Business ("SIB") capital expenditure is estimated by CCPL over the next five years to be AUD67.7M (real cost), comprising refurbishment of plant and mining equipment (includes expenditure on dragline overhauls, refurbishment of earth moving and ancillary equipment, CHPP). Xstract considers this estimate to be reasonable. There are capital costs in CY19 and CY23 which have been allocated to developing box cut areas and have been excluded from mine operating costs (Table 17.3.)

Table 17.3: Curragh Capital Expenditure to 2023

Item (AUD M)	CY19	CY20	CY21	CY22	CY23
SIB	76.9	65.3	68.6	64.3	63.6
Development of Box cuts	25.4	-	-	-	28.6

Source: Curragh



17.6 Closure costs

Financial assurance, relating to mine rehabilitation, currently held by the State of Queensland totals AUD279.7 M in the form of a bank guarantee.

18 Conclusions

The Curragh coal mine is located in the Central Bowen Basin region of Queensland Australia, which is renowned for its high quality metallurgical coal deposits. The mine has been producing high quality coking and thermal coals since 1984, reaching mining capacities of over 16 Mtpa ROM in recent years.

Xstract has reviewed the ongoing development and operational plans for Curragh to assess their reasonableness and appropriateness for the type of deposit and in light of the capital to be raised. Xstract concludes that the Coal Resources and Coal Reserves have been estimated and reported in accordance with the JORC Code, 2012. Xstract considers the mine plan has been effectively prepared in accordance with good practise, and is comparable with mine planning methodologies employed at similar large operations elsewhere the Bowen Basin. The current plan provides a reasonable foundation for ongoing mining operations and development.

Xstract has reviewed the management cost profiles for the Curragh operation, along with timing and volumes presented in the mine plan until 2023, and is of the opinion that they are appropriate for the mining methodology and are practically achievable. However, Xstract considers that the scheduled tonnage in 2023 of 16.7 ROM t to be a stretch target based on historic performance.

Xstract notes that opportunities exist in the near term to improve mine operational efficiencies through improved dragline utilisation, increased dozer push and further optimisation of efficiencies in the truck shovel operations. There is opportunity for further optimisation of the mine plan if Coronado is able to negotiate new terms with Stanwell regarding the SRA which would increase the footprint of Pit T.

There may be future opportunities to consider underground mining in deeper down dip areas, but further exploration and feasibility studies are required (the nearby Ensham Mine carries out room and pillar operations in the coalesced Aries/Castor seams).

Xstract notes that there are no material issues pertaining to the surface water, rehabilitation, cultural heritage and social aspects affecting the Curragh asset that could result in an increase of more than 10% to the cost of operations or financing of the Curragh; nor likely to create a material issue with the potential to delay further approvals or temporarily stop operations, or to cause significant negative public perception about Curragh.

Curragh Mine owns two processing plants which have a nominal nameplate throughput capacity of 2300 t/h on a combined basis. Applying the nominal throughput capacity with industry standard practice of 6500 to 7000 operating hours per annum, the throughput is up to 16.1 Mtpa of ROM tonnes. There are facilities to bypass over 0.7 Mtpa of ROM coal, which is currently in operation.

Metallurgical coal products produced by the processing facilities include 7%, 9% and 12.5% ash (adb) coking coal and PCI products. Product blending to final marketable product specifications takes place at the port. Domestic thermal coal averages 16% to 17% ash (adb).

9. Xstract Report (2018)

19 References

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20 Glossary

2D	Two dimensional
3D	Three dimensional
Ash	Inorganic material remaining after combustion.
Beneficiation	The process of physically separating ore from gangue prior to subsequent processing of the beneficiated ore.
Brownfield	An exploration or development project located within an existing mineral province, which can share infrastructure and management with an existing operation.
Coal Reserves	The same meaning as Ore Reserves, but specifically concerning coal.
Coking coal	Used in the manufacture of coke, which is used in the steelmaking process by virtue of its carbonisation properties. Coking coal may also be referred to as metallurgical coal.
Competent Person	A minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation' (RPO), as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes, including the powers to suspend or expel a member. A Competent Person must have a minimum of five years' relevant experience in the style of mineralisation or type of deposit under consideration and in the activity that the person is undertaking (JORC Code, 2012).
Cut-off grade	A nominated grade above which is defined an Ore Reserve or Mineral Resource. For example, the lowest grade of mineralised material that qualifies as economic for estimating an Ore Reserve.
Carboniferous	A geological period extending from 359 to 299 million years ago.
Energy coal	Used as a fuel source in electrical power generation, cement manufacture and various industrial applications. Energy coal may also be referred to as steaming or thermal coal.
Graben	A depressed block bordered by parallel faults
Grade	Any physical or chemical measurement of the characteristics of the material of interest in samples or product.
Greenfield	The development or exploration located outside the area of influence of existing mine operations/infrastructure.
Jurassic	A geological period extending from 201 to 145 million years ago.
Kriging	A geostatistical method of estimating resources based on a mathematical function known as a semivariogram.
LOI (Loss on ignition)	A measure of the percentage of volatile matter (liquid or gas) contained within a mineral or rock. LOI is determined to calculate loss in mass during pyroprocessing.
Marketable Coal Reserves	Represents beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered, must be publicly reported in conjunction with, but not instead of, reports of Coal Reserves. The basis of the predicted yield to achieve Marketable Coal Reserves must be stated (JORC Code, 2012).
Metallurgical coal	A broader term than coking coal, which includes all coals used in steelmaking, such as coal used for the pulverised coal injection process.



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Modifying Factors	Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Ore Reserves	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility
Permian	A geological period extending from 299 to 251 million years ago.
Practical Yield	The yield after plant yield discounting factors are applied to the borehole yield.
Probable Ore Reserves	Reserves for which quantity and grade and/or quality are computed from information similar to that used for proved 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 proved reserves, is high enough to assume continuity between points of observation.
Proved Ore Reserves	Reserves for which quantity and grade and/or quality are computed from information similar to that used for proved 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 proved reserves, is high enough to assume continuity between points of observation.
Reserve life	Current stated Ore Reserves estimate divided by the current approved nominated production rate as at the end of the financial year.
Run of mine product	Product mined in the course of regular mining activities.
Tailings	Those portions of washed or milled ore that are too poor to be treated further or remain after the required metals and minerals have been extracted.
Theoretical Yield	The yield for a specific export product specification as determined from borehole core samples
Total Coal Reserves	Run of mine reserves as outputs from the mining activities.
Triassic	A geological period extending from 250 to 200 million years ago.



End of Report



SECTION 10

MM&A Report (2018)





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(together "Coronado")
Statement of Coal Resources and Reserves
in Accordance with the JORC Code as of December 31, 2017
Northern and Central Appalachian Coal Basins –
Virginia, West Virginia and Pennsylvania, USA**

September 2018

Prepared for:
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Statement of Use and Preparation

This report was prepared for the sole use of **Coronado Global Resources Inc. and Coronado Group LLC (together "Coronado")** and its affiliated and subsidiary companies and advisors. Copies or references to information in this report may not be used without the written permission of Coronado. The report provides a statement of exploration results, coal resources and coal reserves for **Coronado Coal LLC (Coronado)**, as defined under the ***Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)***. Subject to the comments below, this report was also prepared in accordance with the ***Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)***.

The information in this report that relates to Technical Assessment reflects information compiled and conclusions derived by Justin S. Douthat, P.E., M.B.A. and J. Scott Nelson, C.P.G., both of whom are members of a Recognized Overseas Professional Organization (*ROPO*). Neither Mr. Douthat nor Mr. Nelson are permanent employees of the Commissioning Entity. Messrs. Douthat and Nelson both have sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity which they are undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Messrs. Douthat and Nelson both consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

As noted above, this report is a "Public Report" for the purposes of the VALMIN Code. However, in accordance with paragraph 12.1 of the VALMIN Code, it is noted that the report is not a "Valuation of Mineral Assets" and it also does not comply with the following requirements that apply to "Technical Assessments" (as defined in the VALMIN Code):

1. The report does not include a determination of the status of tenure (as required by paragraph 7.2 of the VALMIN Code) on the basis that tenure was separately reviewed by Coronado's legal advisors.
2. The report does not include separate commentary on the reasonableness and quality of the Resources and Reserves estimates and the basis on which they have been reported (as required by paragraph 7.3 of the VALMIN Code). MM&A did not consider that this was appropriate in circumstances where MM&A was engaged for the specific purpose of preparing those estimates and the Resource estimates were prepared by J. Scott Nelson and the Reserve estimates were prepared by Justin Douthat, both of whom are authors of this report. However, MM&A notes that, in accordance with its usual practice, a separate team of MM&A employees undertook a peer review of this report and confirmed that both the process followed by the authors of the report



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and the estimates prepared by J. Scott Nelson and Justin Douthat were reasonable and the estimates comply with the requirements of the JORC Code.

The statement is based on information provided by Coronado and reviewed by Justin S. Douthat, P.E., M.B.A.; J. Scott Nelson, C.P.G.; Steven A. Keim, PhD, PE; and Gerard J. Enigk, PE.

Messrs. Douthat, Nelson, and Enigk are Registered Members of the **Society of Mining Engineers (SME)**, Golden, Colorado, USA. Mr. Nelson is a Registered Member of the **American Institute of Professional Geologists (AIPG)**. SME and AIPG are **Recognized Overseas Professional Organization (ROPO)** defined under the JORC Code. All are full-time employees of Marshall Miller & Associates, Inc. and recognized as a *Competent Person (CP)* consistent with the requirements of *Section 8* of the *JORC Code*.

The information in this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code related to coal resources and reserves is based on, and fairly represents, information compiled by the CPs. At the time of reporting, all CPs have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity they are undertaking to qualify as a CP as defined by the JORC Code. Each CP consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

This report titled "*Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code*" contains information for the 2018-2023 calendar period which was extracted from Marshall Miller & Associates' full report titled "*Coronado Coal LLC Statement of Coal Resources and Reserves in Accordance with the JORC Code as of December 31, 2017 – Northern and Central Appalachian Coal Basins – Virginia, West Virginia and Pennsylvania, USA – August 2018.*" Complete documentation supporting classification of Coronado's coal resources and coal reserves, including economic viability of all subject coal reserves, is contained within the full report.

Marshall Miller & Associates, Inc. (MM&A) hereby consents to the use of the information contained in this report dated September 19, 2018, relating to estimates of exploration results, coal resources, and coal reserves controlled by Coronado.

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Coronado staff who responded to many inquiries from MM&A regarding mining plans, coal sales, product quality, coal sampling and analysis, regulatory plans and approvals, mining properties, production equipment, historical costs, budgets and other financial information.

Biographical Information for Competent Persons

- > Mr. J. Scott Nelson, C.P.G., graduated with a Bachelor of Science in Geology from Washington & Lee University in 1975. Mr. Nelson is licensed as a certified professional geologist by the American Institute of Professional Geologists and is a Registered Geologist in the Commonwealths of Kentucky and Virginia. He has been employed at MM&A since 1979, working coal mining projects throughout the United States and internationally. His education and experience qualify him as a CP as defined in the JORC Code.
- > Mr. Justin S. Douthat, P.E., M.B.A., graduated with a Bachelor of Science in Mining Engineering from the Virginia Polytechnic Institute & State University and a Master of Business Administration degree from The Pennsylvania State University, is a registered member of SME and is licensed as a professional engineer in Virginia, West Virginia, Kentucky, Illinois, North Carolina, Kansas, Arkansas, Colorado, Mississippi and Louisiana. He has been employed at MM&A since 1995, working on coal mining projects and feasibility studies throughout the United States and internationally. His education and experience qualify him as a CP as defined in the JORC Code.

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Glossary of Abbreviations and Definitions

Abbreviation	Definition
AME	AME Consulting Limited – provided Coronado with coal sales price forecast
ARMPS	Analysis of Retreat Mining Pillar Stability
ASTM	American Society for Testing and Materials
AVS	Applicant Violator System
bcm	Bank cubic meters
Btu/lb.	British Thermal Unit per pound
CAT®	Caterpillar Inc.
CP	Competent Person
C.P.G.	Certified Professional Geologist
Carlson	Carlson Mining – formerly SurvCADD® – a prevalent software package used for modeling in the Appalachian region
CFR	Code of Federal Regulations
Coronado	Coronado Coal, LLC
CSR	Codes of State Rules
CSX	CSX Corporation, a rail-based freight transportation company
CTR	Contour mining
Demonstrated reserves	Demonstrated reserves are the sum of proved and probable reserves.
DEP	Department of Environmental Protection
EOM	End-of-mine reclamation
EPA	United States Environmental Protection Agency
ESA	Limited Phase I Environmental Site Assessment
EVR	Estimated Visual Recovery
Feasibility Study	"...a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study."
Hitachi	Hitachi Construction Machinery Co., Ltd.
HWM	Highwall mining
In situ	Its natural position; said specific of a rock, soil, or fossil when in the situation in which was originally formed or deposited
Indicated Resources	Indicated resources are those lying between ¼-mile (1,320 feet or 402 meters) and ¾-mile (3,960 feet or 1,207 meters) radius from such an observation point and reported herein as in-situ mineral resources.
Inferred Resources	Inferred resources lie more than a ¾-mile (3,960 feet or 1,207 meters) radius from a valid point of measurement but less than 3 miles (15,840 feet or 4,828 meters) from one and reported herein as in-situ mineral resources.
JORC	Joint Ore Reserves Committee



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Abbreviation	Definition
The JORC Code	Australasian Code for Reporting of Exploration Results and Mineral Resources and Ore Reserves (2012 Edition)
lb. SO ₂ / mm Btu	Pounds per sulfur dioxide per million British thermal units
LJ Hughes	LJ Hughes & Sons, Inc. - drilling Company
LOM	Life-of-mine
M&R	Maintenance and repair
M.B.A.	Master of Business Administration
Measured Resources	Measured resources are those lying within ¼-mile (1,320 feet or 402 meters) radius from a valid point of measurement and reported herein as in-situ mineral resources.
MINER Act	Mine Improvement and New Emergency Response Act of 2006
Mineral Reserve	"...the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes dilution materials and allowances for losses, which occur when the material is mined or extracted and is defined by studies at Preliminary Feasibility or Feasibility level as appropriate that include Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified."
Mineral Resource	"...a concentration or occurrence of solid material of economic interest or on the Earth's crust in such form, grade or quality that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling."
MM&A	Marshall Miller & Associates, Inc.
Modifying Factors	"...considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors."
MRMR	Mineral Resources to Mineral Reserves
MSHA	United States Department of Labor Mine Safety and Health Administration
MSL	Mean sea level
Mt	Million tones
NAIP	National Agricultural Imagery Program
NIOSH	National Institute for Occupational Safety and Health
NPV	Net Present Value
NS	Norfolk Southern Corporation, a rail-based freight transportation company
O&M	Operating and maintenance
OSD	Out-of-seam dilution
OSM	U.S. Office of Surface Mining Reclamation and Enforcement
P&L	Profit and loss before tax
P.E.	Professional Engineer
Preliminary Feasibility Study	"...a comprehensive study of a range of options for technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral

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Abbreviation	Definition
	Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-feasibility Study is at a lower confidence level than a Feasibility Study"
Property(ies)	Bituminous coal deposits located in Buchanan, Russell and Tazewell Counties, Virginia; Greenbrier, Logan and McDowell Counties, West Virginia; Allegheny, Washington and Westmoreland Counties, Pennsylvania
Rec.	Recovery
RECs	Recognized Environmental Conditions
Reserve	As strictly defined by the CIMDS, are those coal deposits that exhibit: (1) Geological assurance of existence and continuity, and (2) Economic feasibility of recovery, as demonstrated by at least a Preliminary Feasibility Study
Resource Database	The Resource Database is established by the collection, validation, recording, storing and processing of data and forms the foundation necessary for the estimation of Mineral Resource and Mineral Reserve. A quality assurance and quality control program is essential and must be established to govern the collection of all data. In reporting, a Mineral Resource must meet the minimum requirement of "reasonable prospects for economic extraction". This will require the concurrent collection and storage of preliminary economic, mining, metallurgical, environmental, legal and social data and other information for use in the estimation of MRMR. The Resource Database will include both "primary" (observation and measurement) and "interpreted" data. It is recommended that data be stored digitally, using a documented, standard format and a reliable storage medium that allows for easy and complete retrieval of the data.
ROM	Run-of-mine
SEC	U.S. Securities and Exchange Commission
SMCRA	Surface Mining Control and Reclamation Act of 1977 is the primary federal law that regulates the environmental effects of coal mining in the United States.
Strip Ratio	Represented by bcm of overburden to recoverable coal tonnes
TNI	The NELAC Institute
tph	Tonnes per hour
USA	United States of America
USGS	United States Geologic Survey
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
Vulcan™	Vulcan™ software is a product of Maptek™, a provider of software for the global mining industry.
WACC	Weighted average cost of capital



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1 Introduction

1.1 General

Coronado Global Resources Inc. and Coronado Group LLC (together "**Coronado**") authorized **Marshall Miller & Associates, Inc. (MM&A)** to prepare this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code of its controlled coal reserves and resources in accordance and compliance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*¹ (JORC Code, as of December 31, 2017). This report was also prepared in accordance with the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code). This report titled "*Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code*" contains information for the 2018-2023 calendar period which was extracted from Marshall Miller & Associates' full report titled "*Coronado Coal LLC Statement of Coal Resources and Reserves in Accordance with the JORC Code as of December 31, 2017 – Northern and Central Appalachian Coal Basins – Virginia, West Virginia and Pennsylvania, USA – August 2018.*" Complete documentation supporting classification of Coronado's coal resources and coal reserves is contained within the full report. The Coronado coal deposits are located within five divisions (the *Properties*) as shown in *Figure 1-1*. These operating and non-operating property divisions are referred to as:

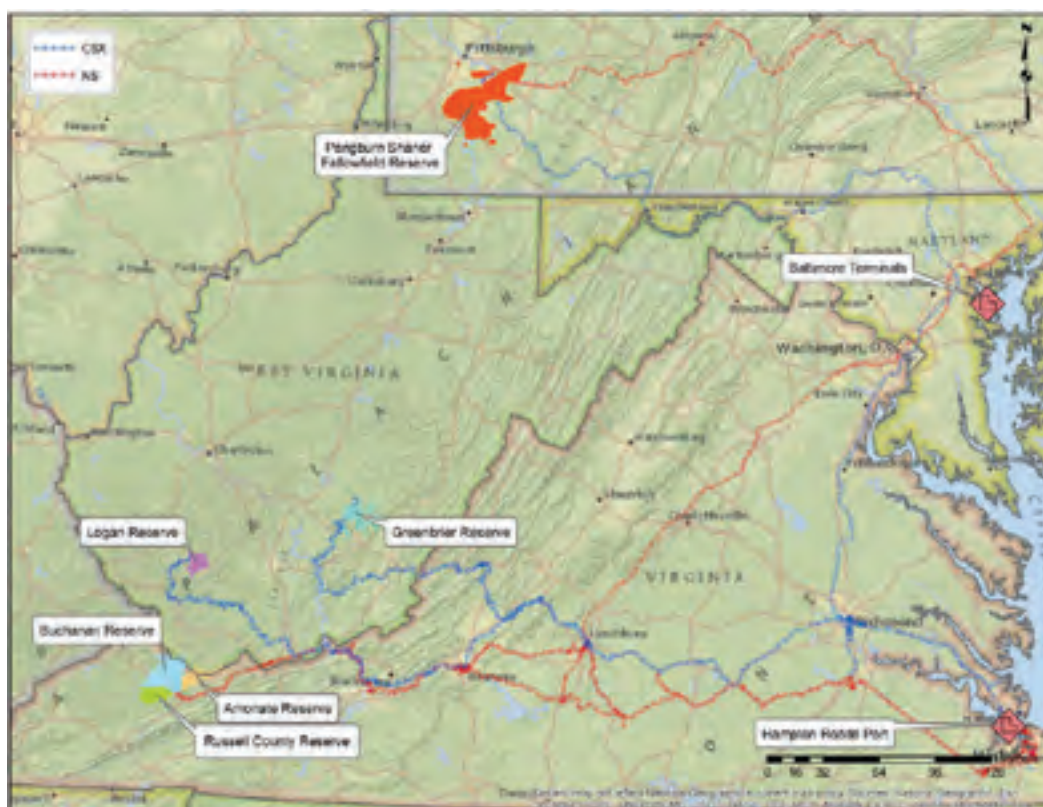
- > **Logan Mine Complex (Logan)**: located in Logan, Boone, and Wyoming Counties, West Virginia – active operation with two underground mines and one surface mine.
- > **Amonate Reserve (Amonate) (including Russell County)**: located in Russell and Tazewell Counties, Virginia and McDowell County, West Virginia
- > **Buchanan Mine Complex (Buchanan)**: located in Buchanan and Tazewell Counties, Virginia – active operation with one longwall underground mine
- > **Greenbrier Mine Complex (Greenbrier)**: located in Greenbrier and Nicholas Counties, West Virginia – active operation with one underground mine and two surface mines
- > **Pennsylvania Reserve (Pennsylvania) (including Pangburn, Shaner and Fallowfield Areas)**: located in Allegheny, Washington, and Westmoreland Counties, Pennsylvania.

¹ 2012 Edition, Joint Ore Reserves Committee : the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, and the Mineral Council of Australia (JORC).



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Figure 1-1 Coronado Properties Location Map



The Properties are capable of producing coal that is suitable for high-, mid- and low-volatile metallurgical and thermal coal markets.

Maps for the Coronado properties are included in *Appendix C*.

1.2. Scope of Assignment

Coronado engaged MM&A to conduct a coal resource and coal reserve evaluation of the Coronado coal properties as of December 31, 2017, the effective date of this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code, in accordance and compliance with the JORC Code. For the evaluation, the following tasks were to be completed:

- > Conduct site visits of the mines and mine infrastructure facilities;

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- > Process the information supporting the estimation of coal resources and reserves into geological models;
- > Develop life-of-reserve mine (*LOM*) plans and financial models;
- > Hold discussions with Coronado company management; and
- > Prepare and issue a report providing a statement of coal resources and coal reserves which would include:
 - A brief description of the mine and facilities.
 - A description of the evaluation process.
 - An estimation of coal resources and coal reserves with compliance elements as stated under the JORC Code.

It should be noted that MM&A is very familiar with the Properties and has conducted multiple site visits throughout the years.

MM&A performed a previous audit of the Properties in year 2017 for Coronado based on **U.S. Securities and Exchange Commission (SEC)** Industry Guide 7 standards. In addition, MM&A completed a Limited Phase I Environmental Site Assessment (*ESA*) on the Buchanan and Amonate properties in 2016, and on the Logan County and Greenbrier Properties in 2017 on behalf of Coronado. Finally, MM&A completed a study entitled 'Review of Coal Mine Methane Procedures and Potential' on behalf of Coronado in 2016, along with a letter to the **Virginia Department of Mines, Minerals and Energy (DMME), Division of Gas and Oil (DGO)** for the permit transfer of existing wells. MM&A also provides Coronado with mine permitting and engineering related support services, including services related to ground control studies. Earlier audits were performed by various technical consultants for predecessors-in-title to Coronado and at various levels of detail depending on the clients concerns and the allotted time for completion. Previous audits and reviews defined the primary coal resource areas and estimated the recoverable tonnes for each seam based on the expected mining methods. Additionally, MM&A has performed proprietary evaluations for predecessors-in-title to Coronado, which encompass portions of the Properties included in this report.

By agreement, MM&A and Coronado mutually indemnify and hold harmless each other from and against damages, liabilities, costs and expenses, including but not limited to reimbursement of reasonable attorney fees, arising out of anything other than willful misconduct or gross negligence.

2 Property Control

Legal mining rights may reflect a combination of fee or mineral ownership and fee or mineral leases of coal lands through various surface and mineral lease agreements. For some of the divisions there is



also a relatively small amount of area where the coal is partially-owned and/or partially leased. Verification of leases, deeds, surveys, or other property-control instruments pertinent to the subject reserves was not conducted by MM&A. Coronado supplied property control maps to MM&A related to properties for which mineral and/or surface property are controlled by Coronado. While MM&A accepted these representations as being true and accurate, MM&A has no knowledge of past property boundary disputes or other concerns through past knowledge of the Coronado properties that would signal concern over future mining operations or development potential. Tenure was separately reviewed by Coronado's legal advisors (see *Appendix C, Maps 1, 3, 32, 51 and 59*).

Property control in Appalachia can be intricate. Coal mining properties are typically composed of numerous property tracts which are owned and/or leased from both land holding companies and private individuals or companies. It is common to encounter severed ownership, with different entities or individuals controlling the surface and mineral rights. Mineral control in the region is typically characterized by leases or ownership of larger tracts of land, with surface control generally comprised of smaller tracts, particularly in developed areas. Control of the surface property is necessary to conduct surface mining but is not necessary to conduct underground mining.

Upon acquisition of mineral control for desired coal seams of surface-mineable economic interest, it is typical practice in the region for operators to delay the acquisition of surface control for purposes of surface mining and other surface development until plans are established for near-future development. Therefore, it is common for an operator to control mineral for proposed areas of mining for which they have not established the legal right to surface mine due to the lack of surface control. Acquisition of these rights is typically delayed in order to limit cost and royalty payments for areas not under consideration for near-future development. Coronado's executive management team has a history of surface mining in Central Appalachia and has conveyed to MM&A that it has been successful in acquiring surface rights where needed for past operations.

3 Infrastructure and Site Facilities

The subject coal resources have a variety of situational characteristics and can be mined utilizing surface, auger mining, highwall mining (*HWM*), and underground mining methods. The underground mines would typically employ the room-and-pillar mining method utilizing continuous mining machines and shuttle car haulage on the production sections with the exception of the Buchanan Mine, which employs the longwall method. Mobile equipment spreads (or units) are employed at the surface mines in which front-end loaders and tractors are the primary earth-moving equipment. Three HWM units are currently available to augment production from the surface mines. Operating permits, as required, are secured from federal and state regulatory agencies.

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There are currently no Coronado mining facilities at the Pennsylvania Reserve as of December 31, 2017, the effective date of this report. Coronado operates three surface mines as follows: Toney Fork Mine at the Logan Mine Complex; as well as the Pollock Knob and Kuhn Ridge Mines at the Greenbrier Mine Complex. In addition to the existing mines, MM&A has identified 11 proposed surface mine and highwall mine locations. Coronado operates four underground mines as follows: Buchanan Mine at the Buchanan Mine Complex; Powellton #1 and Lower War Eagle Mines in the Logan Mine Complex; and Mountaineer #1 Mine at the Greenbrier Mine Complex. In addition to the existing mines, MM&A has identified 27 proposed underground mine locations.

All of the mine production serves metallurgical and thermal markets. The metallurgical coal is marketed as high-volatile (typically 28 percent or greater volatile matter content); mid-volatile (typically 23- to 27-percent volatile matter content) and low-volatile (typically less than 23 percent volatile matter content) products. Raw ROM production that requires washing is currently processed through Coronado owned and operated coal preparation plants. ROM coal that does not require further processing is delivered directly to the loading points for sizing and delivery to customers. Coronado has access to two rail-loading points serviced by the **Norfolk Southern Corporation (NS)** and two rail-loading points serviced by **CSX Corporation (CSX)**.

4 Transportation and Coal Handling

All ROM production is currently planned for either truck transportation from the mines to the processing or shipping facilities, or in some cases there is either a current or planned mine mouth preparation plant and barge/rail loading facility. There is a network of public highways that provide serviceable coal haul routes and private, internal roads on the Properties would be developed as may be needed. Rail service to the Properties is most readily provided by CSX with connections to both domestic consumers and international trans-shipment points. NS track, however, is located across the Monongahela River from the proposed Pangburn Hollow load-out facility. Coal would be shipped to customers via barge and rail and sold as both metallurgical and thermal products.

5 Description and History of Property Divisions

A brief description and history of the properties within each of the five Coronado divisions are as follows:

5.1. Buchanan Mine Complex

The Buchanan Mine Complex is located in the Central Appalachian Basin in southwestern Virginia (see *Figure 1-1*) approximately 16 kilometers southeast of Grundy, which is the county seat of Buchanan



County. The property was formerly controlled by **Consolidation Coal Company (CONSOL)**. Surface facilities for the shaft mine are located along Garden Creek and a NS rail line about 6.4 kilometers south-southeast of Oakwood, Virginia.

Mine development started under control by CONSOL in 1983 and longwall production began in 1987. Coronado acquired the Buchanan Mine from CONSOL in March 2016. The most productive of any 3-year period since 1987 has occurred since the acquisition by Coronado. Production history has been approximately 3.5 Mt in 2016 (in only a 9-month period), 4.9 Mt in 2017, and is projected to produce 4.95 Mt in 2018.

5.2. Logan Mine Complex

The Logan Mine Complex is located in the Central Appalachian Basin in the southern West Virginia counties of Logan, Boone and Wyoming (see *Figure 1-1*). The property was formerly controlled by **Cliffs Natural Resources (Cliffs)**. Surface facilities for the operations are located along Buffalo Creek and a CSX rail line about 21 kilometers north-northeast of Man, West Virginia.

The Logan County properties were started in 1945 by **Lorado Mining Company**, were sold to **Buffalo Mining Company** in 1964 and then to **Pittston Coal Company (Pittston)** in 1971. Pittston operated the properties until the early 1990's and then sold them to **Addington Resources** in 2004. **Imagin Natural Resources** acquired the properties in 2007, and sold to Cliffs in 2011, which in turn sold the properties to Coronado in 2014. Coronado produced approximately 1.8 Mt in 2016, 2.6 Mt in 2017, and is projected to produce 3.1 Mt in 2018.

5.3. Greenbrier Mine Complex

The Greenbrier Mine Complex is located in the Central Appalachian Basin in southeastern West Virginia (see *Figure 1-1*) approximately 30.5 kilometers northwest of Lewisburg, which is the county seat of Greenbrier County. The property was formerly controlled by **Greenbrier Smokeless Coal Company (Greenbrier Smokeless)** and **Midland Trail Resources LLC (Midland Trail)**. Surface facilities for the operation are located along the Meadow River near the Mountaineer Mine No. 1 portal and adjacent to a CSX rail line about 2.4 kilometers west-southwest of the community of Anjean, West Virginia.

The Greenbrier property was originally obtained by **William Leckie** of Scotland in the early 1900's and was eventually sold in the 1970's to **John Samuels** who owned and ran the property until early in the 1980's when he sold it to **Sidmar**. Eventually, Sidmar was forced to divest themselves and the property became idle around 2001 for which it remained over the next 4 years. In 2005, an investment group backed by the **Lehman Brothers** financed the loadout, preparation plant, and slope/shaft underground mining facility. Production has been ongoing since that time, with the purchase of Greenbrier by Coronado in 2013. Production history for the property of the last 3 years have been 0.2 Mt in 2016, 0.5 Mt in 2017, and is projected to produce 0.6 Mt in 2018.

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5.4. Amonate Reserve (including the Russell County Reserve)

The Amonate Reserve is located in the Central Appalachian Basin and straddles the state line between McDowell County, West Virginia and Tazewell County, Virginia (see *Figure 1-1*). The property is approximately 13 kilometers northwest of Tazewell, which is the county seat of Tazewell County, and lies in the headwaters of the Dry Fork drainage area which is serviced by NS rail. The Russell County Reserve is located almost immediately to the west of Amonate and straddles the Tazewell County and Russell County line just north and west of the town of Richlands, Virginia. The Amonate Reserve and associated Russell County Reserve were both acquired by Coronado from CONSOL, concurrent with the purchase of the Buchanan Mine.

The Amonate property has a long history of mining with coal first produced in 1926 by the **Pocahontas Fuel Company (PFC)**. CONSOL acquired the Property in 1956 and resumed operations in 1975. Full production on the Amonate property was achieved in 1984 of approximately 1.0 Mt per annum. The last production from the Amonate property was conducted by CONSOL; however, no production has occurred after 2012.

5.5. Pennsylvania Reserve

The Pennsylvania Reserve is located in the Northern Appalachian Basin in southwestern Pennsylvania (see *Figure 1-1*) approximately 24 kilometers south-southeast of Pittsburgh and consist of three separate tracts (Pangburn, Shaner and Fallowfield) which were formerly controlled by CONSOL. The Pangburn Reserve is centrally located between the other two tracts and is situated in Allegheny County on the eastern bank of the Monongahela River. The Shaner Reserve is situated to the east-northeast of Pangburn Reserve and the potentially mineable coal resource areas are separated by about 4.2 kilometers of low coal/uncontrolled mineral. The Fallowfield Reserve is situated to the south-southwest of Pangburn Reserve and the potentially mineable coal resource areas are separated by about 2.1 kilometers of low coal/uncontrolled mineral and by the Monongahela River corridor.

No known mining has occurred on the Pennsylvania Reserve to date. This property was acquired by Coronado from CONSOL in 2016.

6 Sampling Techniques and Data

6.1. Sampling Techniques, Preparation and Verification

Coal samples have been obtained from the Properties by subsurface exploration using core drilling techniques. The protocol for preparing and testing the samples has varied over time and is not well documented for the older holes drilled on the Properties. Typical USA core drilling sampling technique is for the coal core sample, once recovered from the core barrel, to be described then wrapped in a



sealed plastic sleeve and placed into a covered core box, which is the length of the sample so that the core can be delivered to a laboratory in relatively intact condition and with original moisture content. The core identification number and the depth are scribed on the sample box lid to identify the sample.

This work is typically performed by the supervising driller, geologist or company personnel. Samples are most often delivered to the company by the driller after each shift or acquired by company personnel or representatives. Most of the coal core samples were obtained by previous or current operators on the Properties. MM&A did not participate in the collection, sampling and analysis of the core samples and did not always have access to the geophysical logs to verify the recovered sample thickness. However, it is reasonable to assume, given the sophistication level of the previous operators, that these samples were generally collected and processed under industry best-practices. This assumption is based on MM&A's familiarity with the operating companies and the companies used to perform the analysis.

Available coal quality data was tabulated by resource area in a Microsoft® EXCEL workbook and the details of that work are maintained on file at the offices of Coronado and MM&A. These tables also provide basic statistical analyses of the coal quality data sets, including: average value; maximum and minimum values; and the number of samples available to represent each quality parameter of the seam. Coal samples that were deemed by MM&A geologists to be unrepresentative were not used for statistical analysis of coal quality, as documented in the tabulations. A representative group of drill hole samples from the Properties were then checked against the original drill laboratory reports to verify accuracy and correctness.

The amount and areal extent of coal sampling for geological data is generally sufficient to represent the quality characteristics of the coal horizons and allow for proper market placement of the subject coal seams. For some of the coal deposits there are considerable laboratory data from core samples that are representative of full extent of the resource area; and for others there are more limited data to represent the resource area. For example, in the active operations with considerable previous mining, there may be limited quality data within some of the remaining resource areas; however, in those cases the core sampling data can be supplemented with operational data from mining and shipped quality samples representative of the resource area. Because of coal quality variations within individual coal seams -- and also from seam-to-seam where multiple seams are being mined -- it is anticipated that operational best practices (such as stockpiling and blending) will be required to maintain product quality characteristics that are consistently in compliance sales specifications.

6.2. Drilling Techniques and Drill Sample Recovery

The Properties have been extensively explored by subsurface drilling efforts carried out by numerous entities, most of which were completed prior to acquisition by Coronado. The majority of the drilling was accomplished using vertical continuous (diamond) coring or air rotary methods. Core drilling

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methods utilize NX-size (5.4 centimeter) or similar-sized core cylinders to recover core samples, which can be used to delineate geologic characteristics, and for coal quality testing and geotechnical logging. For the core holes, the geophysical logs are especially useful in verifying the core recovery of both the coal samples (for assurance that sample is representative of the full seam) and of the roof and floor rock samples (for evaluating ground control characteristics of deep mineable coal seams). In addition to the core holes, rotary drilled holes also exist on most of the Properties. Data for the rotary drilled holes is mainly derived from downhole geophysical logs, which are used to interpret coal and rock thickness and depth since logging of the drill cuttings is not reliable.

Exploratory drilling generally requires drilling to depths of less than 152 meters to over 305 meters to penetrate the coal seams controlled by Coronado. Drill records indicate that independent contract drilling operators have typically been engaged to carry out drilling on the Properties. Geophysical logging was performed on many of the holes, either by Geological Logging Systems (a division of MM&A), other geophysical logging contractors, and on those properties acquired from CONSOL geophysical logging was often performed by CONSOL's in-house logging services.

6.3. Coal Description

A wide variety of core-logging techniques exist for the properties. For many of the core holes, the primary data source is a generalized lithology description by the driller, in some cases supplemented by a more detailed core log completed by a geologist. These drilling logs were provided to MM&A as a geological database. MM&A geologists were not involved in the production of original core logs but did perform a basic check of information within the provided database. Where geophysical logs for such holes are available, they were used by MM&A geologists to verify the coal thickness and core recovery of seams.

6.4. Quality of Assay Data and Laboratory Tests

Coal quality testing has been performed over a large number of years by several operating companies using different laboratories and testing regimens. Some of the samples have raw analyses and washabilities on the full seam (with coal and rock parting layers co-mingled) and are mainly useful for characterizing the coal quality for projected production from underground and highwall mining. Other samples have coal and rock analyzed separately, the results of which can be manipulated to forecast either surface or underground mining quality. Care has been taken to use only those analyses that are representative of the coal quality parameters for the appropriate mining type for each sample.

Standard procedure upon receipt of core samples by the testing laboratory is to log the depth and thickness of the sample, then perform testing as specified by a representative of the operating company. Each sample is then analyzed in accordance with procedures defined under **American Society for Testing and Materials (ASTM)** standards including, but not limited to; washability (ASTM



D4371); ash (ASTM D3174); sulfur (ASTM D4239); Btu/lb. (ASTM D5865); volatile matter (ASTM D3175); and Free Swell Index (*FSI*) (ASTM D720).

Separate tabulations have been compiled for basic chemical analyses (both raw and washed quality), petrographic data, rheological data and chlorine, ash, ultimate and sulfur analysis. The latter two data types are not as prevalent and have been supplemented by samples collected from mine stockpiles and either truck or train shipment samples.

6.5. Location of Data Points, Survey Accuracy and Topographic Control

Due to the long history of exploration by various parties on the Properties, a wide variety of survey techniques exist for documentation of data point locations. Many of the older exploration drill holes appear to have been located by survey and more recently-completed drill holes are often located by high-resolution Global Positioning System (*GPS*) units. However, some holes appear to have been approximately located using USGS topography maps or other methods which are less accurate. Therefore, discretion had to be used regarding the accuracy for the location and ground surface elevation of some of these older drill holes. In instances where a drill hole location (or associated coal seam elevations) appeared to be inconsistent with the overall structural trend (or surface topography for surface-mineable areas), the data point was not honored for geological modeling. Others with apparently minor variances were adjusted or then used by MM&A.

Surveying of the underground and surface mined areas has been performed by the mine operators and/or their consulting surveyors. By assignment, MM&A did not verify the accuracy or completeness of supplied mine maps but accepted this information as being the work of responsible engineers and surveyors.

MM&A compiled comprehensive topographic map files by selecting the best available aerial mapping for each area and filling any gaps with digital USGS topographic mapping.

6.6. Data Spacing and Distribution

Spacing and distribution of data point information may vary from seam to seam within each mining area. The areas estimated for coal resource and coal reserve tonnes have been limited so that the data spacing and distribution is sufficient to establish the degree of geological continuity appropriate for the estimation and classification of the coal tonnes. All of the coal resource tonnes are in the measured, indicated, and inferred categories, and all of the coal reserve tonnes are in the proved and probable categories in accordance with the JORC Code standards. Moreover, where the spacing and distribution of coal seam quality data was insufficient to adequately characterize the quality of the coal seam, tonnes were estimated on an in-situ basis for inclusion into coal resource estimates and were not included in coal reserve estimates.

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7 Reporting of Exploration Results

7.1 Exploration by Other Parties

The Properties have been extensively explored, largely by drilling using continuous coring methods, rotary drilling but also by obtaining coal measurements at seam outcrops and at mine exposures, and to a lesser extent, by downhole geophysical methods. The majority of the data was acquired or generated by previous owners of the Properties. These sources comprise the primary data used in the evaluation of the coal resources and coal reserves on the Properties. MM&A examined the data available for the evaluation during the course of its work and incorporated all pertinent information into this report. Where data appeared to be anomalous or not representative, the data were excluded from the digital databases and subsequent processing by MM&A.

7.2 Geologic Setting

The coal deposits in the eastern USA are the oldest and most extensively developed coal deposits in the country. The coal deposits on the Properties are Carboniferous in age, being of the Pennsylvanian system. Overall, these Carboniferous coals contain two-fifths of the USA's bituminous coal deposits and extend over 1,448 kilometers from northern Alabama to Pennsylvania and are part of what is known as the *Appalachian Basin*. The Appalachian Basin is more than 402 kilometers wide and, in some portions, contains over 60 coal seams of varying economic significance. Seam of economic significance typically range between 0.3 meters and 1.8 meters in thickness, with relatively little structural deformation. Regional structure is typically characterized by gently dipping strata to the northwest at less than one percent. Discussions relative to the geologic settings for the various Coronado Divisions are as follows:

7.2.1 Buchanan Mine Complex

Operations at the Buchanan Mine Complex extract the Pocahontas No. 3 coal bed by longwall mining methods. Strata of economic interest for this report are of the Pennsylvanian-age Pocahontas Formation and the subject Pocahontas No. 3 seam is the principal coal seam of that formation. Due to the high value of this low-volatile coking coal, it has been extensively mined in the region. The seam is situated below drainage throughout the property and is accessed by an existing mine shafts.

7.2.2 Logan Mine Complex

Operations at the Logan Mine Complex extract multiple coal seams by both underground and surface mining methods. The coal-bearing formations at Logan include the Allegheny Formation which occurs near the ridge tops in the northern portion of the Property and the upper section of the Kanawha Formation, which comprise the major portions of the exposed ridges. The Allegheny Formation is comprised of cyclic sequences of sandstone, shale, thin limestone, clay, and bituminous coal. The



Allegheny Formation includes the Upper Freeport, Upper Kittanning, Lower Kittanning (No. 5 Block or Widen) series of coal horizons which occur on the higher portions of ridges on the Property. The base of this formation is at the top of the Stockton (Mearns) coal horizon. The Kanawha Formation is a coal bearing sequence of sandstones, siltstones, shales, and mudstones with minor occurrences of siderite, limestone and flint clay. The Kanawha Formation includes numerous coal horizons such as the Stockton, Coalburg, Winifrede, Chilton, Cedar Grove, Peerless, No. 2 Gas, Powellton, Eagle, Glenn Alum Tunnel (Lower War Eagle), and Beckley seams. The base of this formation is at the top of the Lower Douglas coal horizon.

7.2.3 Greenbrier Mine Complex

Operations at the Greenbrier Mine Complex extract multiple coal seams by both underground and surface mining methods. Strata on the property are of the Pennsylvanian-age New River and Pocahontas Formations of the Pottsville Series. Seams mined or with remaining reserve potential include, in stratigraphically ascending order the: Pocahontas No. 6, 7 and 8 (in the Pocahontas Formation); and the Fire Creek, Beckley, Sewell, Sewell A, and Hughes Ferry (in the New River Formation). Due to the high value of these mid-volatile coking coals, all of the seams have been extensively mined in the past. The rock formations between the coal seams are characterized by large proportions of sandstone interspersed with shale units. The coal seams reach the highest structural elevations along the southeastern margin of the property, generally dipping toward the northwest. The seams of interest are situated above drainage throughout most of the property.

7.2.4 Amonate Reserve (including the Russell County Reserve)

Future operations at the Amonate Reserve will extract the Squire Jim, Pocahontas No.'s 3, 4, 5 and 11 seams. The principal seams at Russell County are the Upper Horsepen and Lower Castle. Strata on these two properties are of the Pennsylvanian-age Pocahontas Formation (which includes the Squire Jim through Pocahontas No. 5 seams) and the New River Formation (which includes the Pocahontas No. 11, a.k.a. War Creek seam or Beckley seam, and the Upper Horsepen and Lower Castle seams). These two properties are situated along the southeastern margin of the Central Appalachian Basin, which is bounded here by a series of *en echelon* thrust faults including the Boissevain, Richlands, and Middle Creek Faults. Amonate also has two faults that are roughly parallel to the northeast-southwest trending thrust fault zone. Moreover, the northeastern portion of Amonate is crossed by the northwest-southeast trending Bishop-Bradshaw strike-slip fault. The Russell County Reserve is also crossed by the Mill Creek Fault. These faults are no longer seismically active, but the thrust faults terminate the coal-bearing measures on the southeast side of the Properties and the coal seam displacements associated with the other faults must be accommodated by the mine plan.

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7.2.5 Pennsylvania Reserve

Future operations planned at the Pennsylvania Reserve will extract the Upper Freeport coal seam, which covers an area greater than 36,260 km² and has been identified (under various names) in parts of Pennsylvania, Ohio, Maryland, and West Virginia. In general, coal quality of the Upper Freeport seam in south-west Pennsylvania is a medium-volatile to high-volatile steam and coking coal with areas of elevated sulfur content and ash yield (Ruppert et al, 2000). Unlike that of other coal beds (such as the Lower Kittanning and Pittsburgh seams) coal deposits associated with the Upper Freeport are often irregular and dislocated deposits (formed in domed peat swamps and commonly referred to as "peat islands") that rarely exceed 24 kilometers across.

The Upper Freeport coal seam is situated at the top of the Allegheny Group of the middle Pennsylvanian period (307–315 mya). The top of the Upper Freeport coal seam is commonly used as a marker between the top of the Allegheny Formation and the overlying Upper Pennsylvanian Conemaugh Group (denoting a transition from a sub-tropical to arid paleoclimate); it is often inferred where the seam is thin or absent. The Allegheny Group is made up of laminated cyclothemic sequences of coal, shale, limestone and clay.

The primary structural controls on the Upper Freeport coal basin are localized syn-depositional anticlines and synclines that directly influenced the accumulation of peat bogs. These structures create gently folded and rolling coal-bearing strata. The axis of the Waynesburg and Port Royal (Irwin) synclines pass through the center and eastern portions of the Properties with a trend and incline to the north-east. The Amity, Murrysville and Bellevernon anticlines (listed from west to east) reside to the center and western portions of the Properties. These anticlines often coincide with thicker coal where peat accumulated in domes along the anticlinal crest. It is understood that local anticlines represent the upthrown side of a syn-depositionally active deep faults. Inversely, fluvial channel sediments were deposited on the structural downthrown side within synclines.

Within the area of the Pangburn, Shaner and Fallowfield mine plan areas, the Upper Freeport is typically 183 to 335 meters below the ground surface. Mine access is therefore to be provided by shaft and slope development. The planned Pangburn shaft depth is approximately 189 meters in depth. The shaft depths at the projected locations for the Shaner and Fallowfield shafts range from approximately 232 to 268 meters.

7.3. **Diagrams**

The generalized stratigraphic columnar sections below demonstrate the vertical relationship of the principal coal seams and rock formations on the Properties.



7.3.1 Buchanan Mine Complex

Figure 7-1: Buchanan Stratigraphic Column

System	Fm.	Lithology	Coal / Sandstone / Shale
Lower Pennsylvanian	Norton Fm.		Jawbone
			Tiller
			Hensley Shale
	Upper Lee Fm.		Upper Seaboard
			Upper Lee Sandstone
			Greasy Creek
			Middle Seaboard
			Lower Seaboard
	Middle Lee Fm.		Upper Horsepen
			Middle Horsepen
			Pocahontas No. 11
			Pocahontas No. 10
	Lower Lee Fm.		Lower Horsepen
			Pocahontas No. 9
			Pocahontas No. 8
			Pocahontas No. 7
	Pocahontas Fm.		Basal Lee Sandstone
			Pocahontas No. 6
			Pocahontas No. 5
			Pocahontas No. 4
			Pocahontas No. 3
			Pocahontas No. 2
			Pocahontas No. 1

(not to scale)

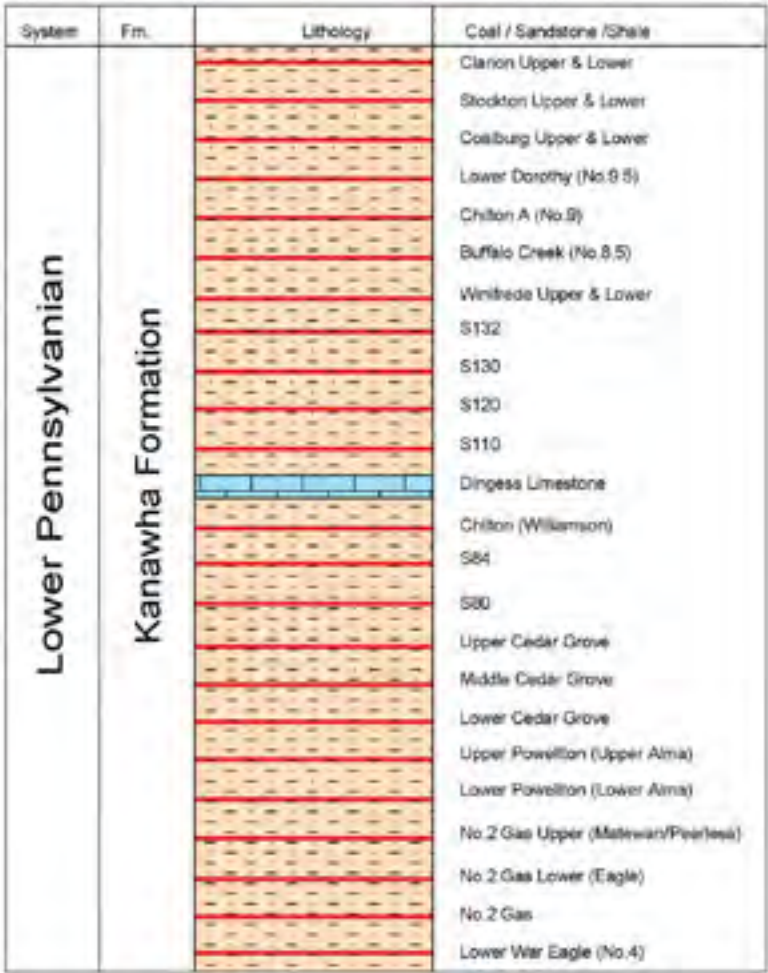
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7.3.2 Logan Mine Complex

Figure 7-2: Logan Stratigraphic Column



(not to scale)



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7.3.3 Greenbrier Mine Complex

Figure 7-3: Greenbrier Stratigraphic Column

System	Fm.	Lithology	Coal / Sandstone / Shale
Lower Pennsylvanian	New River Fm.		Hughes Ferry
			Sewell A
			Sewell
			Welch
			Little Raleigh
			Beckley
	Pocahontas Fm.		Fire Creek
			Pocahontas No.8
			Pocahontas No.7
			Pocahontas No.6

(not to scale)

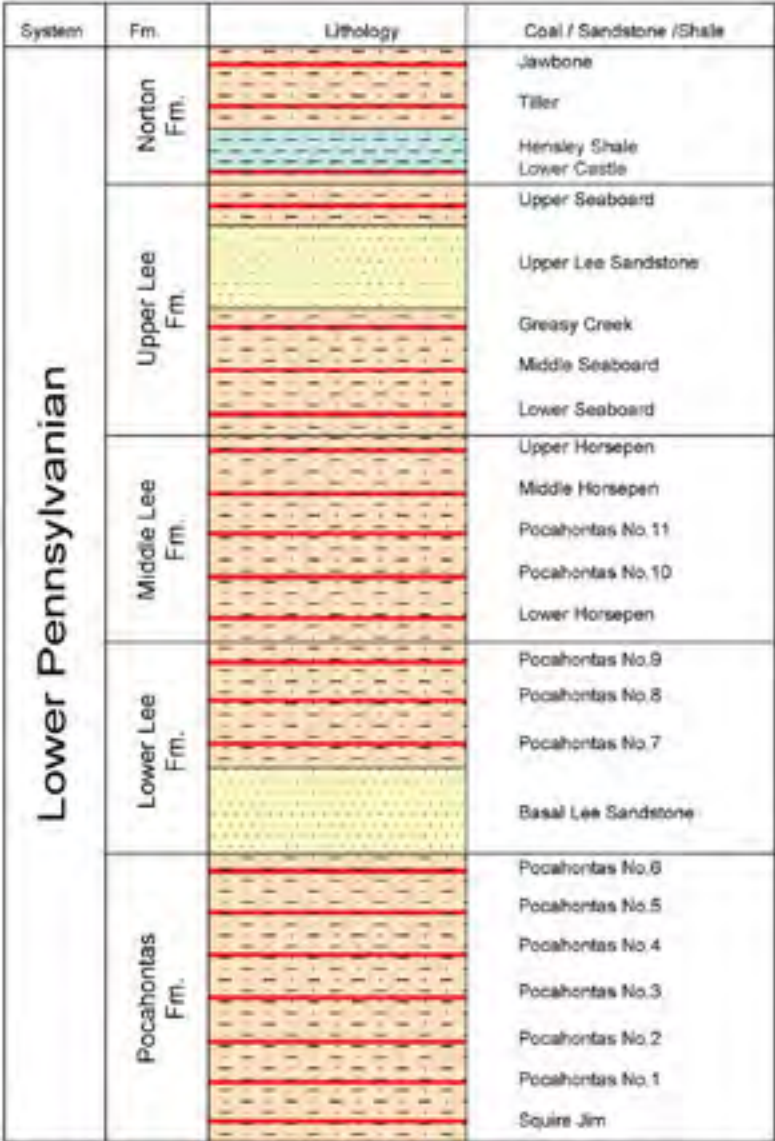
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7.3.4 **Amonate Reserve (including Russell County Reserve)**

Figure 7-4: Amonate and Russell Stratigraphic Column



(not to scale)



7.3.5 Pennsylvania Reserve

Figure 7-5: Pennsylvania Stratigraphic Column

Age	Group	Formation	Member	Code	Major Units	
					REQUIRED UNIT	
Pennsylvanian	Conemaugh	Glenshaw	Pine Creek	PC		Pine Creek Marine Zone
		Brush Creek		BCM		Brush Creek Marine Zone
				BC		Brush Creek Coal
				BCS		Brush Creek Coal Expected Horizon (Surface)
		Mahoning		MHU		Upper Mahoning Sandstone
				MA		Mahoning Coal
				MH		Lower Mahoning Sandstone
	Allegheny	Freeport		UFR		Upper Freeport Rider Coal
				UF		Upper Freeport Coal
				UFS		Upper Freeport Coal Expected Horizon (Surface)
				UFL		Upper Freeport Leader Coal
				LUF		Upper Freeport Limestone
				BUT		Butler Sandstone
				LFR		Lower Freeport Rider Coal
				LF		Lower Freeport Coal
				LFL		Lower Freeport Leader Coal
				LLF		Lower Freeport Limestone
				FSS		Freeport Sandstone

(not to scale)

8 Description of Selected Mining Methods

8.1. Underground Mining Methods

The room-and-pillar mining method was selected to model the underground mining resources, utilizing continuous miners for coal extraction, shuttle cars for production haulage and roof bolters for roof control. Due to its coal reserve and seam characteristics, the Buchanan Mine operates using the

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longwall method, therefore the longwall method was selected to model the Buchanan underground resources. The resource areas located above drainage are relatively small and often have irregular boundaries. Continuous mining is flexible and can be readily adapted to the resource areas on the Properties. Continuous mining has been practiced in the region for many years and mining personnel, including foremen, electricians and equipment operators are highly skilled and familiar with the method.

The underground mining resources located above drainage are too small and irregular to support longwall mining. The Buchanan Mine in Buchanan County, Virginia is the only active longwall mine currently being operated by Coronado.

8.2. Surface Mining Methods

The surface mining method selected utilizes highly productive hydraulic shovels, front-end loaders, large tractors and rock trucks for overburden removal. The mobile equipment spreads adapt readily to winding coal outcrops for contour surface mining and are effective for point-removal and area mining applications. The mining plan extends to 14 surface mining resource areas, and the mobile equipment spreads are well-suited for frequent moves.

Draglines, bucket wheel excavators and large stripping shovels require much larger and contiguous resource areas than are available on the Properties controlled by Coronado and require significantly greater capital investment.

8.3. HWM and Auger Methods

Application of highwall and auger mining units is an effective method to recover coal resources not suitable for underground mining and under excessive cover for surface mining. Coronado currently has three contract HWM units and one auger available and MM&A has assumed an additional two HWM units will be added to support future mining operations. Auger mining can be utilized where thinning coal seams make HWM impractical. The depth of cut for conventional coal auger mining is limited and coal seam recovery is typically poor. MM&A has assumed one additional contract auger mining unit will be utilized where auger mining is deemed appropriate.



9 Infrastructure Requirements of the Selected Mining Methods

9.1. Underground Mining Methods

Coronado utilizes two different types of underground mining methods: one is the room-and-pillar method and the other is the longwall method. The Buchanan Mine is currently Coronado's only longwall operation. The longwall shearing machine is used for extraction of coal at the production face at Buchanan. A chain conveyor is used to remove coal from the longwall face at the Buchanan Mine for placement onto the conveyor belt which is ultimately delivered to an underground storage bunker. The room-and-pillar method provides for the extraction of coal from the production faces using continuous miners and haulage using shuttle cars or battery haulers to a feeder-breaker located at the tail of the section conveyor belt. The feeder-breaker crushes large pieces of coal and rock and regulates coal feed onto the mine conveyor. Roof-bolting machines are used for both the room-and-pillar operations and on the development sections of the longwall mines. Roof-bolting machines are used to install roof bolts, and battery scoops are available to clean the mine entries and assist in delivery of mine supplies to work areas.

Mine conveyors typically range in width from 106.7 centimeters on section belts to 152.4 centimeters for belts receiving coal from multiple production sections. Multiple belt flights are arranged in series to deliver raw coal to the surface where the coal may be sampled, crushed and stockpiled to await transport to the coal preparation plant or loading point. Along the main and sub-main entries and panels, a travel way is provided for personnel and materials by rubber-tired equipment or on rail. The Buchanan Mine utilizes a skip hoist in order to transport ROM coal from the underground storage bunker to the preparation plant on the surface.

Surface ventilation fans are installed as needed to provide a sufficient volume of air to ventilate production sections, coal haulage and transport entries, battery charging stations, and transformers in accordance with approved plans. High-voltage cables (typically 4,160, 7,200, or 12,500 volts) deliver power to work stations where transformers reduce voltage for specific equipment requirements. *The Mine Improvement and New Emergency Response Act of 2006 (MINER Act)* requires that carbon monoxide detection systems be installed along mine conveyor belts and that electronic two-way tracking and communications systems be installed throughout underground mines. Water is required to control dust at production sections and along conveyor belts, and to cool electric motors. Water is available from nearby streams, wells and mine reservoirs and is distributed within the mine by pipelines as required.

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The Coronado underground mining resource areas which are located above-drainage require an access road and mine access development along the outcrop, whereas below-drainage mines are accessed based on other proposed surface infrastructure locations and/or surface property control. In some cases, the access and face-up may be developed as part of surface mining activities. A mine transformer and water tank are located at the face-up, along with the mine fan, stacker conveyor, supply facilities, shop, office, and bath house.

Coronado currently operates three coal preparation plants, one each at the Buchanan, Logan County and Greenbrier Divisions. The Buchanan Plant operates at a feed rate of approximately 1,270 raw tonnes per hour (*tph*), whereas the Saunders Plant (Logan County Division) has a nominal feed rate of 950 *tph*, and the Mountaineer Plant (Greenbrier Division) operates at 544 *tph*. Coarse material is washed in a heavy medium vessel. Intermediate-size material is washed in heavy medium cyclones. Fine material is washed using conventional froth flotation cells. Processes are typical of those used in the coal industry and are in use at adjacent coal processing plants. MM&A has included capital estimates for construction of additional coal preparation plants at the Amonate (Russell County) and Pennsylvania Divisions for the purposes of this report. An existing preparation plant at the Amonate Division which will prepare coal from the Squire Jim, P3, P4, P5, and P11 mines is currently on care-and-maintenance status; MM&A has included capital expenditures for upgrading that plant when these mines begin producing.

9.2. Surface Mining Methods

The surface mining mobile equipment spreads advance the contour and area mining pits while systematically reclaiming the trailing side of pits where coal has been removed. The coal haul roads are extended and maintained as the pits advance. Support facilities are maintained nearby but away from the active mining, and include storage areas for blasting agents, fuel and lubricants, and mine supplies along with maintenance facilities and offices. Most of the surface mine production is transported to a loading point for crushing, blending and direct-shipment to customers.

9.3. HWM Methods

The HWM equipment advances along with the contour mining pits. The rate of advance of the contour mining is governed by the advancement rate of the HWM. A diesel-powered generator trails the highwall miner and powers the continuous mining unit. Other support facilities are provided along with the contour mining support facilities. HWM production is all transported by truck to the coal preparation plant for washing.



10 The JORC Code Guidelines

10.1. General

The JORC Code sets out the minimum standards, recommendations and guidelines for public reporting of exploration results, mineral resources and ore reserves. In the case of coal, it is permissible to substitute "coal" for "ore." The JORC Code main principles are *competency*, *transparency*, and *materiality*.

- > **Competency** requires that the Public Report be based on work that is the responsibility of suitably qualified and experienced persons who are subject to an enforceable professional code of ethics.
- > **Transparency** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and is not misleading.
- > **Materiality** requires that a Public Report contains all the relevant information which investors and their professional advisers would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgment regarding the Exploration Results, Mineral Resources or Ore Reserves being reported.

10.2. Resource and Reserve Classification and Estimation

Coal Resources are to be estimated and classified as *measured*, *indicated*, and *inferred*, following the JORC Code guidelines. These classifications connote the degree of resource estimation reliability based on distance from known points of measurements. Prior to publication of the 2014 Edition of the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves², earlier editions suggested that *measured coal resources* may be estimated using data from points of observation normally less than 500 meters (1,640 feet) apart. *Indicated coal resources* may be estimated using data from points of observation normally less than 1,000 meters (1 kilometer or 3,280 feet) apart. *Inferred coal resources* may be estimated using data points that are greater than 1,000 meters apart and that also provide sufficient understanding of the geological conditions to infer seam continuity between points of observation. The 2014 Edition of the Guidelines suggest that the recommended distances may be extended if there is sufficient technical justification to do so, based on the judgement of the Competent Person.

The JORC guidelines for estimation of measured and indicated resources were developed primarily for Australian coal deposits; however, the guidelines are intended to be general and not strictly prescriptive for use in coalfields where geological conditions are different. Therefore, to better reflect the

² 2014 Edition, prepared by the Coalfields Geology Council of New South Wales and the Queensland Resources Council.

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geological conditions of the Coronado coal deposits located in the USA, coal resources have been estimated and classified as *measured*, *indicated*, and *inferred* following USA guidelines in the **United States Geologic Survey (USGS) Circular 891**. Measured coal resources are those lying within ¼-mile (1,320 feet or 402 meters) radius of a valid point of measurement. Indicated coal resources are those lying between ¼-mile and ¾-mile (3,960 feet or 1,207 meters) radius from such an observation point. Inferred coal resources lie outside the ¾-mile radius from a valid point of measurement, but within 3 miles (15,840 feet or 4,828 meters) from one.

These classifications define the degree of reserve estimation reliability based on distance from known points of measurements. The utilized radii better reflect the relatively simple (i.e., low complexity) geologic nature of the subject coal deposits within the mapped resource areas: relatively contiguous, tabular, and level coal seams; unaffected by faulting; unaffected by igneous intrusion; etc.

Coal Reserves are classified as *proved* or *probable* from the coal resources considering "modifying factors" including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

- > **Proved Coal Reserves** are the economically mineable part of a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.
- > **Probable Coal Reserves** are the economically mineable part of an indicated coal resource, and in some circumstances a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.

11 Executive Summary of Principal Findings

11.1. Estimation Techniques

Geological data was imported into Carlson Mining® (formerly SurvCADD®) geological modelling software in the form of Microsoft® Excel files incorporating, drill hole collars, seam and thickness picks, bottom seam elevations and raw and washed coal quality. These data files were validated prior to importing into the software. Once imported, a geologic model was created, reviewed and verified- with a key element being a gridded model of coal seam thickness. Resource tons were estimated by using the seam thickness grid based on each valid point of observation and by defining resource confidence arcs



around the points of observation. Points of observation for Measured and Indicated confidence arcs were defined for all valid drill holes that intersected the seam using USGS standards, which are appropriate and customary for this resource jurisdiction and deposition type.

11.2. Geological Interpretation

After validating coal seam data and establishing correlations, the thickness and elevation for seams of economic interest were used to generate a geologic model. Due to the relative structural simplicity of the deposits and the reasonable continuity of the tabular coal beds, the principal geological interpretation necessary to define the geometry of the coal deposits is the proper modeling of their thickness and elevation. Both coal thickness and quality data are deemed by MM&A to be reasonably sufficient within the resource areas. Therefore, there is a reasonable level of confidence in the geologic interpretations required for coal resource determination based on the available data and the techniques applied to the data.

11.3. Cut-off Parameters

The table below provides the geological mapping and coal tonnage estimation criteria used for the coal resource and coal reserve evaluation. These cut-off parameters have been developed by MM&A based on its experience with the Coronado properties and are typical of other mining operations in the Central Appalachian coal basin. This experience includes technical and economic evaluations of numerous properties in the region for the purposes of determining the economic viability of the subject coal reserves.

Item	Parameters	Technical Notes & Exceptions*
• General Reserve Criteria		
Reserve Classification	Reserve and Resource	Based on the JORC Code standards. Coal resources as reported are inclusive of coal reserves.
Reliability Categories	Reserve (Proved and Probable) Resource (Measured, Indicated & Inferred)	To better reflect geological conditions of the coal deposits, distance between points of observation are standard USGS (in feet/meters), respectively, for measured and indicated.
Effective Date of Estimate	December 31, 2017	
Seam Density	Variable, dependent upon seam characteristics (based on available drill hole quality). In the absence of laboratory data, estimated by (1) assuming specific gravity of 1.30 for coal and 2.25 to 2.5 for rock parting, or (2) 1280 to 1324 kg/m ³ for a "clean" seam)	
• Underground-Mineable Criteria		
Map Thickness	Total seam thickness	
Minimum Seam Thickness	1.2 meters (locally <1.2 m for limited areas integral to the mine plan) 0.91 meters (0.8 – 0.9 is resource only) 0.8 meters (thermal coal); 0.7 meters (metallurgical coal)	Buchanan and Pennsylvania Amonate and Russell County Greenbrier and Logan Amonate and Russell County Logan

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Item	Parameters	Technical Notes & Exceptions*
Underground Mineable Criteria (Continued)		
Minimum Mining Thickness	1.4 meters 1.8 meters 1.4 to 1.8 meters 1.4 meters 1.4 meters	Pennsylvania Reserve Buchanan Mine Complex Logan Mine Complex Amonate Reserve (includes Russell County) Greenbrier Mine Complex
Minimum Total Coal Thickness	0.8 meters (thermal coal); 0.7 meters (metallurgical coal)	Not a limiting factor for Buchanan and Pennsylvania; exceptions down to 0.6 feet may apply depending on economics
Minimum In-Seam Wash Recovery	50 percent; 40 percent where coal is belted directly to preparation plant	
Wash Recovery Applied to Coal Reserves	Based on average yield for drill holes within reserve area, or in the absence of laboratory washability data, based on estimated visual recovery using specific gravities noted above and 95 percent yield on "clean" coal	
Out-of-Seam Dilution Thickness for Run-of-Mine Tons Applied to Coal Reserves	0.15 meters – Pennsylvania 0.05 meters – Buchanan 0.05 meters – Logan 0.05 meters – Greenbrier 0.05 meters – Amonate and Russell County	2250 kg/m ³ density used for dilution tonnage estimate
Mine Barrier	61-meter distance from abandoned mines and sealed or pillared areas; 30.5-meter distance from planned highwall miner panels	
Minimum Reserve Tonnage	227 thousand recoverable tonnes for individual area (logical mining unit)	
Minimum Overburden Depth	30.5 meters	
Minimum Interval to Rider Coal	Considered on a case-by-case basis, depending on interval lithology, etc.	<1.5 meters is resource
Minimum Interval to Overlying or Underlying Reserves	Considered on a case-by-case basis, depending on interval lithology, extent and type of extraction, etc.	Typically, 12 meters
Minimum Interval to Overlying or Underlying Mined Areas	Considered on a case-by-case basis, depending on interval lithology, extent and type of extraction, etc.	
Adjustments Applied to Coal Reserves	6 percent moisture increase; 5 percent preparation plant inefficiency	
Surface Mineable Criteria		
Topographic Map Source	Reserves estimated based on aerial topography, where available, and best available aerial topography for other areas. Pre-law highwalls also based on aerial topography, where available	
Map Thickness	Total mineable seam thickness (excluding removal partings)	
Mine Recovery Applied to Coal Reserves	90 percent; 25 percent for previously underground mined and augered areas.	
Wash Recovery	Not Applicable for most reserves estimated on a direct-ship basis. Where surface mineable coal is projected to be washed, based on average yield for drill holes within reserve area, or in the absence of laboratory washability data, based on estimated visual recovery using specific gravities noted above and 95 percent yield on "clean" coal	
Minimum Thickness	0.3-meter for principal seam (principle seam is any that is >0.8-meter from another mineable coal bench) 0.15-meter for a split of a principal seam (split is within 0.8-meter of another mineable coal bench)	
Minimum thickness of recoverable coal within single seam CTR/Area/HWM areas	0.6 meters	
Removable Rock Parting Thickness	0.06 to 0.08-meter	



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Item	Parameters	Technical Notes & Exceptions*
Surface Mineable Criteria (Continued)		
Maximum Cumulative Area Mining Strip Ratio	30:1 – Area 15:1 - CTR	Exceptions considered for metallurgical grade coal products if deemed economical
Design Bench Width for Contour/HWM Areas	38 meters (Contour reserves estimated in conjunction with potential HWM reserves)	
Adjustments Applied to Marketable Coal Reserves	4.5 percent moisture increase	
Out-of-Seam Dilution Thickness Applied to Coal Reserves	NA	2% adjustment (addition) made to product coal quality ash to account for dilution
Surface Property Control	Reserves considered where surface is controlled; tonnage not estimated or classified as resource where surface is uncontrolled.	
Highwall Miner Reserves		
Maximum Penetration Depth	91-244 meters	
Seam Density & Wash Recovery	Similar to underground-mineable reserves	
Mine Recovery Applied to Coal Reserves	40 percent	
Minimum Coal Thickness	0.6 meters	
Minimum Mining Height	1.0 meter	
Adjustments Applied to Marketable Coal Reserves	6 percent moisture increase and 5 percent preparation plant inefficiency	
Out-of-Seam Dilution Thickness Applied to Coal Reserves	1.0 meter less seam height	2250 to 2404 kg/m ³ density used for dilution tonnage estimate
Auger Miner Reserves		
Maximum Penetration Depth	Up to 91 meters, depending upon seam thickness	
Wash Recovery	Not applicable	
Mine Recovery Applied to Coal Reserves	35 percent	
Minimum Coal Thickness	0.5 meters	0.4 meters used for mid-volatile coal at Greenbrier
Minimum Mining Height	NA	
Adjustments Applied to Marketable Coal Reserves	4.0 percent moisture increase	
Out-of-Seam Dilution Thickness Applied to Coal Reserves	NA	

Note: Exceptions for application of these criteria to reserve estimation are made as warranted and demonstrated by either actual mining experience or detailed data that allows for empirical evaluation of mining conditions. Final classification of coal reserve is made based on the pre-feasibility evaluation.

11.4. Coal Resource and Coal Reserve Estimates

A coal resource and coal reserve estimate was prepared as of December 31, 2017, for property controlled by Coronado in accordance and compliance with the *JORC Code*³.

Coal resources and coal reserves are herein reported in metric units of measurement. The measured, indicated, and inferred coal resources on the Properties are summarized below in *Table 11-1*.

The results of this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code define an estimated 986 million tonnes (*Mt*) of measured resource, 556 *Mt* of indicated coal resource, and 39 *Mt* of inferred resource. Coal resource tonnes are presented on a dry, in-situ basis and provide reasonable prospects for economic extraction. The **reported resource tonnes are inclusive**

³ 2012 Edition, Joint Ore Reserves Committee : the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, and the Mineral Council of Australia (JORC).

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of the reported reserve tonnes since they include the in-situ tonnes from which the recoverable coal reserve is derived.

Table 11-1: Coal Resources Summary as of December 31, 2017 (Mt)

Area	Coal Resource (Dry, In Situ, Mt)				Resource Quality (Dry)		
	Measured	Indicated	Inferred	Total	Ash%	Sulfur%	VM%
Buchanan Mine Complex	215.4	45.9	0.0	261.3	20	0.7	16
Logan Mine Complex	155.4	65.9	0.7	221.9	28	0.9	24
Greenbrier Mine Complex	56.2	34.4	0.9	91.6	35	0.9	18
Amonate Reserve	128.3	194.2	33.4	356.0	52	0.7	12
Russell County Reserve	134.6	22.1	0.6	157.4	25	0.7	25
Pennsylvania Reserve	296.2	193.9	3.1	493.1	22	1.3	30
Total	986.2	556.4	38.7	1,581.3	30	0.9	21

Note: Resource tonnes are inclusive of reserve tonnes since they include the in-situ tonnes from which recoverable coal reserves are derived.

Note 2: Coal resources are reported on a dry basis. Surface moisture and inherent moisture are excluded.

Factors that would typically preclude conversion of a coal resource to coal reserve include the following: inferred resource classification; absence of coal quality; poor mine recovery; lack of access; insufficient exploration; or uncontrolled surface property for areas of proposed for surface mining. While such factors were used to preclude the conversion of a very limited number of coal resources to coal reserves in this report, the extensive history of mining on the Properties would suggest that there are reasonable prospects for eventual economic extractions of all coal resources under favorable market conditions. The results of the coal resource estimate are reported on an in-situ, dry basis, excluding surface and inherent moisture.

Proved and probable coal reserve were derived from the defined in-situ coal resource considering relevant processing, economic (including technical estimates of capital, revenue and cost), marketing, legal, environmental, socioeconomic, and regulatory factors. The proved and probable coal reserves on the Properties are summarized below in *Tables 11-2 and 11-3*.

Table 11-2: Coal Reserves Summary (ROM Basis) as of December 31, 2017 (Mt)

Area / Mine	Demonstrated Coal Reserves (Mt, Moist ROM)										
	By Reliability Category			By Mining Type		By Control Type			Quality (Dry)		
	Proved	Probable	Total	Surface	UG	Owned	Leased		Ash%	Sulfur%	VM%
Buchanan Mine Complex	173.4	11.4	184.8	0.0	184.8	31.5	153.3		40	0.7	12
Logan Mine Complex	103.3	54.5	157.7	48.4	109.3	0.0	157.7		52	0.9	13
Greenbrier Mine Complex	28.2	32.3	60.5	7.0	53.5	0.0	60.5		60	0.9	11
Amonate Reserve	52.8	79.9	132.7	0.0	132.7	114.1	18.6		62	0.7	9
Russell County Reserve	36.6	10.3	47.0	0.0	47.0	47.0	0.0		46	0.8	18
Pennsylvania Reserve	120.4	80.3	200.7	0.0	200.7	198.7	1.9		34	1.3	25
Grand Total	514.7	268.6	783.4	55.4	728.0	391.2	392.2		46	0.9	15

Note: ROM reserve tonnes are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled between 4.5 and 6-percent, depending upon mining method. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications and can exceed 8-percent. As such, the modeled moisture values provide a level of conservatism for reserve reporting.

Note2: ROM reserve tonnes include out-of-seam dilution.



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Table 11-3: Coal Reserves Summary (Marketable Sales Basis) as of December 31, 2017 (Mt)

Area / Mine	Demonstrated Coal Reserves (Wet, Washed or Direct Shipped, Mt)									
	By Reliability Category			By Mining Type		By Control Type		Quality (Dry)		
	Proved	Probable	Total	Surface	UG	Owned	Leased	Ash%	Sulfur%	VM%
Buchanan Mine Complex	109.6	7.2	116.8	0.0	116.8	19.9	97.0	6	0.7	19
Logan Mine Complex	58.9	30.0	88.8	47.3	41.5	0.0	88.8	10	0.9	33
Greenbrier Mine Complex	14.6	13.9	28.5	5.7	22.8	0.0	28.5	7	0.9	25
Amonate Reserve	23.9	31.6	55.5	0.0	55.5	47.9	7.6	8	0.7	19
Russell County Reserve	22.6	4.8	27.5	0.0	27.5	27.5	0.0	8	0.9	31
Pennsylvania Reserve	88.5	58.7	147.2	0.0	147.2	145.8	1.4	10	1.3	34
Grand Total	318.1	146.3	464.4	53.0	411.5	241.1	223.3	8	1.0	28

Note: Marketable reserve tonnes are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled between 4.5 and 6-percent, depending upon mining method. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications and can exceed 8-percent. As such, the modeled moisture values provide a level of conservatism for reserve reporting.

In summary, Coronado controls a total of 464 Mt (moist basis) of marketable coal reserves as of December 31, 2017. Of that total, 69 percent are proved, and 31 percent are probable. The marketable coal reserves by mining method are as follows: 44 Mt surface mineable; 9 Mt highwall miner; and 411 Mt underground mineable. There are 241 Mt of owned coal reserves and 223 Mt of leased coal reserves. Approximately 388 Mt of reserves are considered to be suitable for the metallurgical coal market and 76 Mt are projected to be sold into the thermal coal market.

11.5. Discussion of Relative Accuracy and Confidence

The information in this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code related to coal resources and reserves is based on, and fairly represents, information compiled by the CPs. The relative accuracy of and confidence in the coal tonnage and quality estimates provided herein are judged to be in conformance with current industry best-practices. The representation of average coal quality characteristics should be understood to represent a reasonably representative sampling that is generally indicative of coal quality and does not represent a statistically rigorous approach to coal quality modeling.

11.6. Summary of the Coal Quality Data

The quality characteristics for the subject coal resources and coal reserves have been reviewed in detail by MM&A. The drill hole data were utilized to develop average coal quality characteristics mining site. These average coal quality characteristics were then utilized as the basis for determining the various markets into which the saleable coal will likely be placed.

Notwithstanding the complexity of the coal quality data set, the seams of the central and northern Appalachian coalfields have a long history of providing both high-Btu thermal coals and high-, mid- and low-volatile coking coals with favorable metallurgical properties. In a limited number of cases where there was only very limited data available to demonstrate the metallurgical suitability of a given coal deposit, that deposit was classified as a probable reserve instead of a proved reserve. Their variability,

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especially for direct-shipped products, requires that the product quality management program include monitoring of the produced coal so that an optimal program of stockpiling, processing and blending of the various seams can be implemented. No significant effects on product quality are anticipated from dilution material; float product quality was used to model final product quality.

The Coronado coal production is anticipated for the following markets.

Table 11-4: Anticipated Markets

	Total	YE 12/31 2018	YE 12/31 2019	YE 12/31 2020	YE 12/31 2021	YE 12/31 2022	YE 12/31 2023
Benchmark Pricing (\$/tonne):	-	-	-	-	-	-	-
High Vol A (Domestic)	-	\$148.09	\$109.82	\$96.47	\$97.93	\$99.40	\$100.13
High Vol B (Domestic)	-	\$105.29	\$93.23	\$82.75	\$84.01	\$85.28	\$85.91
Mid Vol (Domestic)	-	\$137.50	\$107.24	\$94.20	\$95.63	\$97.06	\$97.77
Low Vol (Domestic)	-	\$144.33	\$113.46	\$100.21	\$101.66	\$103.11	\$103.84
Specialty (Domestic)	-	\$203.96	\$203.96	\$203.96	\$203.96	\$203.96	\$203.96
Steam (Domestic)	-	\$57.32	\$56.22	\$58.42	\$60.63	\$62.83	\$63.93
Export LV Hard Coking Coal FOB USEC (Hampton Roads)	-	\$175.38	\$144.51	\$127.63	\$129.48	\$131.33	\$132.25
Export Quality Adjustment	-	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Export Transport and Dock Fees	-	\$36.38	\$36.38	\$36.38	\$36.38	\$36.38	\$36.38
Net Export Price	-	\$121.49	\$93.70	\$78.51	\$80.17	\$81.84	\$82.67
Percentage of Coal Deliveries By Market:	-	-	-	-	-	-	-
Logan Co.	-	-	-	-	-	-	-
High Vol A (Domestic)	8.53%	24.90%	20.32%	18.79%	17.91%	20.45%	20.10%
High Vol B (Domestic)	46.96%	35.66%	30.30%	32.12%	35.91%	37.11%	34.42%
Specialty (Domestic)	1.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Steam (Domestic)	43.49%	39.44%	49.38%	49.09%	46.18%	42.44%	45.47%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Greenbrier	-	-	-	-	-	-	-
Mid Vol (Domestic)	89.44%	96.21%	96.74%	91.53%	91.79%	91.37%	91.31%
Low Vol (Domestic)	8.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Steam (Domestic)	2.39%	3.79%	3.26%	8.47%	8.21%	8.63%	8.69%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Buchanan	-	-	-	-	-	-	-
Low Vol (Domestic)	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Export LV Hard Coking Coal FOB USEC (Hampton Roads)	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Amonate	-	-	-	-	-	-	-
High Vol A (Domestic)	23.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mid Vol (Domestic)	24.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Low Vol (Domestic)	52.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PA Mines	-	-	-	-	-	-	-
High Vol A (Domestic)	75.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Steam (Domestic)	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



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Quality specifications for each Coronado complex are provided below.

Table 11-5: Quality Specifications by Product

	Greenbrier			Logan County			Buchanan		Amonate		Russell Co.	Pennsylvania	
	Met	High-Ash Met	PCI	HVA	HVB	Thermal (A/R)	HCC	PCI	MV	LV	HVA	HV	Thermal
Moisture (%)	8.00	8.00	8.00	7.50	8.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.5
Ash (%)	7.50	13.00	10.00	7.50	7.25	12.50	5.50	6.75	7.00	10.50	8.00	7.50	10
Sulfur (%)	1.10	1.20	1.00	1.00	0.90	0.90	0.80	0.90	0.85	0.95	0.90	1.10	1.2
Volatile Matter (%)	24.00	24.00	25.00	33.00	37.00	36.00	18.00	18.00	24.00	21.00	30.00	35.00	35
Btu/lb.	N/A	N/A	13,584	N/A	N/A	12,300	N/A	14,926	N/A	N/A	N/A	N/A	12,500
Fluidity (ddpm)	2,000	2,000	N/A	30,000	25,000	N/A	220	60	1,000	970	7,300	26,000	N/A
MMR (%)	1.25	1.25	N/A	1.04	0.90	N/A	1.69	1.69	1.36	1.40	1.17	0.98	N/A
CSR	68.00	65.00	N/A	58	55	N/A	40	N/A	51	58		43.00	N/A
FSI	8.00	8.00	N/A	8.00	8.00	N/A	8.00	N/A	8.00	8.00	8.00	7.50	N/A

Note: All Specs are dry basis except Moisture and Thermal

11.7. Titles and Approvals

The Coronado coal resources are located in Buchanan, Russell and Tazewell Counties, Virginia; Greenbrier, Logan, Boone, Wyoming and Greenbrier Counties, West Virginia; Allegheny, Washington and Westmoreland Counties, Pennsylvania. MM&A has not carried out a separate title verification for the coal properties and has not verified leases, deeds, surveys or other property control instruments pertinent to the subject resources. Tenure was separately reviewed by Coronado's legal advisors. Coronado has represented to MM&A that it controls the mining rights to the reserves as shown on its property maps, and MM&A has accepted these as being a true and accurate depiction of the mineral rights controlled by Coronado. The Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code assumes the properties are developed under responsible and experienced management.

11.8. Environmental Studies

MM&A completed a Limited Phase I Environmental Site Assessment (ESA) on the Buchanan and Amonate properties in April 2016, and on the Logan County and Greenbrier Properties in May 2017 on behalf of Coronado. Coronado reports not having conducted such a study since the MM&A studies. The ESAs completed by MM&A included a site inspection, review of historical records, a database search of State and Federal regulatory records and interviews to identify potential recognized environmental conditions (RECs) that may create environmental liability for the sites. MM&A identified one REC at Greenbrier associated with stained soil and gravel near a fueling and maintenance area, and one Historical REC at Amonate related to overfilling of a diesel fuel tank in 2009. Coronado reported to MM&A that satisfactory clean-up efforts were completed at Greenbrier. Site investigation reports completed in 2013 and 2014 at Amonate document the results of the investigation and monitoring at the site. MM&A concluded that no long-term liabilities existed at the time of these ESAs.

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Based on these former ESAs completed by MM&A, it is MM&A's opinion that Coronado has a generally typical coal industry record of compliance with applicable mining, water quality, and environmental laws. Estimated costs for mine closure, including water quality monitoring during site reclamation, are included in the financial models.

11.9. Permitting and Social or Community Impacts

All mining operations are subject to federal and state laws and must obtain permits to operate underground and surface mines, coal preparation and related facilities, haul roads, and other incidental surface disturbances necessary for mining to occur. Permits generally require that the permittee post a performance bond in an amount established by the regulatory program to provide assurance that any disturbance or liability created during mining operations is properly restored to an approved post-mining land use and that all regulations and requirements of the permits are fully satisfied before the bond is returned to the permittee. Significant penalties exist for any permittee who fails to meet the obligations of the permits including cessation of mining operations, which can lead to potential forfeiture of the bond. Any company, and its directors, owners and officers, which are subject to bond forfeiture can be denied future permits under the program.⁴

New permits or permit revisions will occasionally be necessary to facilitate the expansion or addition of new mining areas on the properties, such as amendments to existing permits and new permits for mining of reserve areas. Exploration permits also are required. Property under lease includes provisions for exploration among the terms of the lease. New or modified mining permits are subject to a public advertisement process and comment period, and the public is provided an opportunity to raise objections to any proposed mining operation. MM&A is not aware of any specific prohibition of mining on the subject property and given sufficient time and planning, Coronado should be able to secure new permits to maintain its planned mining operations within the context of current regulations. Necessary permits are in place to support current production on the properties, but future permits are required to maintain and expand production. Portions of the properties are located near local communities. Regulations prohibit mining activities within 91 meters of a residential dwelling, school, church, or similar structure unless written consent is first obtained from the owner of the structure. Where required, such consents have been obtained where mining is proposed beyond the regulatory limits.

⁴ Monitored under the Applicant Violator System (AVS) by the Federal Office of Surface Mining.



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Coronado has obtained all mining and discharge permits to operate 31 underground mines, 12 surface mines, and 19 processing, loadout or related facilities. Coronado currently operates three surface mines as follows: Toney Fork Mine at the Logan Mine Complex; as well as the Pollock Knob and Kuhn Ridge Mines at the Greenbrier Mine Complex. Coronado currently operates four underground mines as follows: Buchanan Mine at the Buchanan Mine Complex; Powellton #1 and Lower War Eagle Mines in the Logan Mine Complex; and Mountaineer #1 Mine at the Greenbrier Mine Complex. Coronado currently operates three coal preparation plants and associated refuse disposal areas, one each at the Buchanan, Logan County and Greenbrier complexes. MM&A is unaware of any obvious or current Coronado permitting issues that are expected to prevent the issuance of future permits. Coronado, along with all Central and Northern Appalachian basin coal producers, is subject to a level of uncertainty regarding future clean water permits due to **United States Environmental Protection Agency (EPA)** involvement with state programs.

Mining permits currently held by Coronado are listed below.

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Table 11-6: Greenbrier Mining Permits

Type	Permit ID	Permit Name	\$ Bond	Current Status	Issued Date	Expiration Date	Hectares	NPDES No.
Permittee: Greenbrier Smokeless Coal Mining, LLC								
Other - Loadout Only	O300605	Mountaineer No. 1 Load-out Fac	\$30,800	Active	2/13/2006	2/13/2021	4.45	WV1021842
Other - Preparation Plant	O301005	Mountaineer No. 1 Prep Plant F	\$148,800	Active	5/30/2006	5/30/2021	23.16	WV1021885
Other - Haulroad Only	O301105	Mountaineer Haul Rd No. 1	\$48,000	Active	5/30/2006	5/30/2021	9.43	WV1021885
Other - Haulroad Only	O301305	Mtn. Haul Road No. 1A		Completely Released	6/8/2006	6/8/2021	3.24	WV1021893
Other - Refuse Disposal	O302105	Mountaineer No. 1 Ref Dis. Fac ³	\$506,800	Active	12/15/2006	12/15/2021	56.45	WV1021974
Other - Haulroad Only	O302205	Mountaineer Haul Rd No. 2	\$20,000	Not Started	12/15/2006	12/15/2021	6.88	WV1021974
Other - Haulroad Only	O302305	Mountaineer Haul Road #3 & 3A	\$85,000	Active	12/15/2006	12/15/2021	29.77	WV1021974
Coal Surface Mine	S300314	Pollock Knob Surface Mine No. 1	\$1,315,200	Active	10/7/2014	10/7/2019	223.31	WV1027981
Coal Surface Mine	S300514	Kuhn Ridge Surface	\$973,560	Active	6/3/2015	6/3/2020	163.36	WV1028006
Coal Surface Mine	S300805	Buck Lilly Surface Mine	\$298,320	Inactive - Expires 6/1/19	12/15/2006	12/15/2021	58.36	WV1021869
Coal Underground	U301205	Mnt. Pocahontas No. 1 Deep Min	\$217,800	Active	6/8/2006	6/8/2021	22.04	WV1021893
Coal Underground	U301205	Mnt. Pocahontas No. 3 Deep Min	-	Active	6/8/2006	6/8/2021	22.04	WV1021893
Coal Underground	U301014	Midland No. 2A Deep Mine	\$56,280	Not Started	3/2/2015	3/2/2020	9.19	WV1028693
Coal Underground	U300705	Pocahontas Deep Mine	\$113,400	Inactive	2/13/2006	2/13/2021	14.09	WV1021851
Permittee: Midland Trail, LLC								
Coal Surface Mine	I073300	No. 5 Tipple	\$16,800	Inactive	1/18/1981	7/26/2023	4.05	WV0097055
Other - Haulroad Only	O017583	Stony Run Mine No. 1	\$44,000	Active	12/28/1983	12/28/2018	30.10	WV1001892
Other - Haulroad Only	O301786	L. C. Haulroad	\$96,000	Active	4/14/1986	4/14/2021	25.41	WV1019457
Coal Surface Mine	S301507	Midland Trail Surf. Mine No. 1	\$1,901,520	Active	12/21/2007	12/21/2022	291.66	WV1022326
Coal Underground	U300401	Graham Mine No. 1	\$68,160	Inactive	2/15/2002	2/15/2022	9.62	WV1019457
Coal Underground	U300686	No. 1 Deep Mine	\$32,760	Inactive	4/10/1986	4/10/2021	8.16	WV1019457
Coal Underground	U300797	Little Sewell No. 1 Deep Mine	\$22,680	Inactive	7/8/1998	7/8/2023	3.46	WV1015281
Coal Underground	U300897	Little Sewell No. 2 Deep Mine	\$23,600	Inactive	7/8/1998	7/8/2023	3.66	WV1015281
Coal Underground	U306288	Rader Run Mine No. 1	\$161,880	Inactive - Expires 01/01/2019	1/11/1989	1/11/2019	23.03	WV1001892
Coal Underground	U306388	Stony Run Mine NO. 1	\$10,000	Completely Released	1/11/1989	1/11/2004	5.43	WV1001892

Notes:

1. Completion certification submitted to USACOE 02052017
2. Construction and Mitigation installation completed. Completed Year 4 of the required 5-year monitoring plan.
3. Permit contains refuse placement.
4. Does not include prospect permits.



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Table 11-7: Buchanan Mining Permits

Type	Permit ID	Permit Name	\$ Bond	Current Status	Issued Date	Expiration Date	Hectares	NPDES No.	Note
Permittee: Buchanan Minerals, LLC									
Coal Underground	1402152	Buchanan No. 1 Mine	\$2,379,000	Active	03/08/83	03/08/18	320.67	VA0082152	Renewal in Progress
Coal Underground	U-4003-04	Squire Jim No. 2	\$18,880	Inactive	10/17/05	10/17/20	7.31	WV1021222	
Underground PMU Only	1202154	Squire Jim No. 2 "Zero Acreage"	\$10,000	Temporary Cessation	11/13/07	11/13/22	0.00	VA0082154	
Coal Underground	U-4004-04	Squire Jim No. 3	\$10,000	Not Started	10/17/05	10/17/20	1.00	WV1201222	
Coal Underground	U-4013-08	Squire Jim No. 4	\$17,640	Inactive	12/04/09	12/04/19	8.25	WV1023837	
Coal Surface Mine	S-4004-03	Auger II Mine	\$532,800	Inactive, Reclaimed	11/21/03	11/21/18	221.53	WV1021141	
Coal Underground	U-4004-11	Laurel Fork Mine	\$20,800	Active, No Coal Removed	11/20/12	11/20/22	7.12	WV1024281	
Underground PMU Only	1202155	Laurel Fork "Zero Acreage"	\$10,000	Temporary Cessation	06/14/06	06/14/21	0.00	VA0082155	
Underground PMU Only	1202149	Vica "Zero Acreage"	\$10,000	Reclaimed	07/22/98	07/22/23	0.00	VA0082149	Permit is Reclaimed
Coal Underground	U-11-85	Vica Mine	\$18,920	Inactive Reclamation Only	02/25/85	Waiver	10.25	WV1005685	
Coal Underground	1202153	Miles Branch/Dry Fork Mine	\$123,000	Temporary Cessation	11/23/83	01/23/19	40.50	VA0082153	
Coal Underground	U001284	Tazewell McDowell	\$24,480	Inactive	01/17/84	01/17/19	11.91	WV0021687	
Coal Underground	U20983	Amonate No. 31	\$39,600	Inactive	11/14/83	11/14/18	22.00	WV0049751	
Coal Underground	O015083	Amonate Plant and Refuse	\$685,640	Inactive	11/14/83	11/14/18	280.40	WV0049751	
Coal Underground	1302251	Amonate Refuse-VA	\$987,900	Temporary Cessation	12/21/83	12/21/18	75.00	VA0082251	
Coal Surface Mine	S-4005-01	Amonate Auger No. 1	\$106,080	Inactive	09/06/01	09/06/21	50.35	WV0049751	

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Table 11-8: Logan Mining Permits

Type	Permit ID	Permit Name	\$ Bond	Current Status	Issued Date	Expiration Date	Hectares	NPDES No.
Permittee: Greenbrier Minerals LLC								
Other	O001984	North Fork Refuse ¹	\$889,200	Active	4/11/1984	4/11/2019	99.87	WV0095699
Other - Loadout Only	O009283	Elk Lick Dock	\$33,000	Active	6/10/1983	6/10/2023	13.31	WV1023071
Other	O009883	Saunders Prep Plant	\$215,760	Active	6/24/1983	6/24/2023	34.98	WV0095699
Other - Refuse Disposal	O012383	Middle Fork Refuse ¹	\$364,800	In-Active	9/27/1983	9/27/2018 ³	46.13	WV0096156
Other	O500513	Toney Fork Loadout	\$32,000	Not Started	9/11/2014	9/11/2019	12.67	WV1028081
Other - Refuse Disposal	O501108	Ellick Branch Haulroad/Refuse ¹	\$281,600	In-Active; Reclaimed	11/13/2008	11/13/2018	35.41	WV1029843
Coal Surface Mine	S500417	North Fork Winifrede Contour Mine	\$78,000	Not Started	2/13/2018	2/13/2023	50.59	Pending
Coal Surface Mine	S500709	Toney Fork Surface Mine No. 3	\$1,505,000	Not Started	11/20/2013	11/20/2018	301.02	WV1019902
Coal Surface Mine	S501210	Toney Fork West Surface Mine	\$1,660,000	Active	2/29/2012	2/28/2022	134.30	WV1024990
Coal Surface Mine	S501410	Ellick Surface Mine	\$2,417,400	Not Started	8/16/2013	8/16/2023	287.66	WV1025015
Coal Surface Mine	S503395	TONNEY FORK SURFACE #2	\$5,859,480	Active	5/28/1998	5/28/2023	46.96	WV1016750
Coal Underground	U004485	Dingess Br. No. 1	\$10,000	Phase 2 Released	6/12/1985	PHI Released	4.05	WV1008340
Coal Underground	U400299	Paynter Branch Mine No. 1 LWE	\$81,000	Active	4/5/2002	4/5/2022	9.90	WV1018728
Coal Underground	U500109	Chilton Deep Mine No. 1	\$34,160	In-Active	1/31/2011	1/31/2021	5.53	WV1019821
Coal Underground	U500789	WA #1 Mine	PH3 Released	Completely Released	7/31/1990	PHI Released	2.93	WV0096385
Coal Underground	U501311	Eagle No. 1 Mine	\$49,680	Not Started	5/20/2013	5/20/2023	7.19	WV1025139
Coal Underground	U502008	Dingess Br-Chilton Mine No. 2	\$28,240	Phase 1 Released	10/10/2008	PHI Released	11.62	WV1029908
Coal Underground	U505392	ALMA NO. 1 MINE - Powellton	\$262,800	Active	3/3/1995	3/3/2020	37.68	WV1013408
Coal Underground	U506686	Camp Branch Deep Mine	\$96,200	Phase 2 Released	1/26/1987	PHI Released	26.24	WV0093122
Coal Surface Mine	S500615	Toney Fork A-Ridge Surface Mine	\$340,000	Active	2/24/2016	2/24/2021	27.51	WV1028278
Coal Underground	U501015	CB Chilton #1 Mine	\$10,600	Not Started	12/28/2016	12/28/2021	1.68	WV1028316
River Dock	810-8037	Big Sandy Dock	\$210,700	In-Active	7/10/1986		2.99	KYG040724

Notes:

1. Permits containing refuse placement.
2. Does not include prospect permits.
3. Approval is pending.



11.10. Development of MM&A Production & Cost Forecasts

11.10.1 Production Forecast

Carlson Mining 2012® was used by MM&A to generate mine plans for underground- and surface-mineable coal seams. Underground mine plans were sequenced based on productivity schedules provided by Coronado, which were based on historically achieved productivity levels. Surface mine plans were generated under productivity assumptions (bank cubic yard per shift) as provided by Coronado and reviewed by MM&A, again based heavily on productivity levels achieved by Coronado. All production forecasting ties assumed production rates to geological models as constructed by MM&A's team of geologists and mining engineers.

11.10.2 Capital Costs

Coronado provided MM&A with an inventory of operating equipment available at the underground, surface and highwall mine locations. MM&A's capital schedules assume that major equipment rebuilds occur over the course of each machine's remaining assumed operating life. Replacement equipment was scheduled based on MM&A's experience and knowledge of mining equipment and industry standards with respect to the useful life of such equipment.

11.10.3 Operating Costs

Coronado provided historical and preliminary 5-year projections of operating costs for its active mines for MM&A's review. MM&A used the historical and/or budget cost information as a reference and developed personnel schedules for each mine. Hourly labor rates and salaries were based upon information contained in Coronado's financial summaries. Fringe benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare and bonuses. A cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof control costs and other mine supply costs at underground mines. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs.

Surface mine direct operating costs were developed as a function of overburden ratio for repair and maintenance supplies, diesel fuel, explosives and blasting, and miscellaneous supplies and services. Operating costs for highwall mines are based on costs per ROM ton estimates. Other cost factors were developed for coal preparation plant processing, refuse handling, coal loading, trucking, property taxes, and insurance and bonding. Appropriate royalty rates were assigned for production from leased coal lands and sales taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees.

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11.11. Mining Plan and Economic Evaluation

A pre-feasibility LOM plan was prepared by MM&A for active and proposed mines. MM&A prepared mine projections and production timing forecasts based on coal seam characteristics. Production timing was carried out from 2018 to depletion (exhaustion) of the coal reserve areas, which is projected for the year 2070. All costs and prices are based on 2018 constant United States dollars.

Capital schedules were developed by MM&A for mine development, infrastructure, and on-going capital requirements for the life of each projected mine. Staffing levels were prepared and operating costs estimated by MM&A for each projected mine. MM&A utilized historical cost data provided by Coronado and its own knowledge and experience to estimate direct and indirect operating costs. All ROM production is currently planned for either truck transportation from the mines to the processing or shipping facilities, or in some cases there is either a current or planned mine mouth preparation plant and barge/rail loading facility. Haul distances and trucking rates were estimated by MM&A for each location based on historical trucking cost information for similar operations.

To determine economic viability, a financial model was prepared by MM&A that identified the projected operating income and cash flow for each coal resource area. Coal price forecasts for high-volatile, mid-volatile and low-volatile metallurgical products, and for thermal products were prepared for Coronado by **AME Consulting Limited (AME)** and used for the revenue input into the financial model. The AME report provided sales price forecasts for various coal markets in terms of US dollars per metric tonne. For the Buchanan Mine, MM&A adjusted the AME benchmark pricing based on discussions with Coronado to include a 10% coal quality discount due to expansion issues associated with that coal. In addition, MM&A assumed that 60% of the Buchanan production is sold in the low-volatile export market (Hampton Roads) and 40% is sold domestic. A \$36.38-per-tonne reduction was made to the AME low-volatile Hampton Roads export sales price for transportation and port fees. All other coal in the Coronado production forecast was projected to be sold in the domestic market using AME's Central Appalachia pricing. Sales variable costs such as production royalties and severance taxes were based upon the revenue input.

The pre-feasibility financial model, prepared by MM&A for this report, was developed to test the economic viability of each coal resource area. The results of this financial model are not intended to represent a bankable feasibility study, as may be required for financing of any current or future mining operations contemplated for the Coronado properties, but are intended to prove the economic viability of the estimated coal reserves. Optimization of the LOM plan was outside the scope of the engagement.

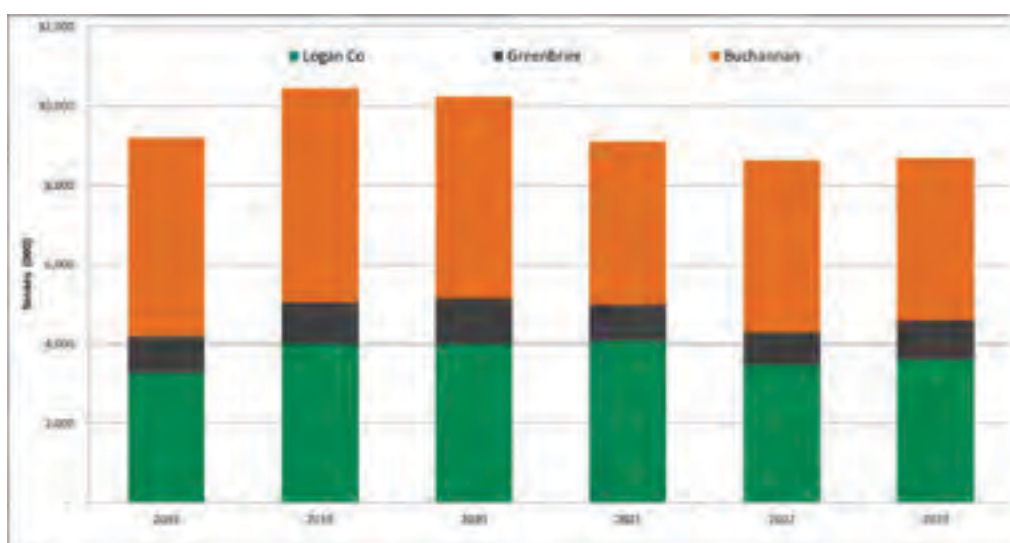
The operations are projected on a calendar year basis. MM&A's projection of annual sales tonnage for years 2018 – 2023 is summarized in the chart below. While all Coronado coal properties deemed by MM&A to have potential for classification as coal reserves were evaluated as part of the economic



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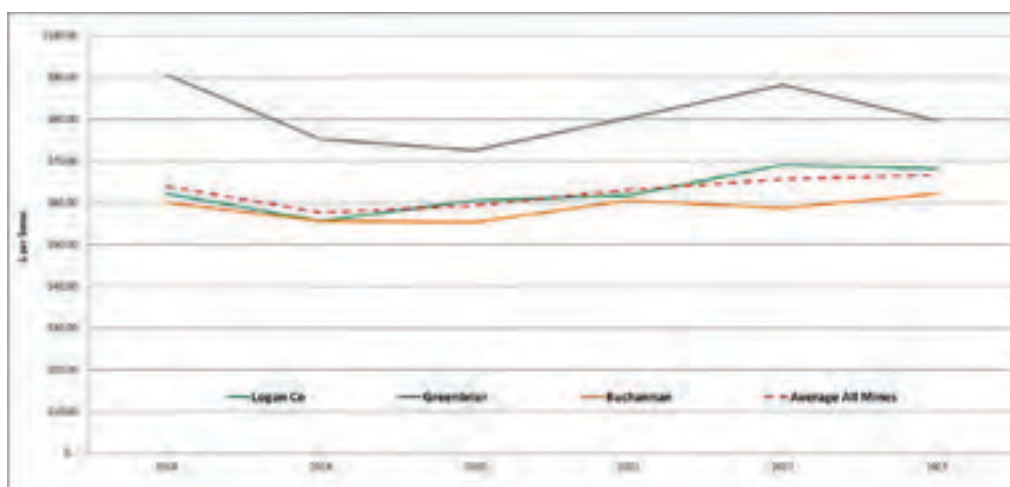
model, some of those resource areas were determined to be uneconomical in the current market and were therefore excluded from coal reserves as discussed below.

Figure 11-1: Projection of Sales Tonnes



The chart below shows a breakdown of cash costs per tonne by operating division for years 2018 - 2023.

Figure 11-2: Cash Costs per Tonne by Complex



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As shown above, the all-mines average cash cost ranges between approximately \$60 and \$70 per tonne for most of the operating period.

A summary of the key financial performance metrics projected for years 2018 – 2023 is provided below. Capital costs increase by approximately \$112.0 million between years 2022 and 2023 primarily due to initiation of the Pangburn Mine in Pennsylvania, which is projected to begin production during 2024.

Table 11-9: Summary of Key Financial Performance Metrics (2018-2023)

	Total	YE 12/31 2018	YE 12/31 2019	YE 12/31 2020	YE 12/31 2021	YE 12/31 2022	YE 12/31 2023
Logan Co.							
ROM Production Tonnes	172.0	6.8	7.5	7.6	7.7	7.1	7.3
Yield	54.54%	47.68%	53.28%	52.23%	52.94%	48.31%	49.39%
Saleable Production Tonnes	93.8	3.3	4.0	4.0	4.1	3.5	3.6
Thermal Tonnes	40.8	1.3	2.0	2.0	1.9	1.5	1.6
Domestic Met Tonnes	53.0	2.0	2.0	2.0	2.2	2.0	2.0
Export Met Tonnes	-	-	-	-	-	-	-
Total Saleable Tonnes	93.8	3.3	4.0	4.0	4.1	3.5	3.6
Cash Costs per Tonne:							
Mining Costs	\$44.72	\$40.28	\$36.08	\$40.73	\$41.44	\$47.77	\$47.06
Processing and Transport	\$9.91	\$9.20	\$8.68	\$9.21	\$9.54	\$10.02	\$9.83
Sales Related Costs	\$9.76	\$10.60	\$9.22	\$8.89	\$9.14	\$9.32	\$9.46
G&A	\$1.84	\$2.07	\$1.69	\$1.69	\$1.65	\$1.95	\$1.86
Total Cash Costs	\$66.23	\$62.15	\$55.66	\$60.51	\$61.77	\$69.06	\$68.21
Expansion CapEx (\$M)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Maintenance CapEx (\$M)	\$719.4	\$19.2	\$52.4	\$47.1	\$28.3	\$19.9	\$12.6
Total CapEx	\$719.4	\$19.2	\$52.4	\$47.1	\$28.3	\$19.9	\$12.6
Greenbrier							
ROM Production Tonnes	73.5	1.5	1.6	1.8	1.5	1.6	1.7
Yield	39.46%	63.19%	65.87%	67.01%	59.21%	52.54%	57.80%
Saleable Production Tonnes	29.0	0.9	1.1	1.2	0.9	0.8	1.0
Thermal Tonnes	0.7	0.0	0.0	0.1	0.1	0.1	0.1
Domestic Met Tonnes	28.3	0.9	1.0	1.1	0.8	0.8	0.9
Export Met Tonnes	-	-	-	-	-	-	-
Total Saleable Tonnes	29.0	0.9	1.1	1.2	0.9	0.8	1.0
Cash Costs per Tonne:							
Mining Costs	\$60.15	\$65.10	\$52.52	\$51.78	\$58.60	\$64.46	\$57.49
Processing and Transport	\$12.37	\$9.02	\$8.74	\$8.17	\$9.18	\$10.86	\$9.39
Sales Related Costs	\$11.27	\$13.77	\$11.16	\$9.86	\$9.74	\$10.07	\$10.09
G&A	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77
Total Cash Costs	\$86.55	\$90.66	\$75.19	\$72.58	\$80.29	\$88.16	\$79.74
Expansion CapEx (\$M)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Maintenance CapEx (\$M)	\$253.0	\$11.1	\$8.2	\$8.1	\$4.5	\$5.9	\$5.6
Total CapEx	\$253.0	\$11.1	\$8.2	\$8.1	\$4.5	\$5.9	\$5.6



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	Total	YE 12/31 2018	YE 12/31 2019	YE 12/31 2020	YE 12/31 2021	YE 12/31 2022	YE 12/31 2023
Buchanan							
ROM Production Tonnes	184.8	6.5	7.6	7.3	6.0	6.1	6.3
Yield	63.23%	76.77%	71.12%	69.33%	68.45%	71.35%	65.25%
Saleable Production Tonnes	116.9	5.0	5.4	5.1	4.1	4.3	4.1
Thermal Tonnes	-	-	-	-	-	-	-
Domestic Met Tonnes	46.7	2.0	2.2	2.0	1.6	1.7	1.6
Export Met Tonnes	70.1	3.0	3.2	3.0	2.5	2.6	2.5
Total Saleable Tonnes	116.9	5.0	5.4	5.1	4.1	4.3	4.1
Cash Costs per Tonne:							
Mining Costs	\$46.15	\$43.06	\$41.97	\$42.29	\$47.37	\$45.66	\$48.58
Processing and Transport	\$5.55	\$4.57	\$4.94	\$5.06	\$5.13	\$4.92	\$5.38
Sales Related Costs	\$6.36	\$10.31	\$6.66	\$5.80	\$5.90	\$5.99	\$6.04
G&A	\$2.11	\$2.11	\$2.11	\$2.11	\$2.11	\$2.11	\$2.11
Total Cash Costs	\$60.17	\$60.05	\$55.67	\$55.27	\$60.50	\$58.68	\$62.11
Expansion CapEx (\$M)	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Maintenance CapEx (\$M)	\$1,105.6	\$43.8	\$46.2	\$38.8	\$48.8	\$36.6	\$54.6
Total CapEx	\$1,105.6	\$43.8	\$46.2	\$38.8	\$48.8	\$36.6	\$54.6
Amonate							
ROM Production Tonnes	182.0	-	-	-	-	-	-
Yield	47.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Saleable Production Tonnes	87.1	-	-	-	-	-	-
Thermal Tonnes	-	-	-	-	-	-	-
Domestic Met Tonnes	87.1	-	-	-	-	-	-
Export Met Tonnes	-	-	-	-	-	-	-
Total Saleable Tonnes	87.1	-	-	-	-	-	-
Cash Costs per Tonne:							
Mining Costs	\$55.24	\$-	\$-	\$-	\$-	\$-	\$-
Processing and Transport	\$16.21	\$-	\$-	\$-	\$-	\$-	\$-
Sales Related Costs	\$6.70	\$-	\$-	\$-	\$-	\$-	\$-
G&A	\$2.11	\$-	\$-	\$-	\$-	\$-	\$-
Total Cash Costs	\$80.26	\$-	\$-	\$-	\$-	\$-	\$-
Expansion CapEx (\$M)	\$341.1	\$-	\$-	\$-	\$-	\$-	\$-
Maintenance CapEx (\$M)	\$544.3	\$-	\$-	\$-	\$-	\$-	\$-
Total CapEx	\$885.4	\$-	\$-	\$-	\$-	\$-	\$-
PA Mines							
ROM Production Tonnes	200.7	-	-	-	-	-	-
Yield	74.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Saleable Production Tonnes	148.6	-	-	-	-	-	-
Thermal Tonnes	37.2	-	-	-	-	-	-
Domestic Met Tonnes	111.5	-	-	-	-	-	-
Export Met Tonnes	-	-	-	-	-	-	-
Total Saleable Tonnes	148.6	-	-	-	-	-	-
Cash Costs per Tonne:							
Mining Costs	\$34.83	\$-	\$-	\$-	\$-	\$-	\$-
Processing and Transport	\$12.87	\$-	\$-	\$-	\$-	\$-	\$-
Sales Related Costs	\$1.89	\$-	\$-	\$-	\$-	\$-	\$-
G&A	\$2.11	\$-	\$-	\$-	\$-	\$-	\$-
Total Cash Costs	\$51.69	\$-	\$-	\$-	\$-	\$-	\$-
Expansion CapEx (\$M)	\$267.1	\$-	\$-	\$-	\$-	\$-	\$97.4
Maintenance CapEx (\$M)	\$570.5	\$-	\$-	\$-	\$-	\$-	\$-
Total CapEx	\$837.5	\$-	\$-	\$-	\$-	\$-	\$97.4

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11.12. Assumptions Made Regarding Revenue and Transportation

Coal price forecasts, transportation and market assessment were prepared by AME for Coronado in April 2018 and provided to MM&A for use in this Concise Competent Person's Report for Reporting Resources and Reserves under the JORC Code. AME classified the sales price forecasts into categories based on coal quality, including:

1. Mid-volatile metallurgical coals
2. High-volatile metallurgical coals
3. Low-volatile metallurgical coals
4. Thermal coals

MM&A utilized the price forecast developed by AME as the basis for coal sales price assumptions in the economic evaluation as part of this report.

For the Buchanan Mine, MM&A adjusted the AME benchmark pricing based on discussions with Coronado to include a 10% coal quality discount due to expansion issues associated with that coal. In addition, MM&A assumed that 60% of the Buchanan production is sold in the low-volatile export market (Hampton Roads) and 40% is sold domestic. A \$36.38-per-tonne reduction was made to the AME low-volatile Hampton Roads export sales price for transportation and port fees. All other coal in the Coronado production forecast was projected to be sold in the domestic market using AME's Central Appalachia pricing. Assumed Market placement was dictated by volatile percentages for metallurgical grade coal. Assumptions on respective market breakdowns for coals which exhibit potential for both metallurgical and thermal market placement were determined based upon available coal quality, regional trends, and current/historical market breakdowns as experienced by Coronado.

11.13. Discussion of Relative Accuracy/Confidence

Operations on the Properties by Coronado and its predecessors have been on-going for many years. Mine plans, productivity expectations and cost estimates generally reflect historical performance and efforts have been made to adjust plans and costs to reflect future conditions. MM&A is confident that the mine plans and financial models are reasonably representative to provide an accurate estimation of coal reserves. Mine development and operation has not been optimized within this report.

11.14. Risk Factors

The major risk factors for the active Coronado mines and future resource development are summarized below:



1. Mine Accidents

- i. Highwall Failure. Highwall failures are likely to result in a temporary mine closure and should not have a material impact on the mine sustainability. The risk is considered to be probable.

2. Adverse Geological Conditions. Adverse geological conditions include such conditions as faults and sandstone washes. The risk is considered to be probable. The impact is expected to be temporary with little material impact on mine sustainability.

3. Environmental Risk. Numerous federal and state permits are required to operate coal mines and mine surface facilities. Permitting rules are complex and may change over time, making compliance difficult or impossible.

- i. Water Quality. Permit requirements to fulfill Clean Water Act obligations are subject to modification. The probability of water quality changes having a material impact on mine operations is possible. As a contemporary example, the selenium discharge issue that affects western Canadian and Central Appalachian Basin operators has only recently emerged as a concern and its ultimate impact has not been determined.
- ii. New Permits. Permit protests by environmental groups and individuals can contribute to permit delays or denial and increase the cost of permitting and delay development. Surface mining activities, coal refuse disposal and construction of access roads in mountainous terrain often require storage of material in valley fills. Authority to dispose of fill material into waters of the United States must be granted by the **United States Army Corps of Engineers (COE)**. COE permits are increasingly difficult to obtain.

4. Regulatory Requirements. Adverse impact from regulatory changes is considered to be probable. The impact will likely affect the broader industry and is not expected to result in mine closure.

5. Market Risk. Metallurgical and thermal coal markets ultimately depend upon the global steel and thermal coal demand and are considered to be volatile. Currently, the US coal market has seen a decline in demand for thermal coal due to thermal plant closures, as a result of new air and water pollution regulations, and competition from other commodities used for power generation such as natural gas. This has resulted in an overall decline in CAPP coal production. Continued regulatory changes and declining demand could result in material changes in domestic and global coal markets. While MM&A expects the coal reserve within this report to remain economically viable throughout the life of the projected mines, the LOM financial model is very sensitive to changes in coal sales price and therefore market risk is not insignificant.

6. Labor Risk. Work stoppage due to organized labor protests is considered to be unlikely and not likely to lead to permanent mine closure. The mines are likely to suffer the loss of key supervisors and skilled employees due to retirement as the workforce ages. The problem is

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- industry-wide and the impact is expected to be temporary and have no sustained impact on coal production.
- 7. Availability of Equipment and Supplies. Risk of equipment and supply availability is likely to be temporary and should not have a sustained adverse impact on the production of coal.
 - 8. Transportation Delay. Interruption of coal transport services by river or rail is considered to be probable but unlikely to have a sustained impact on coal production.

APPENDIX

A

JORC TABLE 1



10. MM&A Report (2018)

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Appendix A: JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	> Most of the coal samples have been obtained from the Properties by subsurface exploration using core drilling techniques. The protocol for preparing and testing the samples has varied over time and is not well documented for the older holes drilled on the Properties.
	> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	> Typical USA core drilling sampling technique is for the coal core sample, once recovered from the core barrel, to be described then wrapped in a sealed plastic sleeve and placed into a covered core box, which is the length of the sample so that the core can be delivered to a laboratory in relatively intact condition and with original moisture content.
	> Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	> It is reasonable to assume, given the sophistication level of the previous operators, that these samples were generally collected and processed under industry best-practices. This assumption is based on MM&A's familiarity with the operating companies and the companies used to perform the analysis.
Drilling techniques		> Some of the drill holes were air rotary bored and no coal core samples were collected. Seam thickness for rotary-drilled bore holes is verified by calibrated downhole gamma-density logs.
		> Coal samples that were deemed by MM&A geologists to be unrepresentative were not used for statistical analysis of coal quality, as documented in the tabulations. A representative group of drill hole samples from the Properties were then checked against the original drill laboratory reports to verify accuracy and correctness.
	> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air-blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	> The Properties have been extensively explored by subsurface drilling efforts carried out by numerous entities, most of which were completed prior to acquisition by Coronado. The majority of the drilling was accomplished using vertical continuous (diamond) coring or air rotary methods.
		> Core drilling methods utilize NX-size (5.4 centimeter) or similar-sized core cylinders to recover core samples, which can be used to delineate geologic characteristics, and for coal quality testing and geotechnical logging.
		> Data for the rotary drilled holes is mainly derived from downhole geophysical logs, which are used to interpret coal and rock thickness and depth since logging of the drill cuttings is not reliable.
		> Geophysical logging was performed on many of the holes, either by Geological Logging Systems (a division of MM&A), other geophysical logging contractors, and on those properties acquired from CONSOL geophysical logging was often performed by CONSOL's in-house logging services.

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	> Method of recording and assessing core and chip sample recoveries and results assessed.	> Where available, core recovery thickness of coal samples was reconciled with the thickness interpreted from geophysical logs.
	> Measures taken to maximise sample recovery and ensure representative nature of the samples.	> Core recovery of the older coal samples lacking geophysical logs is sometimes not well-documented; however, when the laboratory results for such holes had anomalous values, the data was disqualified and not used.
	> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	> A wide variety of core-logging techniques exist for the properties. For many of the core holes, the primary data source is a generalized lithology description by the driller; in some cases supplemented by a more detailed core log completed by a geologist.
	> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	> The logging of core thickness and depth is quantitative. With the exception of the coal seams, logging of rock strata type is more subjective and best considered as qualitative.
	> The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	> If core, whether cut or sawn and whether quarter, half or all core taken.	> Typical US practice in the Appalachian Basin is that core samples for deep mineable coal samples are not sawn or subsampled (since seams are not of great thickness and the entire seam is mined and co-mingled).
	> If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	> Oftentimes, core for surface-mineable coal seams are bench sampled separately by the various coal and rock layers (plies).
	> For all sample types, the nature, quality and appropriateness of the sample preparation technique.	> MM&A has exercised diligence to use only those analyses that are representative of the coal quality parameters for the appropriate mining type for each sample.
Quality of assay data and laboratory tests	> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	
	> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	
	> Whether sample sizes are appropriate to the grain size of the material being sampled.	
	> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	> Sample analysis was typically carried out by accredited US laboratories.
	> For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	> Standard procedure upon receipt of core samples by the testing laboratory is to log the depth and thickness of the sample, then perform testing as specified by a representative of the operating company. Each sample is then analyzed in accordance with procedures defined under American Society for Testing and Materials (ASTM) standards including, but not limited to: washability (ASTM D4371); ash (ASTM D3174); sulfur (ASTM D4239); Buu/lb. (ASTM D5865); volatile matter (ASTM D3175); Free Swell Index (FSI) (ASTM D720).
	> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	> Geophysical tools are calibrated by the logging company and where possible, validated using a calibration hole.

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Criteria	JORC Code explanation	Commentary
Verification of data sampling and assaying	> The verification of significant intersections by either independent or alternative company personnel.	> All coal intersection data used to generate the geologic model has been cross referenced with the lithological and geophysical logs by MM&A.
	> The use of twinned holes.	> Laboratory quality was adjusted from dry basis to reflect the anticipated marketable product moisture.
	> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	> Coal quality results were verified by spot-check with laboratory analysis sheets by MM&A before inclusion into the geologic model and use in the resource estimate.
	> Discuss any adjustment to assay data.	
Location of data points	> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	> Due to the long history of exploration by various parties on the Properties, a wide variety of survey techniques exist for documentation of data point locations. Many of the older exploration drill holes appear to have been located by ground survey; more recently completed drill holes are often located by high-resolution Global Positioning System (GPS) units.
	> Specification of the grid system used.	> Grid systems used are typically the State Plane Coordinate System pertinent to each property.
	> Quality and adequacy of topographic control.	> Topography is based on either the USGS topographic 7.5-minute quadrangle maps or on recent aerial photogrammetry as necessary (subject to availability).
Data spacing and distribution	> Data spacing for reporting of Exploration Results.	> Spacing and distribution of data point information may vary from seam to seam within each mining area. The areas estimated for coal resource and coal reserve tonnes have been limited so that the data spacing and distribution is sufficient to establish the degree of geological continuity appropriate for the estimation and classification of the coal tonnes.
	> Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	> All of the coal resource tonnes are in the measured, indicated, and inferred categories, and all of the coal reserve tonnes are in the proved and probable categories in accordance with the JORC Code standards.
	> Whether sample compositing has been applied.	
Orientation of data in relation to geological structure	> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	> Drill holes have been vertically drilled. No downhole deviation logs have been collected and it is therefore not known if the drill holes have deviated away from vertical. Based on the relatively shallow seam depths, any deviation is expected to be insignificant and immaterial to the geologic characterization of the property.
	> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	> The dip of the coal seams is relatively minor and not a material issue for representation of seam thickness or quality.
Sample security	The measures taken to ensure sample security.	> Sample handling procedures employed by explorationists follow typical US protocol and should be adequate to insure sample security.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	> MM&A has reviewed all available geological information for the property in developing the geologic model. Only that data deemed suitable has been used for the purpose of generating the resource and reserve estimates.

Section 2 Reporting of Exploration Results

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Appendix A: JORC Table 1

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	> The Coronado coal resources are located within three of the United State of America: Virginia; West Virginia; and Pennsylvania. Control of these Properties is governed by many hundreds of agreements.
	> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	> MM&A has not carried out separate title verification for the coal properties and has not verified leases, deeds, surveys or other property control instruments pertinent to the subject resources. > Coronado has represented to MM&A that it controls the mining rights to the coal deposits as shown on its property maps, and MM&A has accepted these as being a true and accurate depiction of the mineral rights controlled by Coronado. The report assumes the properties are developed under responsible and experienced management. > There are no known legal or environmental encumbrances that would impede development of the subject coal reserves.
Exploration done by other parties	> Acknowledgment and appraisal of exploration by other parties.	> The Properties have been extensively explored by subsurface drilling efforts carried out by numerous entities, most of which were completed prior to acquisition by Coronado. > This exploration work was generally performed to prevailing US best practice standards and deemed adequate for the purposes of this report.
	> Deposit type, geological setting and style of mineralisation.	> The Coronado coal resources are located within the Northern and Central Appalachian Coal Basins. > The coal deposits are Carboniferous in age, being of the Pennsylvanian system. > Seam of economic significance typically range between 0.3 meters and 1.8 meters in thickness, with relatively little structural deformation. > Regional structure is typically characterized by gently dipping strata to the northwest at less than one percent.

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Criteria	JORC Code explanation	Commentary
Drill hole Information	> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. > If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	> MM&A reviewed and entered all pertinent data into a digital geologic database for each Coronado property. The database consists of thousands of data records, which include drill hole and supplemental coal seam thickness measurements from outcrop and mine exposures. > All drill holes in the database are provided with a collar elevation and the State Plane Coordinate System easting and northing coordinate. > After MM&A confirmed proper coal seam thickness and correlation, the seam data was modelled and compiled into coal resource maps. > The maps are provided in the report; however, a tabulation of the thousands of individual data records is not practical to include.
Data aggregation methods	> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. > Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. > The assumptions used for any reporting of metal equivalent values should be clearly stated.	> Where a coal seam has been bench sampled (typically for surface mining) the individual analyses for the coal piles are normally weight-averaged to represent the total of recoverable coal. > Coal quality summary results have been documented in the report. Average coal quality on a per-seam basis is used to represent the coal resources within a given mining area. > Average coal quality for each Coronado complex is provided in Tables 11-1, 11-2 and 11-3 of this report. > No other data aggregations methods are used.
Relationship between mineralisation widths and intercept lengths	> These relationships are particularly important in the reporting of Exploration Results. > If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. > If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	> Coal thickness values from all coal intersections and down hole geophysical logs are considered to be vertical thicknesses. Seam dip of approximately 2.0 to 3.0 degrees has little effect on the vertical thickness of the seam.
Diagrams	> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	> Diagrams and maps showing the coal seam intercepts are presented in the report.
Balanced reporting	> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	> All of the available, qualified exploration data has been included within the tabulations, maps and diagrams for this report. > Both coal thickness and quality data are deemed by MM&A to be reasonably sufficient within the resource areas. Therefore, there is a reasonable level of confidence in the geologic interpretations required for coal resource determination based on the available data and the techniques applied to the data.



Criteria	JORC Code explanation	Commentary
Other substantive exploration data	> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	> Informational material available from the U.S. Geological Survey and the respective State Surveys was used to assist in the Resource estimate.
Further work	> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). > Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	> Further work is expected to include additional exploration, geotechnical testing, coal quality analyses, and coal property acquisition.

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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. > Data validation procedures used.	> MM&A confirmed coal seam thickness and correlations in databases used for coal deposit modelling. Representative records were spot-checked for data entry validation. > Geophysical logs were used wherever available to assist in confirming the seam correlation and to verify proper seam thickness measurements and recovery of coal samples.
Site visits	> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. > If no site visits have been undertaken indicate why this is the case.	> MM&A is very familiar with the Properties and has conducted multiple site visits throughout the years.
Geological interpretation	> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. > Nature of the data used and of any assumptions made. > The effect, if any, of alternative interpretations on Mineral Resource estimation. > The use of geology in guiding and controlling Mineral Resource estimation. > The factors affecting continuity both of grade and geology.	> Due to the relative structural simplicity of the deposits and the reasonable continuity of the tabular coal beds, the principal geological interpretation necessary to define the geometry of the coal deposits is the proper modeling of their thickness and elevation. > Both coal thickness and quality data are deemed by MM&A to be reasonable within the resource areas. > Therefore, there is a reasonable level of confidence in the geologic interpretations required for coal resource determination based on the available data and the techniques applied to the data.
Dimensions	> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	> The subject coal resource areas mostly exist in discreet, individual deposits of highly variable dimensions, shapes and depth below the ground surface. > Such factors are best depicted in the maps contained in the report. > Details of the parameters are cited within the full report and included in the table of Cut-off Parameters listed in Section 11 of this report.
Estimation and modelling techniques	> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domain, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. > The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. > The assumptions made regarding recovery of by-products. > Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	> Geological data was imported into Carlson Mining® (formerly SurvCADD®) geological modelling software in the form of Microsoft® Excel files incorporating, drill hole collars, seam and thickness picks, bottom seam elevations and raw and washed coal quality. These data files were validated prior to importing into the software. > Once imported, a geologic model was created. > The geological model was verified and reviewed. > Resources were estimated by defining seam thickness at each point of observation and by defining resource confidence arcs around the points of observation. > Points of observation for Measured and Indicated confidence arcs were defined for all drill holes that intersected the seam.



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Criteria	JORC Code explanation	Commentary
	> In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. > Any assumptions behind modelling of selective mining units. > Any assumptions about correlation between variables. > Description of how the geological interpretation was used to control the resource estimates. > Discussion of basis for using or not using grade cutting or capping. > The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	> As prescribed by the USGS the following distances from points of observation were used to define the corresponding Resource category arcs: - Inferred Resources – greater than 3,960 feet but less than 15,840 feet (4,828 meters) - Indicated Resources – 3,960 feet (1,207 meters) - Measured Resources – 1,320 feet (402 meters) > The use of the USGS standards are appropriate and customary for this resource jurisdiction and deposition type.
Moisture	> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	> Coal resource tonnes are presented on a dry, in-situ basis. > Reserve tonnes are presented on a moist basis at anticipated product moisture ranging from 4.0 to 6.0 percent. Moisture content based on historic analyses of shipped coal.
Cut-off Parameters	> The basis of the adopted cut-off grade(s) or quality parameters applied.	> The cut-off parameters were tailored for each of the Coronado properties to be in accordance with mining/ processing capabilities and market conditions prevalent at each operation. > Examples include minimum recoverable coal thickness; acceptable ash content and wash recovery, and manageable overburden to coal ratio for surface mineable coal. > Details of the parameters are included in the table of Cut-off Parameters listed in Section 11 of this report. > These cut-off parameters have been developed by MM&A based on its experience with the Coronado properties and other mining operations of the Central Appalachian coal basin. This experience includes technical and economic evaluations of numerous properties in the region for the purposes of determining the economic viability of the subject coal reserves.
Mining factors or assumptions	> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	> Mining factors such as dilution, mining and washing recovery are variable and have been applied at the coal deposits at each operation based on site-specific characteristics. > Details of the factors are cited within the full report. > Factors that would typically preclude conversion of a coal resource to coal reserve include the following: inferred resource classification; absence of coal quality; poor mine recovery; lack of access; insufficient exploration; or uncontrolled surface property for areas of proposed for surface mining. > While such factors were used to preclude the conversion of a very limited number of coal resources to coal reserves in this report, the extensive history of mining on the Properties would suggest that there are reasonable prospects for eventual economic extractions of all coal resources under favorable market conditions.

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Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	> The products mined from coal resources controlled by Coronado can be sold into high-, mid-, and low-volatile metallurgical coal markets because of their inherent quality characteristics. > Run-of-mine production is washed at the coal preparation plants as needed for quality control. > Coronado may blend production from multiple sources to manage ash and sulfur content along with the rheological and petrographic characteristics of the shipped products.
Environmental factors or assumptions	> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	> MM&A completed a Limited Phase I Environmental Site Assessment (ESA) on the Buchanan and Amonate properties in April 2016, and on the Logan County and Greenbrier Properties in May 2017 on behalf of Coronado. Coronado reports not having conducted such a study since the MM&A studies. > The ESAs completed by MM&A included a site inspection, review of historical records, a database search of State and Federal regulatory records and interviews to identify potential recognized environmental conditions (RECs) that may create environmental liability for the sites. > MM&A identified one REC at Greenbrier associated with stained soil and gravel near a fueling and maintenance area, and one Historical REC at Amonate related to overfilling of a diesel fuel tank in 2009. Coronado reported to MM&A that satisfactory clean-up efforts were completed at Greenbrier. > Site investigation reports completed in 2013 and 2014 at Amonate document the results of the investigation and monitoring at the site. MM&A concluded that no long-term liabilities existed at the time of these ESAs. > Based on these former ESAs completed by MM&A, it is MM&A's opinion that Coronado has a generally typical coal industry record of compliance with applicable mining, water quality, and environmental laws. Estimated costs for mine closure, including water quality monitoring during site reclamation, are included in the full report financial models.
Bulk density	> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. > The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. > Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	> Laboratory derived seam densities measured in specific gravity were used where available. As needed, these data were supplemented by estimated seam density values based on the relative proportion of coal and non-coal material within the seam (typically at 1.30 and 2.25 specific gravity, respectively). > Average seam density was determined for each coal deposit and used to convert coal volumes into coal tonnage estimates.

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Criteria	JORC Code explanation	
	Classification	Commentary
Audits or reviews	> The basis for the classification of the Mineral Resources into varying confidence categories. > Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). > Whether the result appropriately reflects the Competent > Person's view of the deposit.	> The Resource has been classified based on suitable distances from points of observations prescribed in the USGS Circular 891. The use of the USGS standards are appropriate and customary for this resource jurisdiction and deposition type. > All relevant factors have been accounted for and reflect the Competent Person's view of the deposit.
	> The results of any audits or reviews of Mineral Resource estimates.	> MM&A performed a previous audit of the Properties in year 2017 for Coronado based on U.S. Securities and Exchange Commission (SEC) Industry Guide 7 and USGS Circular 891 standards. > Earlier audits were performed by various independent consultants for predecessors-in-title to Coronado and at various levels of detail depending on the clients concerns and the allotted time for completion. Previous audits and reviews defined the primary coal resource areas and estimated the recoverable tonnes for each seam based on the expected mining methods. > Additionally, MM&A has performed proprietary evaluations for predecessors-in-title to Coronado, which encompass portions of the Properties included in this report.
Discussion of relative accuracy/ confidence	> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. > The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. > These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	> The relative accuracy of and confidence in the coal tonnage and quality estimates provided herein are judged to be in conformance with current industry best-practices. > The representation of average coal quality characteristics should be understood to represent a reasonably representative sampling that is generally indicative of coal quality and does not represent a statistically rigorous approach to coal quality modeling. > Resource estimation has been completed using standard coal estimation methods which are deemed appropriate for this deposit.

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Section 4 Estimation and Reporting of Ore Reserves (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	> Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.	> The coal resource estimate was prepared as part of the report "Coronado Global Resources Inc. and Coronado Group LLC (together "Coronado") Statement of Coal Resources and Reserves in Accordance with JORC Code as of December 31, 2017 – Northern and Central Appalachian Coal Basins – Virginia, West Virginia and Pennsylvania, USA – August 2018" prepared by MM&A
	> Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	> The resource estimation criteria were developed by MM&A based on the capabilities of the mining equipment used within the production model and on industry-accepted standards to assure that the basic geologic characteristics of the coal resources are in reasonable conformity with those to be mined and marketed by Coronado.
	> Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	> Coal resources are reported inclusive of the coal reserves.
	> The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.	> MM&A is very familiar with the Properties and has conducted multiple site visits throughout the years.
Study status	> The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.	> A preliminary feasibility LOM plan was prepared by MM&A for active and proposed mines.
	> The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	> This geologic evaluation conducted in accordance with JORC standards and in conjunction with the preliminary feasibility study is sufficient to conclude that the surface, highwall miner and underground coal reserves identified on the Properties are economically mineable under reasonable expectations of market prices for thermal and metallurgical coal products, estimated operation costs, and capital expenditures.
		> The pre-feasibility financial model, prepared by MM&A for this report, was developed to test the economic viability of each coal resource area.
Cut-off parameters		> Proved and probable coal reserve were derived from the defined in-situ coal resource considering relevant processing, economic (including independent estimates of capital, revenue and cost, marketing, legal, environmental, socioeconomic, and regulatory factors).
	> The basis of the adopted cut-off grade(s) or quality parameters applied.	> The cut-off parameters were tailored for each of the Coronado properties to be in accordance with mining/ processing capabilities and market conditions prevalent at each operation.
		> Examples include minimum recoverable coal thickness, acceptable ash content and wash recovery, and manageable overburden to coal ratio for surface mineable coal.
		> Details of the parameters are cited within the full report and included in the table of Cut-off Parameters listed in Section 11 of this report.
		> These cut-off parameters have been developed by MM&A based on its experience with the Coronado properties and are typical of mining operations in the Central Appalachian coal basin. This experience includes technical and economic evaluations of numerous properties in the region for the purposes of determining the economic viability of the subject coal reserves.

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Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	> The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).	> After validating coal seam data and establishing correlations, the thickness and elevation for seams of economic interest were used to generate a geologic model. > A pre-feasibility LOM plan was prepared by MM&A for active and proposed mines. MM&A prepared mine projections and production timing forecasts based on coal seam characteristics. Production timing was carried out from 2018 to depletion (exhaustion) of the coal reserve areas.
	> The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	> The room-and-pillar mining method was selected to model the underground mining resources, utilizing continuous miners for coal extraction, shuttle cars for production section haulage and roof bolters for roof control, with the exception that the Buchanan Mine also uses longwall shearers, armored face conveyors, and hydraulic self-advancing roof support. The resource areas located above drainage are relatively small and often have irregular boundaries. The Buchanan Mine in Buchanan County, Virginia is the only active longwall mine currently being operated by Coronado. > The Coronado underground mining resource areas which are located above-drainage require an access road and mine access development along the outcrop, whereas below-drainage mines are accessed via shaft or slope based on other proposed surface infrastructure locations and/or surface property control. > The surface mining method selected utilizes highly productive hydraulic shovels, front-end loaders, large tractors and rock trucks for overburden removal. The mobile equipment spreads adapt readily to winding coal outcrops for contour surface mining and are effective for point-removal and area mining applications. > Application of highwall and auger mining units is an effective method to recover coal resources not suitable for underground mining and under excessive cover for surface mining.
	> The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.	> Mining plans for potential underground mines were developed by MM&A. Pillar stability was tested by MM&A using the <i>Analysis of Retreat Mining Pillar Stability (ARMP)</i> program that was developed by the National Institute for Occupational Safety and Health (NIOSH). > Coronado must obtain approved mining plans from United States Department of Labor Mine Safety and Health Administration (MSHA) that define safety parameters for the highwalls developed during contour and area mining. MM&A's planning model does not require input of specific highwall design parameters, but provides for timing of mining within mine plan polygons that is representative of the operation performance attained at Central Appalachia surface mines. > Highwall and auger mining is conducted under highwalls designed and constructed to meet MSHA permit requirements. To better assure highwall stability and safety during highwall coal extraction, MSHA requires that coal fenders, or stumps, be left in place between successive cuts. Periodic barrier pillars must be left in place as an additional safeguard. MM&A has adjusted the expected mining recovery for highwall and auger mining resources to reflect highwall stability and safety requirements.
	> The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).	> Underground Mining Resources: For metallurgical resources, minimum coal seam thickness extends down to between 0.6 and 1.2 meters and a minimum overburden

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		(depth of cover) of 30.5 meters. A 61-meter horizontal distance is maintained from abandoned mines and sealed or pillared areas, and a 30-meter horizontal distance is maintained from planned highwall miner panels. Mine recovery is reduced when a rider coal seam is present within a 1.5- to 3.0-meter interval above the coal seam. No mining is projected when the interval between overlying and underlying reserves is less than 12 meters.
		Surface Mining Reserves: For classification as a surface-mineable resource, a seam must be at least 0.3 meters in thickness as a stand-alone (principle) seam and 0.15 meters in thickness when less than 0.8 meters from a principle seam. The maximum cumulative area mining strip ratio is generally 20:1 for thermal coal and 30:1 for metallurgical coal. Some areas were assessed for their economic viability at higher ratios, and were included as reserves if deemed economic. For contour surface mining, a minimum of 38-meter bench is provided to support HWM. HWM and Auger Mining Reserves: HWM cut depth (penetration) is established at a maximum of 244 meters. The minimum mineable coal thickness is limited at 0.6 meters. For coal seams less than 0.8 meters thick, roof and/or floor characteristics must allow OSD cutting to maintain a 0.8-meter minimum cutting height. Auger mining cut depth is established at an average of 91 meters. The minimum mineable coal thickness is limited at 0.5 meters.
> The mining dilution factors used.		Underground Mining Reserves: The planning model assigns minimum mining heights of 1.4 to 1.8 meters for mains and panel development. At the Buchanan Mine, a minimum mining height of 1.8 meters was used due to the longwall mining method being employed. For coal seams thinner than the assigned mining height, the difference between the coal seam height and assigned mining height consists of OSD. In all cases a minimum of 0.05 meters of OSD was assumed, with the exception of the Pennsylvania mines, where a minimum 0.15 meters of OSD was assumed due to weaker floor strata. Surface Mining Reserves: Area mining is generally limited to a cumulative overburden ratio of 30:1 and a 15:1 ratio for contour mining. Exceptions were considered for mining of metallurgical grade coal where deemed economical. The effect of OSD assigned to surface mining is assumed to be an increase of 2 percent to the raw product ash. HWM and Auger Mining Reserves: The mining plan assumes that the HWM cutting height is a minimum of 76 to 99 centimeters for clearance purposes. When the coal seam is less than 76 to 99 centimeters thick, OSD assumed and included in the ROM product. Because the auger has very limited OSD cutting ability, it is assumed that an appropriate auger diameter will be chosen based on the coal seam thickness and that OSD will be minimal.
> The mining recovery factors used.		Underground Mining Reserves: Mine recovery generally varies between 40 and 60 percent for continuous mining panels, and 100 percent for longwall. Surface Mining Reserves: Mining recovery is 90 percent for virgin areas. Mining recovery is reduced where second mining is projected in previously underground and auger mined areas.

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Criteria	JORC Code explanation	Commentary
		> HWM and Auger Mining Reserves: A mine recovery of 40 percent has been applied for HWM. A mine recovery of 35 percent has been applied for auger mining.
	> Any minimum mining widths used.	> Underground Mining Reserves: Typical entry width is 5.8 to 6.1 meters.
	> The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	> Proved and probable coal reserve were derived from the defined in-situ coal resource considering relevant processing, economic (including independent estimates of capital, revenue and cost, marketing, legal, environmental, socioeconomic, and regulatory factors).
		> Mine plan LOM tonnage includes inferred coal and those areas that do not meet the minimum coal thickness requirement for classification as reserve. Inferred coal represents approximately 0.9% of the total LOM production.
	> The infrastructure requirements of the selected mining methods.	> Underground Mining Reserves: The continuous mining method provides for the extraction of coal from the production faces using continuous miner's (and longwall shearing machine at Buchanan) and haulage using shuttle cars or battery haulers to a feeder-breaker located at the tail of the section conveyor belt. The feeder-breaker crushes large pieces of coal and rock and regulates coal feed onto the mine conveyor. A chain conveyor is used to remove coal from the longwall face at the Buchanan Mine for placement onto the conveyor belt which is ultimately delivered to an underground storage bunker. Roof-bolting machines are used to install roof bolts, and battery scoops are available to clean the mine entries and assist in delivery of mine supplies to work areas. Surface ventilation fans are installed as needed to provide a sufficient volume of air to ventilate production sections, coal haulage and transport entries, battery charging stations, and transformers in accordance with approved plans.
		> Coronado currently operates three coal preparation plants, one each at the Buchanan, Logan County and Greenbrier Divisions. The Buchanan Plant operates at a feed rate of approximately 907 raw tonnes per hour (tph), whereas the Saunders Plant (Logan County Division) has a nominal feed rate of 816 tph, and the Mountaineer Plant (Greenbrier Division) operates at 544 tph. MM&A has included capital estimates for construction of additional coal preparation plants at the Amonate (Russell County) and Pennsylvania Divisions for the purposes of this report. An existing preparation plant at the Amonate Division which will prepare coal from the Squire Jim, P3, P4, P5, and P11 mines is currently on care-and-maintenance status; MM&A has included capital expenditures for upgrading that plant when these mines begin producing.
		> Surface Mining Reserves: The surface mining mobile equipment spreads advance the contour and area mining pits while systematically reclaiming the trailing side of pits where coal has been removed. The coal haul roads are extended and maintained as the pits advance. Support facilities are maintained nearby but away from the active mining, and include storage areas for blasting agents, fuel and lubricants, and mine supplies along with maintenance facilities and offices. Most of the surface mine production is transported to a loading point for crushing, blending and direct-shipment to customers.
		> HWM and Auger Resources: The HWM equipment advances along with the contour mining pits. The rate of advance of the contour mining is governed by the

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Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	> The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.	> advancement rate of the HWM. A diesel-powered generator trails the highwall miner and powers the continuous mining unit. Other support facilities are provided along with the contour mining support facilities. HWM production is all transported by truck to the coal preparation plant for washing.
	> Whether the metallurgical process is well-tested technology or novel in nature.	> Coarse material is washed in a heavy medium vessel. Intermediate-size material is washed in heavy medium cyclones. Fine material is washed using conventional froth flotation cells.
	> The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical dominating applied and the corresponding metallurgical recovery factors applied.	> Processes are typical of those used in the coal industry and are in use at adjacent coal processing plants.
	> Any assumptions or allowances made for deleterious elements.	> The quality characteristics for the subject coal resources and coal reserves have been reviewed in detail by MM&A. The drill hole data were utilized to develop average coal quality characteristics mining site. These average coal quality characteristics were then utilized as the basis for determining the various markets into which the saleable coal will likely be placed.
	> The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole	> No significant effects on product quality are anticipated from dilution material; float product quality was used to model final product quality.
	> For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet specifications?	> No bulk sample or pilot scale work has been completed.
Environmental	> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	> Notwithstanding the complexity of the coal quality data set, the seams of the central and northern Appalachian coalfields have a long history of providing both high-Btu thermal coals and high-, mid- and low-volatile coking coals with favorable metallurgical properties.
		> MM&A completed a Limited Phase I Environmental Site Assessment (ESA) on the Buchanan and Amonate properties in April 2016, and on the Logan County and Greenbrier Properties in May 2017 on behalf of Coronado.
		> MM&A identified one REC at Greenbrier associated with stained soil and gravel near a fueling and maintenance area, and one Historical REC at Amonate related to overfilling of a diesel fuel tank in 2009. Coronado reported to MM&A that satisfactory clean-up efforts were completed at Greenbrier.
		> Site investigation reports completed in 2013 and 2014 at Amonate document the results of the investigation and monitoring at the site. MM&A concluded that no long-term liabilities existed at the time of these ESAs.
		> Based on these former ESAs completed by MM&A, it is MM&A's opinion that Coronado has a generally typical coal industry record of compliance with applicable mining, water quality, and environmental laws. Estimated costs for mine closure, including water quality monitoring during site reclamation, are included in the full report financial models.



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Criteria	JORC Code explanation	Commentary
Infrastructure	> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	> Coronado operates three surface mines as follows: Toney Fork Mine at the Logan Mine Complex; as well as the Pollock Knob and Kuhn Ridge Mines at the Greenbrier Mine Complex. > Coronado operates four underground mines as follows: Buchanan Mine at the Buchanan Mine Complex; Powelton #1 and Lower War Eagle Mines in the Logan Mine Complex; and Mountaineer #1 Mine at the Greenbrier Mine Complex. > All ROM production is currently planned for either truck transportation from the mines to the processing or shipping facilities, or in some cases there is either a current or planned mine mouth preparation plant and barge/rail loading facility. > There is a network of public highways that provide serviceable coal haul routes and private, internal roads on the Properties would be developed as may be needed. Rail service to the Properties is most readily provided by NS and CSX with connections to both domestic consumers and international trans-shipment points. NS track is located across the Monongahela River from the proposed Pangburn Hollow load-out facility. Coal would be shipped to customers via barge and rail and sold as both metallurgical and thermal products.
		> Coronado provided historical and 5-year budget operating costs for its active mines for MM&A's review. MM&A used the historical and/or budget cost information as a reference and developed personnel schedules for each mine. Hourly labor rates and salaries were based upon information contained in Coronado's financial summaries. Fringe benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare and bonuses. A cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof control costs and other mine supply costs at underground mines. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs > Surface mine direct operating costs were developed as a function of overburden ratio for repair and maintenance supplies, diesel fuel, explosives and blasting, and miscellaneous supplies and services. Operating costs for highwall mines are based on costs per ROM tonne estimates. Other cost factors were developed for coal preparation plant processing, refuse handling, coal loading, trucking, property taxes, and insurance and bonding. Appropriate royalty rates were assigned for production from leased coal lands and sales taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees. > Capital schedules were developed by MM&A for mine development, infrastructure, and on-going capital requirements for the life of each projected mine. > Staffing levels were prepared and operating costs estimated by MM&A for each projected mine. MM&A utilized historical cost data provided by Coronado and its own knowledge and experience to estimate direct and indirect operating costs.
Costs	> The derivation of, or assumptions made, regarding projected capital costs in the study. > The methodology used to estimate operating costs.	> No allowances have been made for deleterious elements; no impact to quality from deleterious elements is anticipated.

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	Commentary	
	> The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.	> Coal price forecasts for high-volatile, mid-volatile and low-volatile metallurgical products, and for thermal products were prepared for Coronado by AME Consulting Limited (AME) and used for the revenue input into the financial model.
	> Derivation of transportation charges.	> For the Buchanan Mine, MM&A adjusted the AME benchmark pricing based on discussions with Coronado to include a 10% coal quality discount due to expansion issues associated with that coal. In addition, MM&A assumed that 60% of the Buchanan production is sold in the low-volatile export market (Hampton Roads) and 40% is sold domestic. A \$36.38 per tonne reduction was made to the AME low-volatile Hampton Roads export sales price for transportation and port fees.
	> The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	> All other coal in the Coronado production forecast was projected to be sold in the domestic market using AME's Central Appalachia pricing.
	> The allowances made for royalties payable, both Government and private.	> MM&A utilized historical cost data provided by Coronado and its own knowledge and experience to estimate direct and indirect operating costs. All ROM production is currently planned for either truck transportation from the mines to the processing or shipping facilities, or in some cases there is either a current or planned mine mouth preparation plant and barge/rail loading facility.
	> The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.	> Appropriate royalty rates were assigned for production from leased coal lands and sales taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees.
Revenue factors		> Coal price forecasts for high-volatile, mid-volatile and low-volatile metallurgical products, and for thermal products were prepared for Coronado by AME Consulting Limited (AME) and used for the revenue input into the financial model.
		> The AME report provided sales price forecasts for various coal markets in terms of US dollars per metric tonne.
		> For the Buchanan Mine, MM&A adjusted the AME benchmark pricing based on discussions with Coronado to include a 10% coal quality discount due to expansion issues associated with that coal. In addition, MM&A assumed that 60% of the Buchanan production is sold in the low-volatile export market (Hampton Roads) and 40% is sold domestic. A \$36.38 per tonne reduction was made to the AME low-volatile Hampton Roads export sales price for transportation and port fees.
Market assessment	> The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	> All other coal in the Coronado production forecast was projected to be sold in the domestic market using AME's Central Appalachia
	> The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.	> Coal sales prices as defined above. All reported reserves are on a marketable basis.
	> A customer and competitor analysis along with the identification of likely market windows for the product.	> Coal price forecasts for high-volatile, mid-volatile and low-volatile metallurgical products, and for thermal products were prepared for Coronado by AME Consulting Limited (AME) and used for the revenue input into the financial model.
		> All of the mine production serves metallurgical and thermal markets. The metallurgical coal is marketed as high-volatile (typically 28 percent or greater volatile matter

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		content); mid-volatile (typically 23- to 27-percent volatile matter content) and low-volatile (typically less than 23 percent volatile matter content) products. > Raw ROM production that requires washing is currently processed through Coronado owned and operated coal preparation plants. > ROM coal that does not require further processing is delivered directly to the loading points for sizing and delivery to customers. Coronado has access to two rail-loading points serviced by the Norfolk Southern Corporation (NS) and two rail-loading points serviced by CSX Corporation (CSX). > Carlson Mining 2012® was used by MM&A to generate mine plans for underground- and surface-mineable coal seams. Underground mine plans were sequenced based on productivity schedules provided by Coronado, which were based on historically achieved productivity levels. Surface mine plans were generated under productivity assumptions (bank cubic yard per shift) as provided by Coronado and reviewed by MM&A, again based heavily on productivity levels achieved by Coronado. All production forecasting ties assumed production rates to geological models as constructed independently by MM&A's team of geologists and mining engineers. > Coal price forecasts for high-volatile, mid-volatile and low-volatile metallurgical products and for thermal products were prepared for Coronado by AME Consulting Limited (AME) and used for the revenue input into the financial model.
Economic	> The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.	> An estimate of NPV was excluded from the full report. > All costs and prices are based on 2018 constant United States dollars. > A pre-feasibility LOM plan was prepared by MM&A for active and proposed mines. MM&A prepared mine projections and production timing forecasts based on coal seam characteristics. Production timing was carried out from 2018 to depletion (exhaustion) of the coal reserve areas, which is projected for the year 2070. > The all-mines average cash cost ranges between approximately \$60 and \$70 per tonne for most of the operating period.
Social	> NPV ranges and sensitivity to variations in the significant assumptions and inputs. > The status of agreements with key stakeholders and matters leading to social license to operate.	> An estimate of NPV was not included in the full report. > Portions of the properties are located near local communities. Regulations prohibit mining activities within 91 meters of a residential dwelling, school, church, or similar structure unless written consent is first obtained from the owner of the structure. Where required, such consents have been obtained where mining is proposed beyond the regulatory limits.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: > Any identified material naturally occurring risks.	> No material naturally occurring risks have been identified.

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	> The status of material legal agreements and marketing arrangements.	> The Coronado coal resources are located in Buchanan, Russell and Tazewell Counties, Virginia; Greenbrier, Logan, Boone, Wyoming and Greenbrier Counties, West Virginia; Allegheny, Washington and Westmoreland Counties, Pennsylvania. > MM&A has not carried out separate title verification for the coal properties and has not verified leases, deeds, surveys or other property control instruments pertinent to the subject resources. > Coronado has represented to MM&A that it controls the mining rights to the reserves as shown on its property maps, and MM&A has accepted these as being a true and accurate depiction of the mineral rights controlled by Coronado. The report assumes the properties are developed under responsible and experienced management.
	> The status of government agreements and approvals critical to the viability of the project, such as mineral tenement status and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third part on which extraction of the reserve is contingent.	> Coronado has obtained all mining and discharge permits to operate 31 underground mines, 12 surface mines, and 19 processing, loadout or related facilities. MM&A is unaware of any obvious or current Coronado permitting issues that are expected to prevent the issuance of future permits. Coronado, along with all Central and Northern Appalachian basin coal producers, is subject to a level of uncertainty regarding future clean water permits due to United States Environmental Protection Agency (EPA) involvement with state programs.
Classification	> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	> Measured and indicated resources have been converted to proved and probable reserves, respectively. > None of the probable coal reserves have been derived from measured resources. > In a limited number of cases where there was only very limited data available to demonstrate the metallurgical suitability of a given coal deposit, that deposit was classified as a probable reserve instead of a proved reserve. > The results of this report define an estimated initial ROM recoverable ore (coal) reserve estimate of 783 million tonnes. > Coronado controls a total of 464 Mt (moist basis) of marketable coal reserves as of December 31, 2017. Of that total, 69 percent are proved and 31 percent are probable.
Audits or reviews	> The results of any audits or reviews of Ore Reserve estimates.	> MM&A performed a previous audit of the Properties in year 2017 for Coronado based on U.S. Securities and Exchange Commission (SEC) Industry Guide 7 standards. Earlier audits were performed by various independent consultants for predecessor's-in-title to Coronado and at various levels of detail depending on the clients concerns and the allotted time for completion. Previous audits and reviews defined the primary coal resource areas and estimated the recoverable tonnes for each seam based on the expected mining methods. > Additionally, MM&A has performed proprietary evaluations for predecessors-in-title to Coronado, which encompass portions of the Properties included in this report.
Discussion of relative accuracy / confidence	> Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative	> Operations on the Properties by Coronado and its predecessors have been on-going for many years. > MM&A is confident that the mine plans and financial models are reasonably representative to provide an accurate estimation of coal reserves.

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	discussion of the factors which could affect the relative accuracy and confidence of the estimate.	> Mine development and operation have not been optimized within the full report.
	> The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tomages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	> Proved and probable coal reserve were derived from the defined in-situ coal resource considering relevant processing, economic (including independent estimates of capital, revenue and cost), marketing, legal, environmental, socioeconomic, and regulatory factors on a global scale as current local data reflects the global assumptions.
	> Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	The major risk factors for the active Coronado mines and future resource development are summarized below: > Mine Accidents > Highway Failure. Highway failures are likely to result in a temporary mine closure and should not have a material impact on the mine sustainability. The risk is considered to be probable. > Adverse Geological Conditions. Adverse geological conditions include such conditions as faults and sandstone washes. The risk is considered to be probable. The impact is expected to be temporary with little material impact on mine sustainability. > Environmental Risk. Numerous federal and state permits are required to operate coal mines and mine surface facilities. Permitting rules are complex and may change over time, making compliance difficult or impossible. > Water Quality. Permit requirements to fulfill Clean Water Act obligations are subject to modification. The probability of water quality changes having a material impact on mine operations is possible. As a contemporary example, the selenium discharge issue that affects western Canadian and Central Appalachian Basin operators has only recently emerged as a concern and its ultimate impact has not been determined. > New Permits. Permit protests by environmental groups and individuals can contribute to permit delays or denial and increase the cost of permitting and delay development. Surface mining activities, coal refuse disposal and construction of access roads in mountainous terrain often require storage of material in valley fills. Authority to dispose of fill material into waters of the United States must be granted by the United States Army Corps of Engineers (COE). COE permits are increasingly difficult to obtain. > Regulatory Requirements. Adverse impact from regulatory changes is considered to be probable. The impact will likely affect the broader industry and is not expected to result in mine closure. > Market Risk. Metallurgical and thermal coal markets ultimately depend upon the global steel and thermal coal demand and are considered to be volatile. Currently, the US coal market has seen a decline in demand for thermal coal due to thermal plant closures, as a result of new air and water pollution regulations, and competition from other commodities used for power generation such as natural gas. This has resulted in an overall decline in CAPP coal production. Continued regulatory changes and declining demand could result in material changes in domestic and global coal markets. The impact cannot be predicted at this time; however, while MM&A expects the coal

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		reserve within this report to remain economically viable throughout the life of the projected mines, the LOM financial model is very sensitive to changes in coal sales price and therefore market risk is not insignificant. > Labor Risk. Work stoppage due to organized labor protests is considered to be unlikely and not likely to lead to permanent mine closure. The mines are likely to suffer the loss of key supervisors and skilled employees due to retirement as the workforce ages. The problem is industry-wide and the impact is expected to be temporary and have no sustained impact on coal production. > Availability of Equipment and Supplies. Risk of equipment and supply availability is likely to be temporary and should not have a sustained adverse impact on the production of coal. > Transportation Delay. Interruption of coal transport services by river or rail is considered to be probable but unlikely to have a sustained impact on coal production. > Mine plans, productivity expectations and cost estimates generally reflect historical performance and efforts have been made to adjust plans and costs to reflect future conditions.
	> It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	

APPENDIX

B

REVIEW OF CORONADO 18-MONTH BUSINESS PLAN &
COMPARISON TO MM&A JORC PRODUCTION AND COST FORECAST



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September 19, 2018

Mr. Jim Campbell
Coronado Coal, LLC
100 Bill Baker Way
Beckley, WV 25801

**Subject: Review of Coronado 18-Month Business Plan & Comparison to MM&A JORC
Production and Cost Forecast**

Dear Jim:

As you are aware, **Marshall Miller & Associates, Inc. (MM&A)** is nearing the completion stage of a coal resource and reserve evaluation of the **Coronado Coal LLC (Coronado)** properties located in Pennsylvania, Virginia and West Virginia as of December 31, 2017 in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (*JORC code*) standards. In accordance with JORC standards, MM&A has developed a pre-feasibility mine plan and financial model in order to verify the economic viability of Coronado's coal reserves. This work includes estimated production and cost forecasts over the life of all Coronado coal reserves.

MM&A's estimated production and cost forecasts within the JORC study were developed based upon multiple factors, including a detailed review of historical and forecasted costs and production rates as provided by Coronado. Historical and budgetary data provided by Coronado underwent a detailed vetting process whereas cash cost buildups and capital forecasts were cross referenced against MM&A's internal datasets of cost profiles for mining operations producing coal from comparable geologic settings. MM&A has a longstanding history of production and cost forecasting, and maintains a vault of such data including information from other JORC reports, bankable feasibility studies, and confidential cost data sourced from operating entities through various projects. Access to such information provides strong confidence in MM&A's ability to accurately vet and model typical operating and capital expenses incurred by coal mines. Where appropriate, cost factors provided by Coronado were incorporated in MM&A's financial models as a part of the JORC exercise.

As a supplemental analysis to the development of MM&A's financial models, Coronado requested that MM&A compare the results of the JORC financial model with the most recent 18-month business plan prepared internally by Coronado. Coronado has provided MM&A with its internal 18-month business plan, including production and cost forecasts. As part of this analysis, it was requested that MM&A complete the following tasks:

ENERGY & MINERAL RESOURCES ■ HYDROGEOLOGY & GEOLOGY ■ GEOPHYSICAL LOGGING SERVICES
CARBON MANAGEMENT ■ EXPERT WITNESS TESTIMONY ■ MINING ENGINEERING ■ PETROLEUM ENGINEERING

Coronado Coal, LLC
September 19, 2018
Page 2



1. Review Coronado's 18-month production, operating cost and capital cost forecasts;
2. Compare production and cost components of Coronado's forecasts with those forecasts estimated MM&A as part of the JORC study based on our industry experience with similar operations in the Central Appalachian basin of the US;
3. Provide an opinion regarding the feasibility for Coronado to execute its 18-month business plan;

MM&A concludes that coal production rates, operating costs and capital expenses within the 18-month business plan presented by Coronado represent a similar and slightly more conservative plan compared to the one modeled by MM&A. MM&A's cost model incorporates a vast historical knowledge of operating and capital costs which are incurred by mining operators within the Appalachian coal basin.

Variations between the plans can be attributed to minor differences in production and cost assumptions. MM&A finds Coronado's 18-month business plan to be reasonable and achievable. The plan is based upon achievable production rates as verified by a review of Coronado's historical production rates. Coronado's 18-month business plan only includes those operations which are currently actively producing coal, providing additional confidence in the ability to effectively execute the plan. Cash cost build-ups are supported by historical information and are confirmed to be realistic by MM&A. The production levels, cash operating costs and capital costs presented by Coronado are reasonable and are consistent with similar mining operations in the Central Appalachian area of the US.

MM&A appreciates the opportunity to provide you with our services. Should you require additional details pertaining to our comparison of the plans, we can provide such information in a timely manner.

Sincerely,

MARSHALL MILLER & ASSOCIATES, INC.

A handwritten signature in blue ink that reads "Steven A. Keim".

Steven A. Keim, PhD, PE
Senior Vice President
Direct Line: 1 540 605 9004
Email: steve.keim@mma1.com

A handwritten signature in blue ink that reads "Justin S. Douthat".

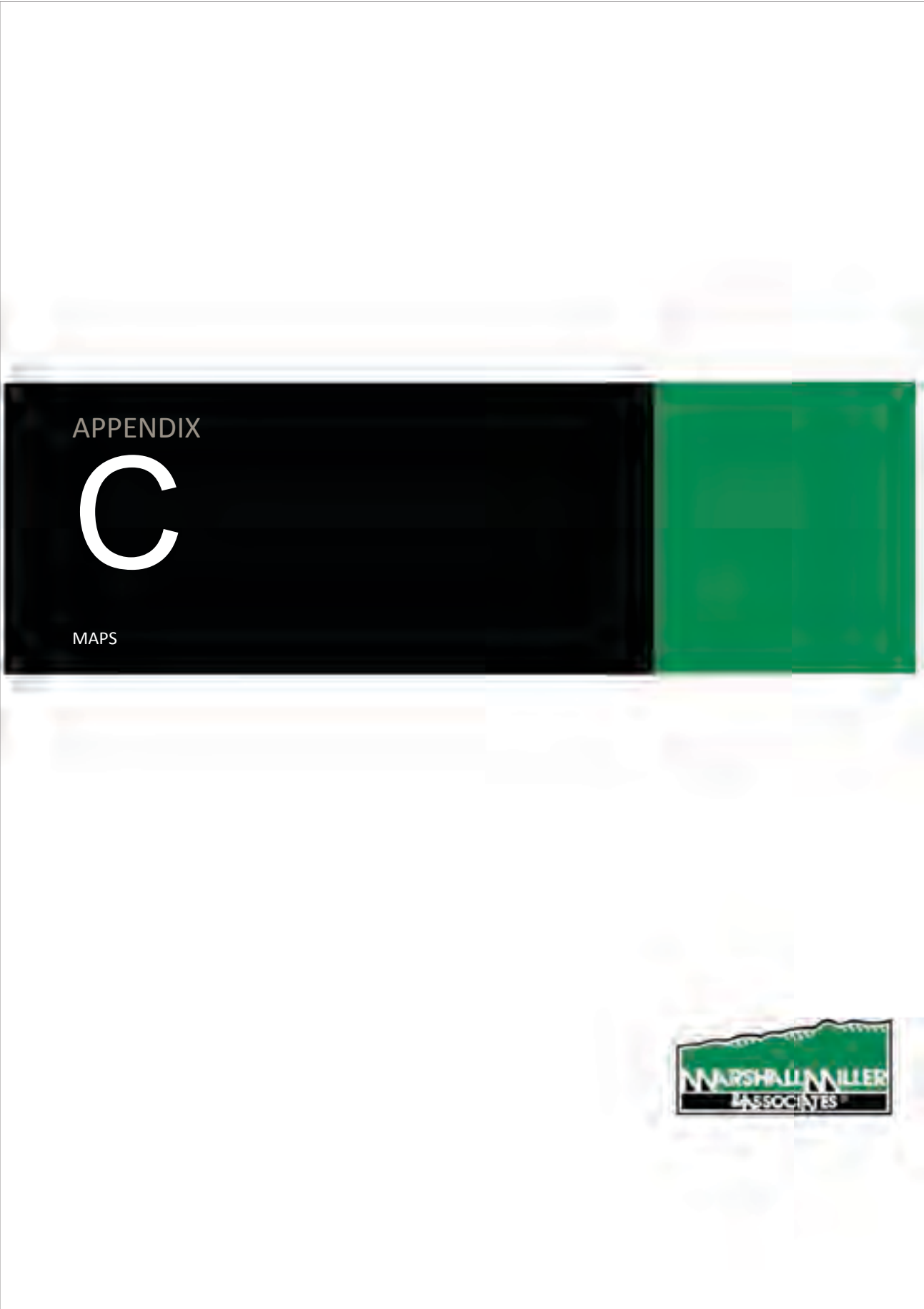
Justin S. Douthat, PE, MBA
Vice President, Manager of Engineering
Direct Line: 1 304 809 0597
Email: justin.douthat@mma1.com

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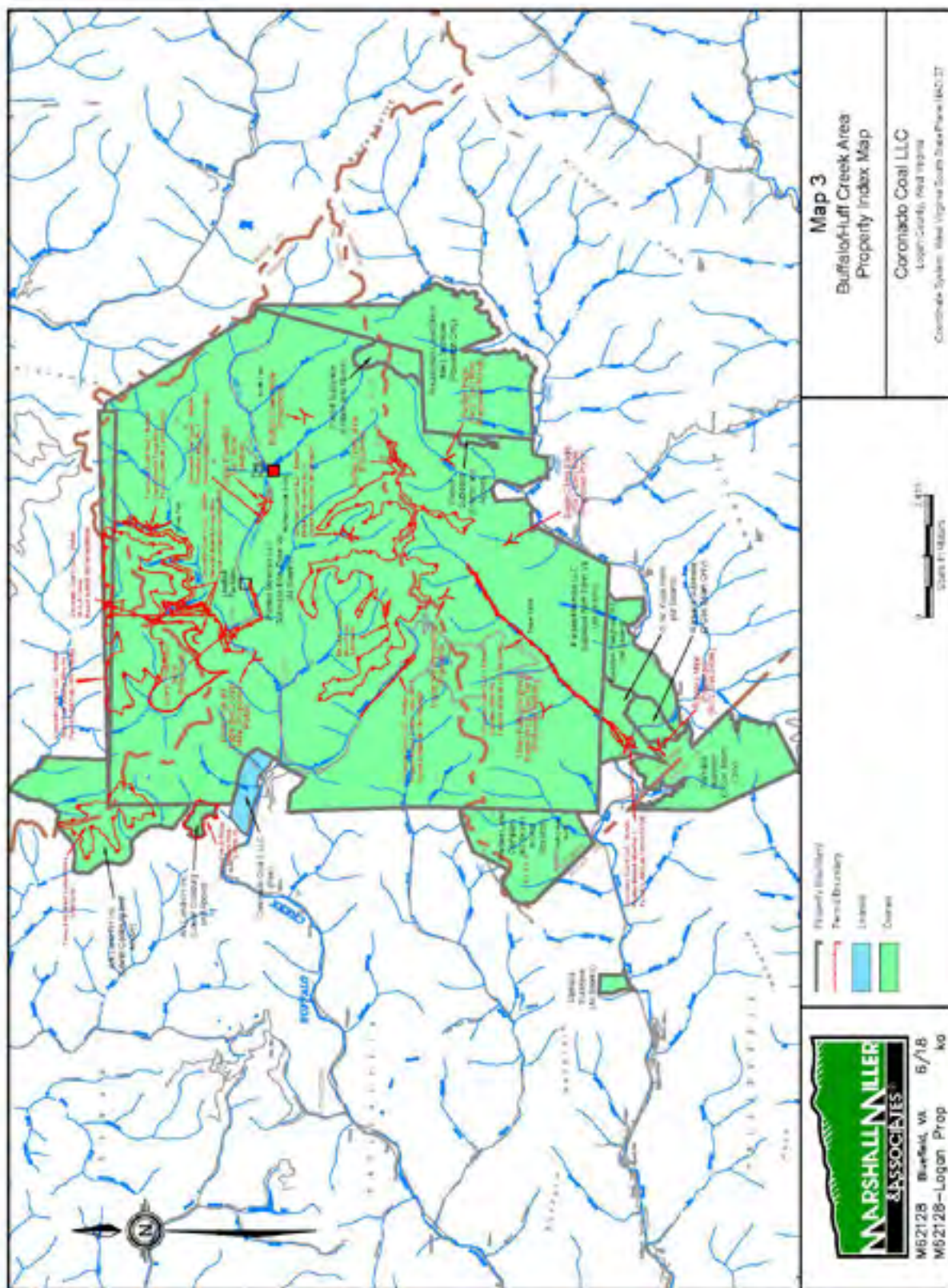
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www.mma1.com

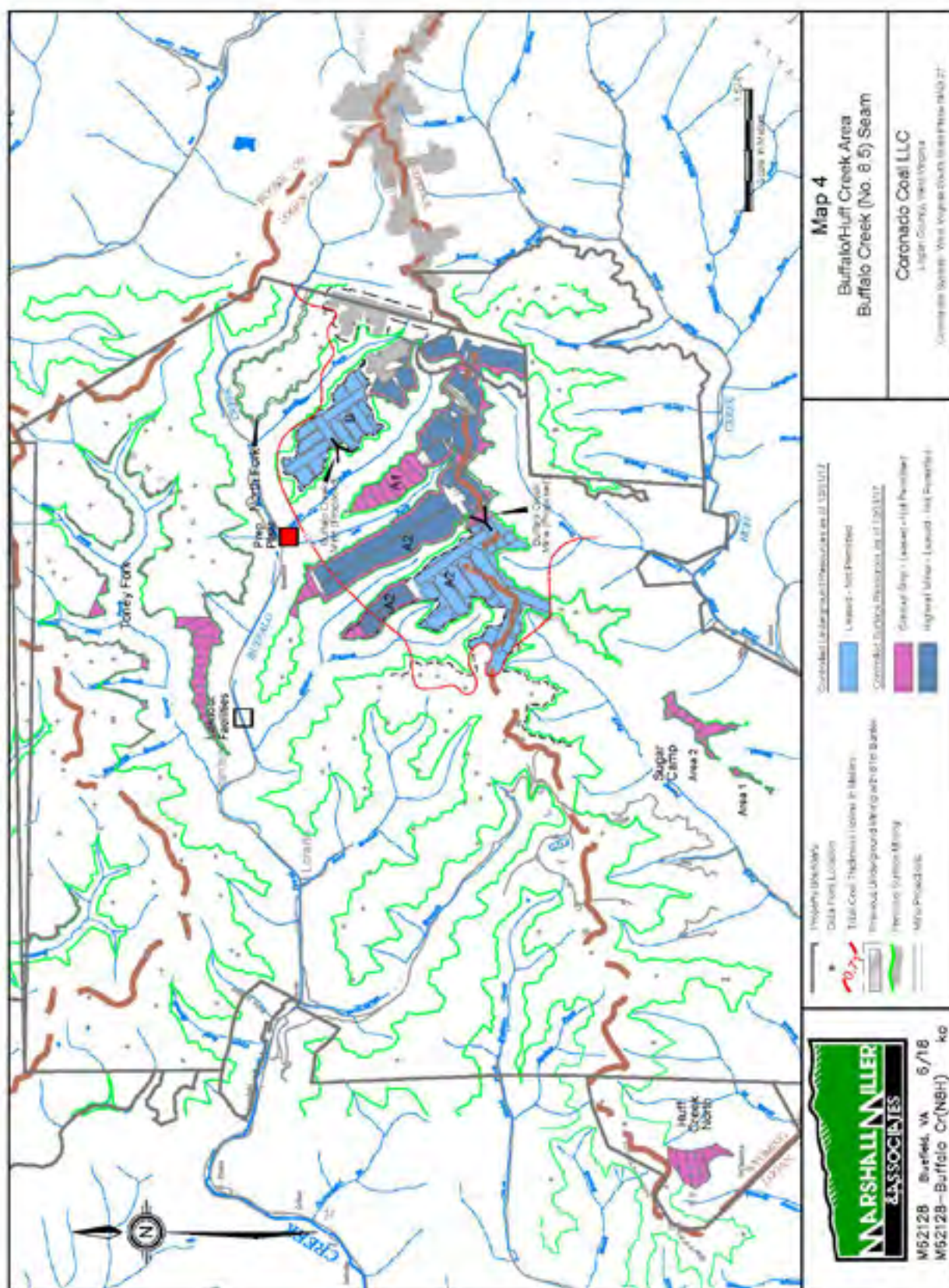
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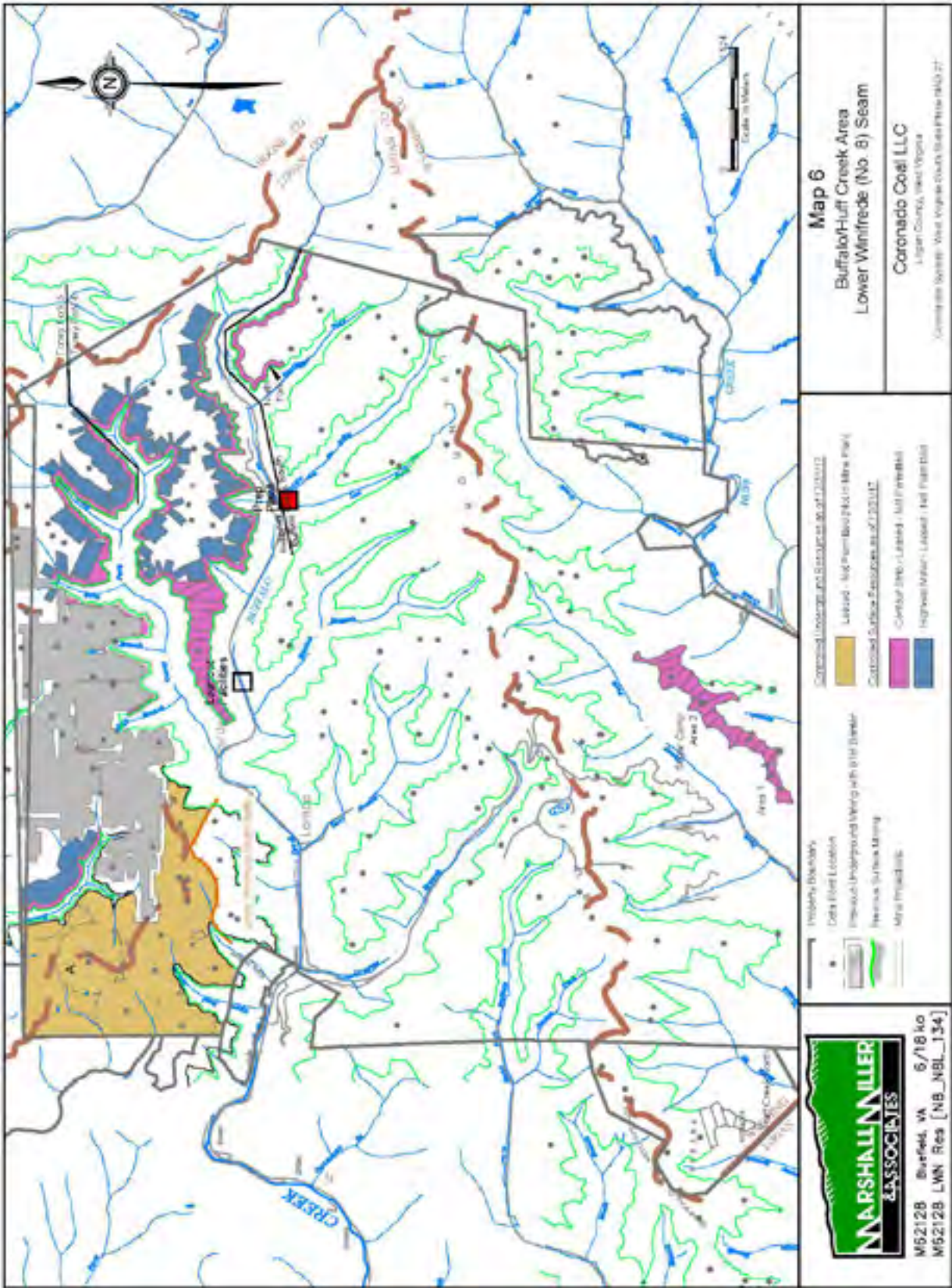
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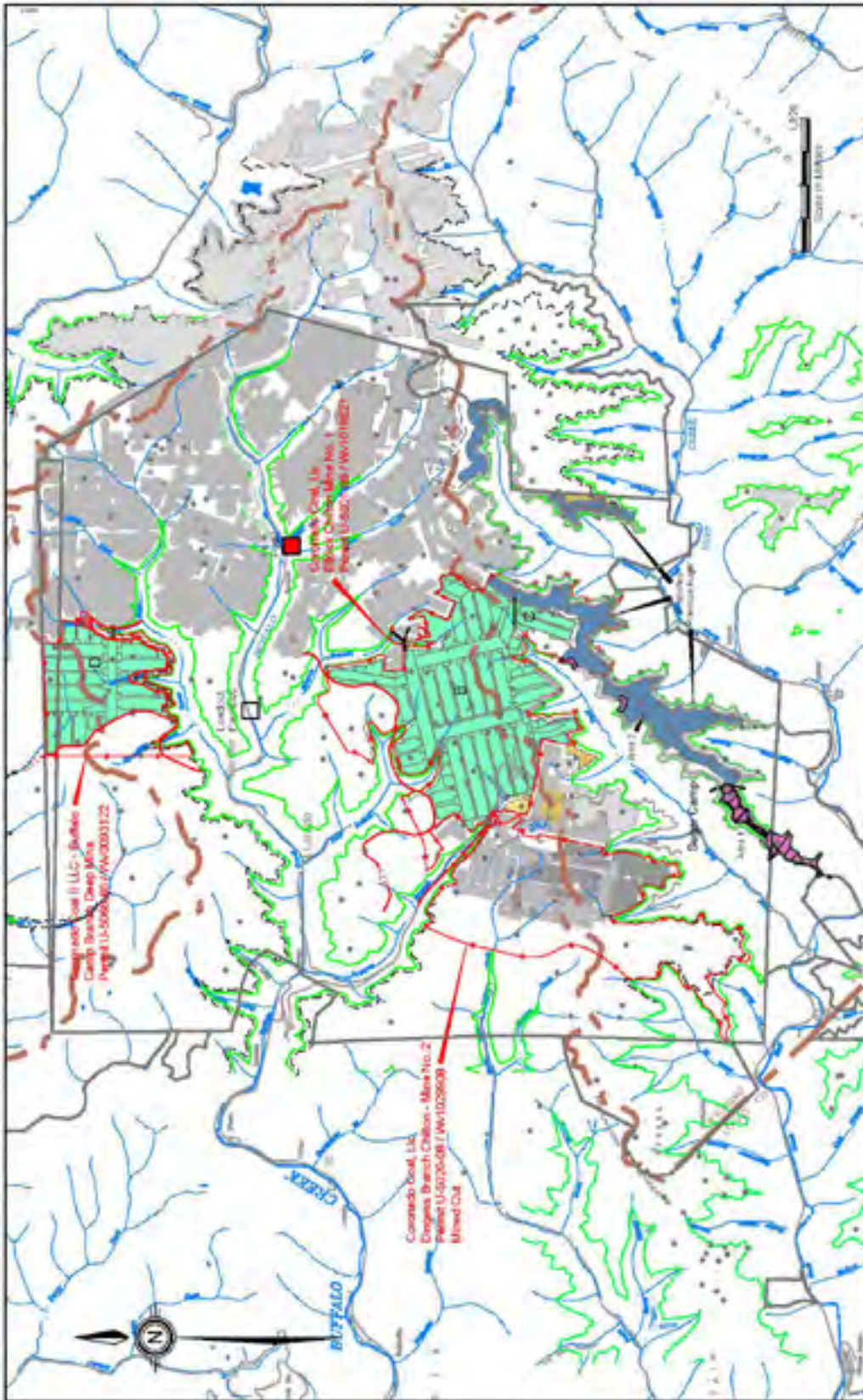


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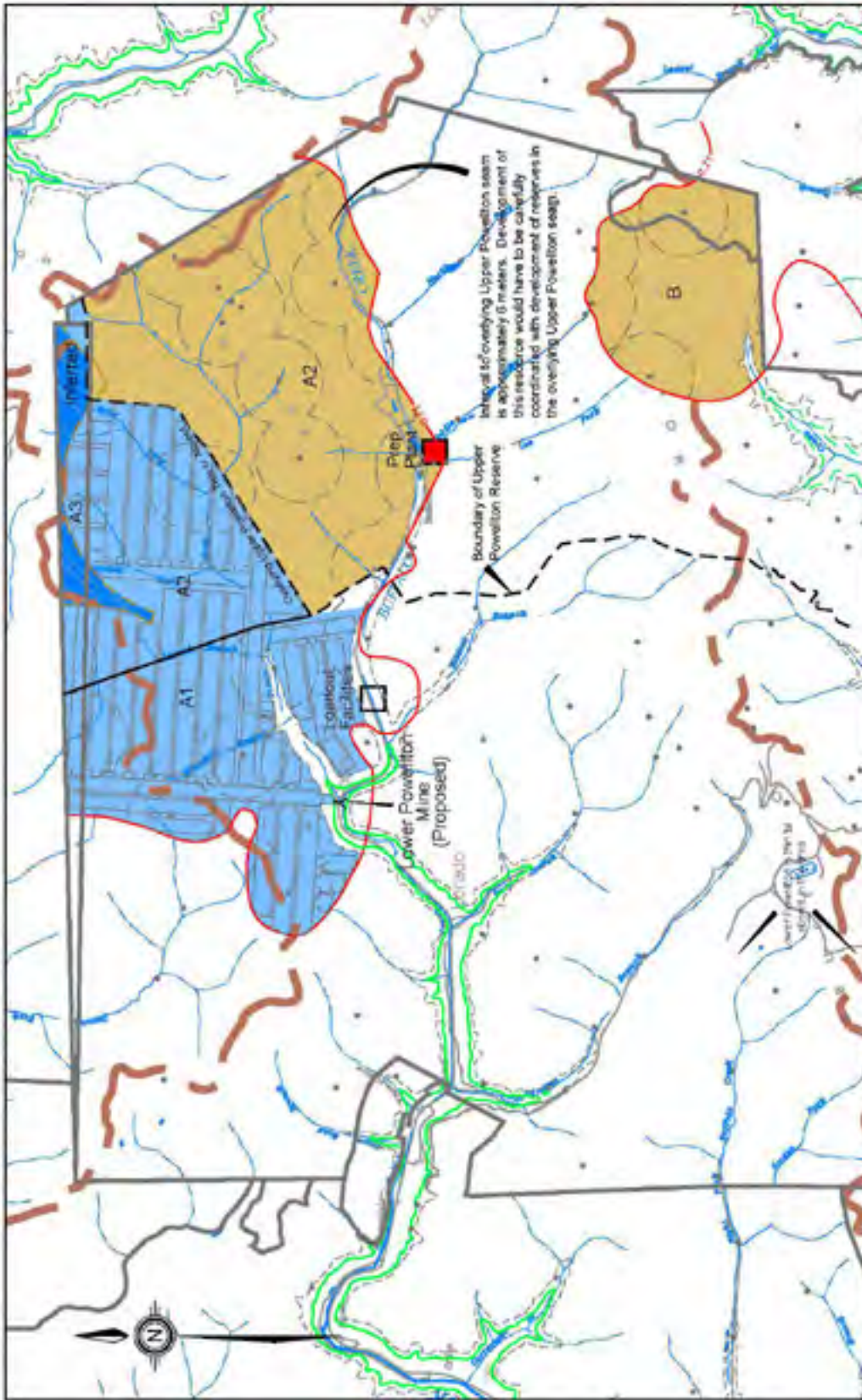


10. MM&A Report (2018)





 M5212B Bluefield, VA 6/16 to M5212B Chilton Res [Williamson]		Map 7 Buffalo-Huff Creek Area Chilton (Williamson) Seam Coronado Coal LLC Logan County, West Virginia Computer System: West Virginia State Data Project 04/03/21
Legend - Property Boundary - Undeveloped Forest Boundary - Data Point Location - Total Coal Thickness (feet) in Meters - Mineral (Underground) Mining with 0 to 100 ft - Mineral Surface Mining - Other Producers	Legend - Land Use - Forested - Land Use - Opened (not in MVA Plan) - Land Use - Not Permitted (not in MVA Plan) - Coronado Surface Land Use as of 12/31/21 - Coronado - Land Use - Not Permitted - Highway/Venue - Land Use - Not Permitted	



Map 9
Buffalo/Huff Creek Area
Lower Powellton (Lower Alma) Seam

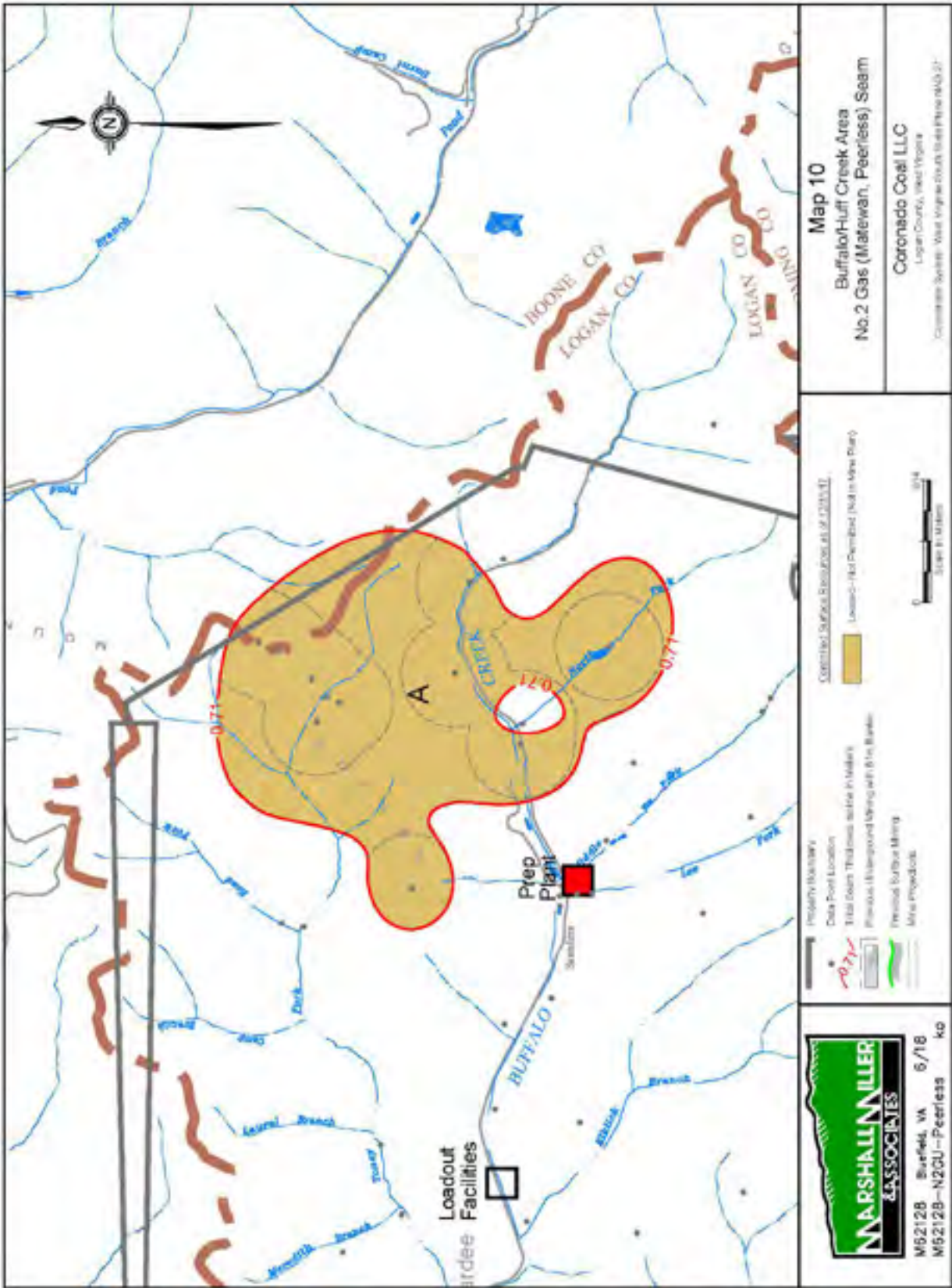
Coronado Coal LLC
 Logan County, West Virginia
 Coordinates: 38°55'N 80°45'W (State Plane NAD83 21°)

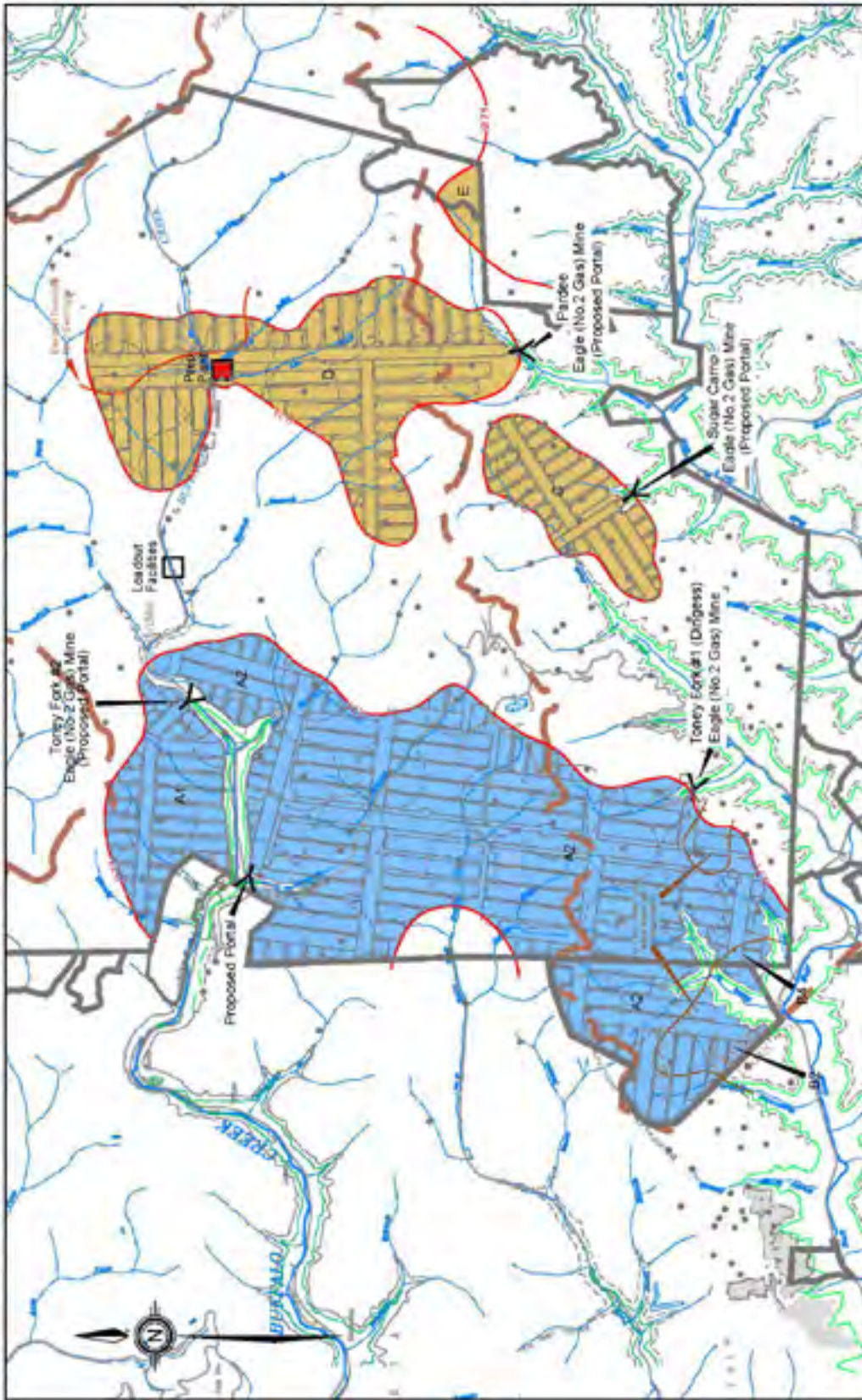
Legend:
 - Property Boundary
 - Data Point Location
 - Total Seam Thickness (Feet) in Meters
 - Seam as Underground Mining with 10m Slope
 - Previous Surface Mining
 - Mine Project Area

Notes:
 - The seam is approximately 6 meters thick.
 - Development of this resource would have to be carefully coordinated with development of reserves in the overlying Upper Powellton seam.

Scale: 1" = 1/4" (Scale in Meters)

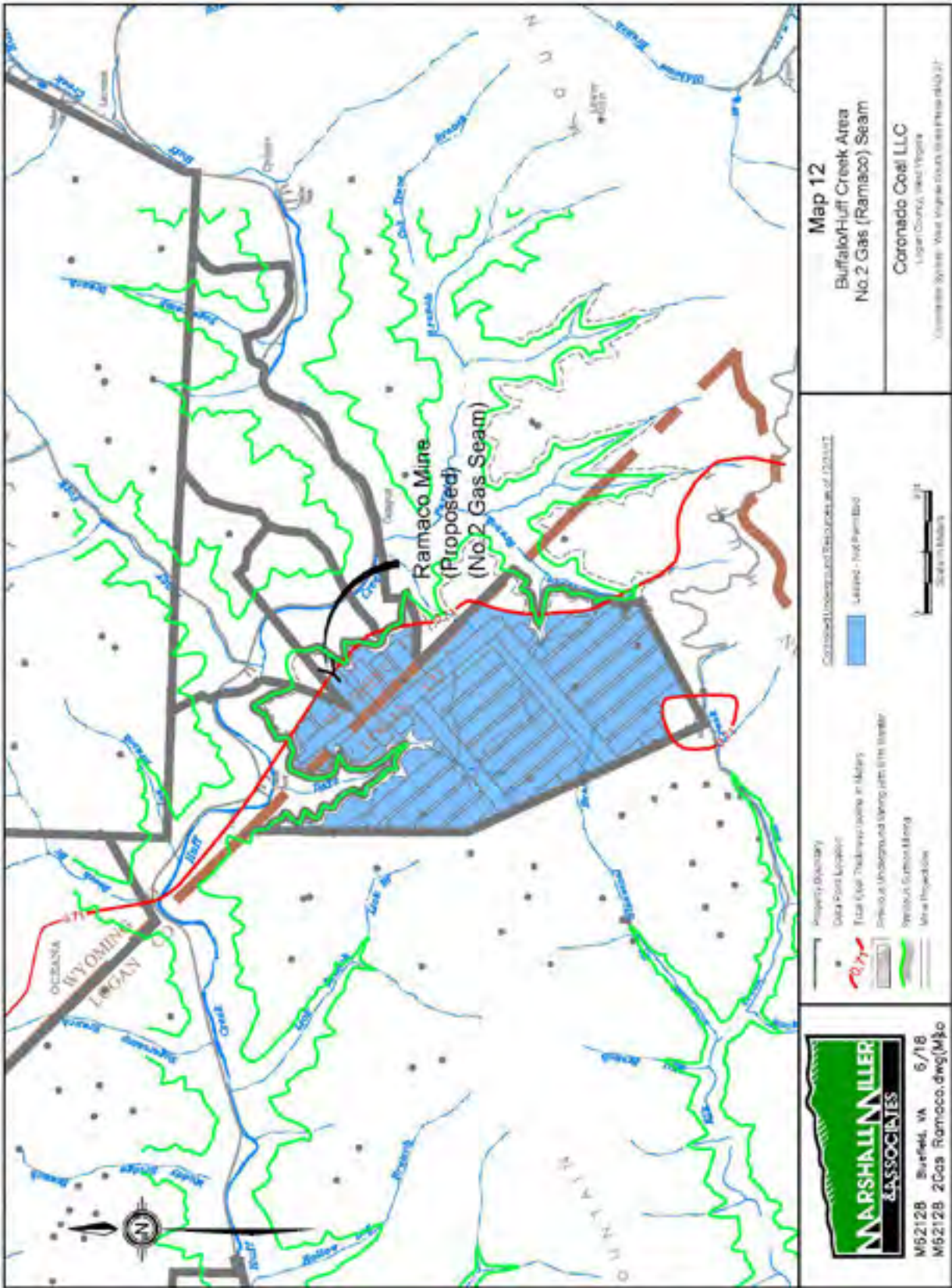
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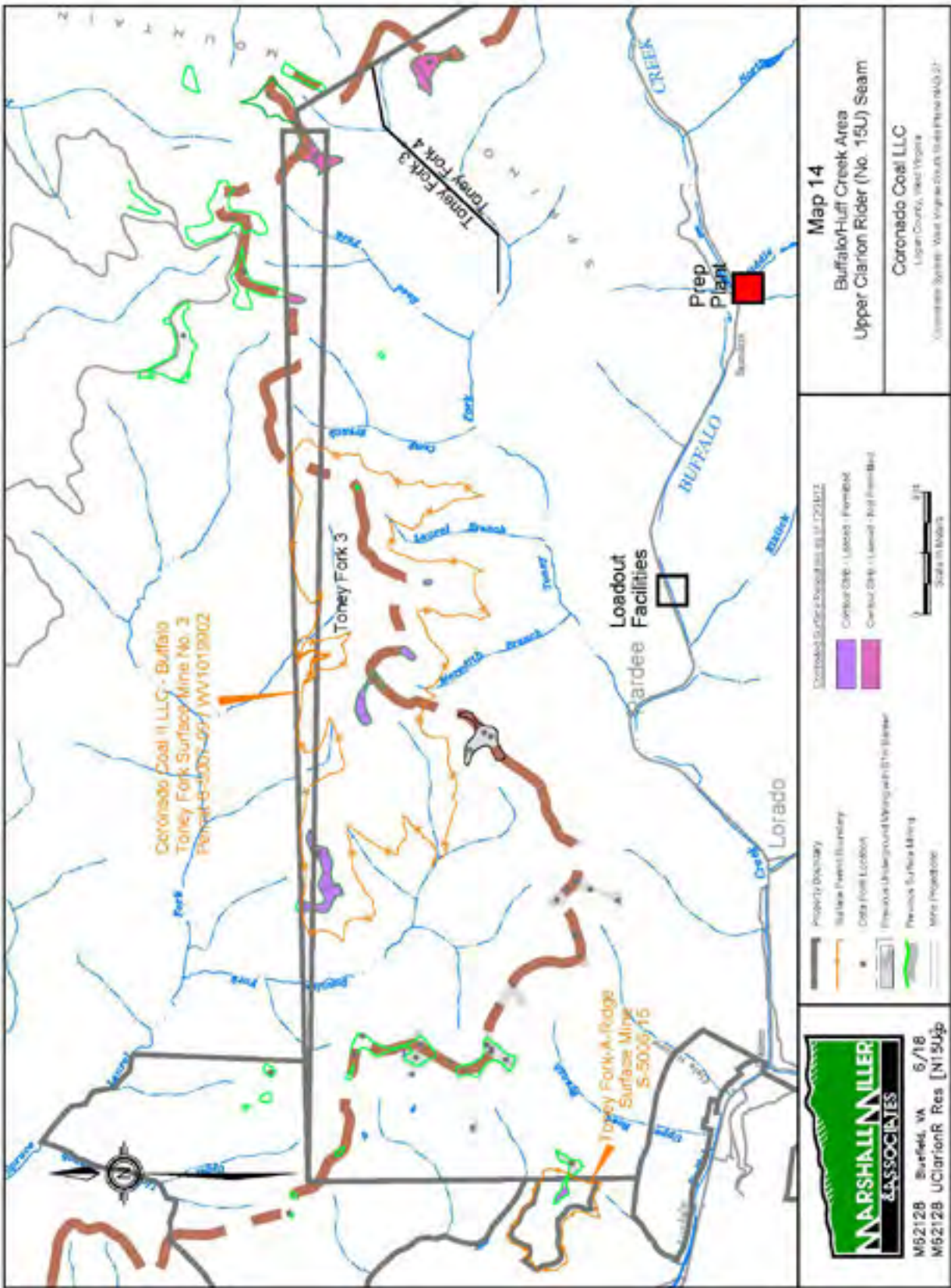


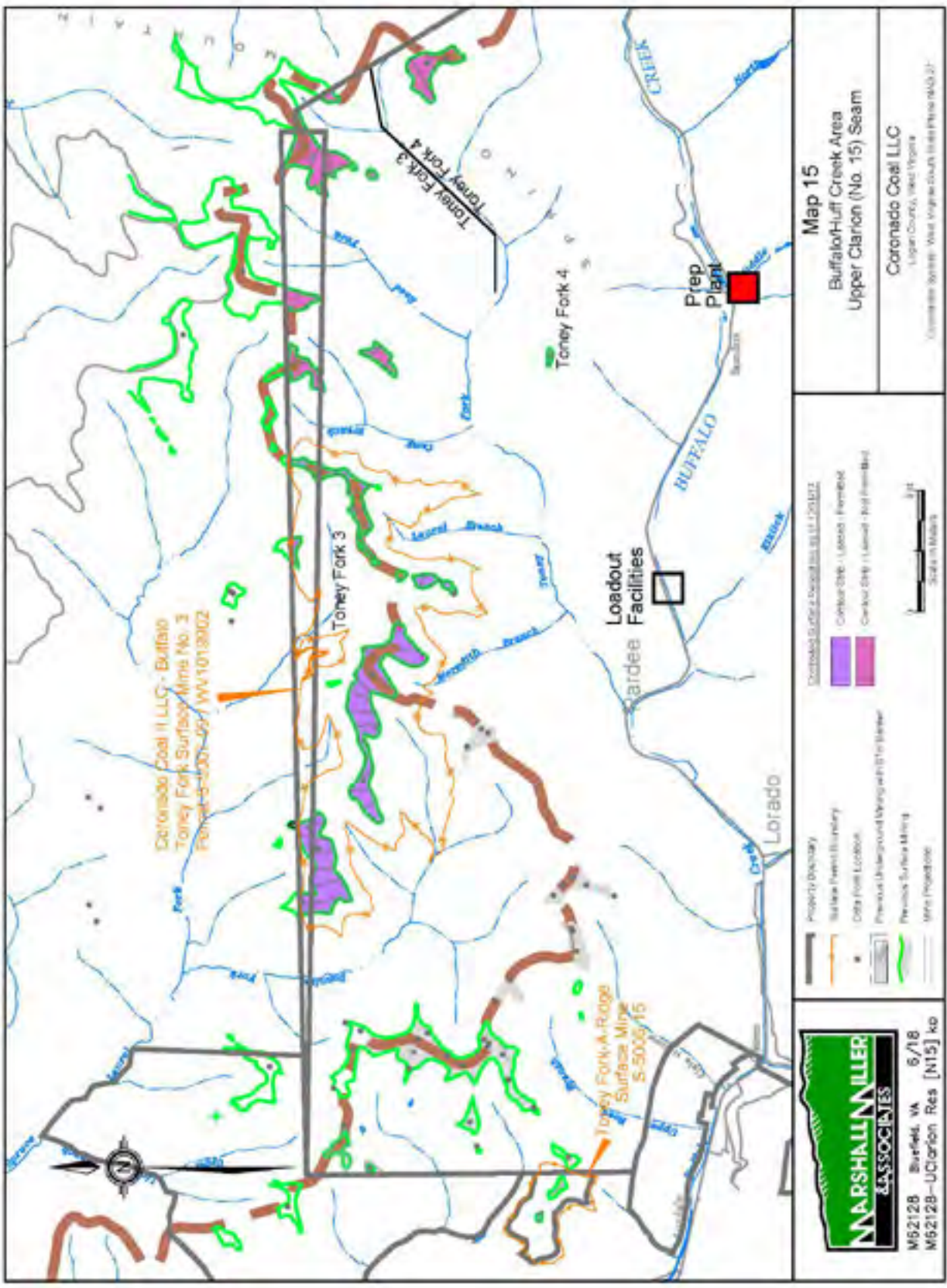
 M5212B Bluefield, VA 6/18 M5212B Eagle [N200ad.] ko	Map 11 Buffalo-Huff Creek Area No. 2 Gas (Eagle) Seam Coronado Coal LLC Logan County, West Virginia Computer System: West Virginia State Geology Data (WVGS 2017)	Confidential Undercurrent Parameters as of 10/31/17 Leased - Not Overlaid Leased - Not Overlaid (Partial Overlap) Property Boundary Data Point Location Total Coal Thickness (inches) & Quality Previous Undercurrent Mining with 100 ft. Drains Previous Surface Mining Mining Boundary Scale: 1:10,000 0 1.0 mile

10. MM&A Report (2018)

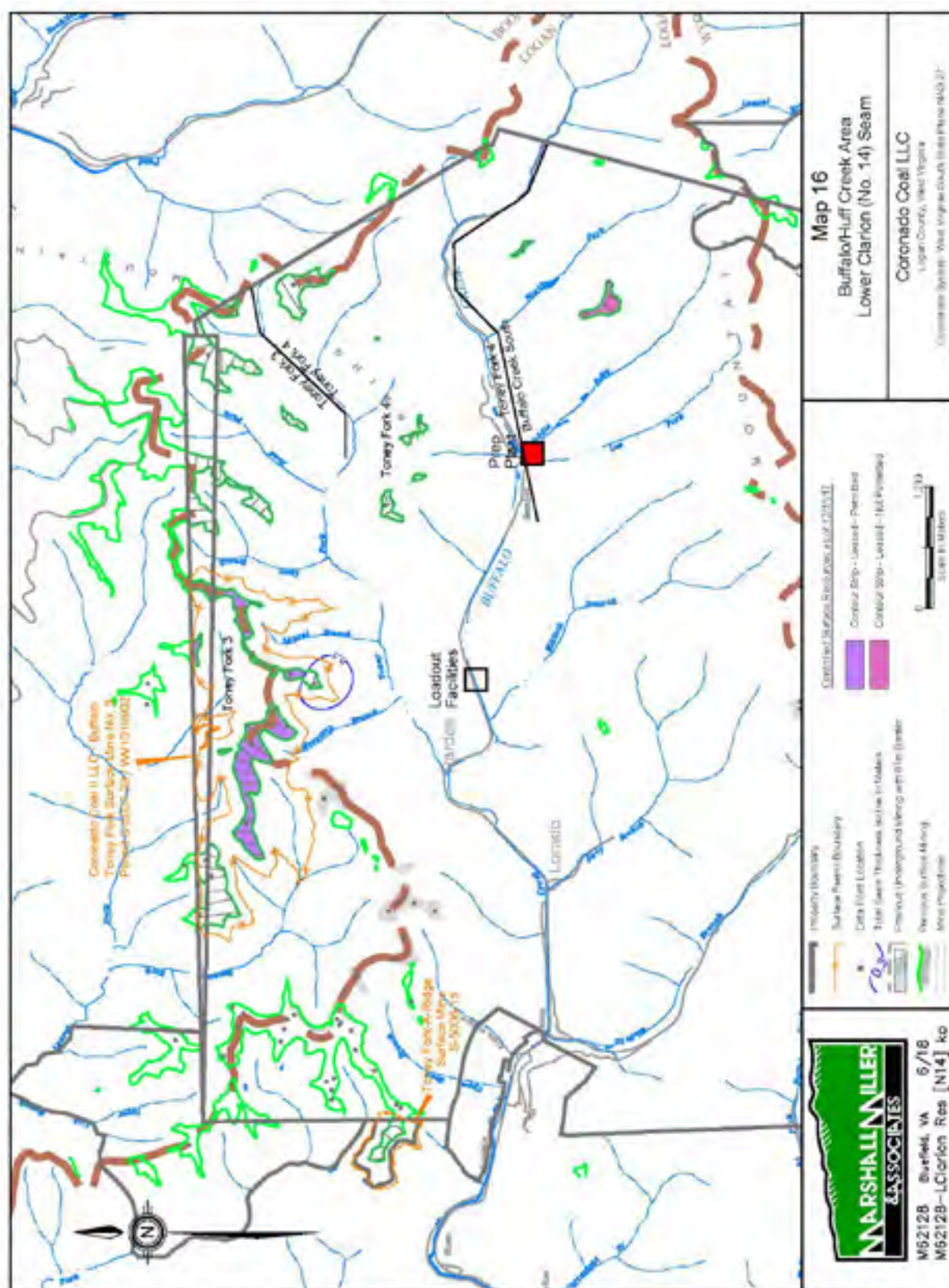


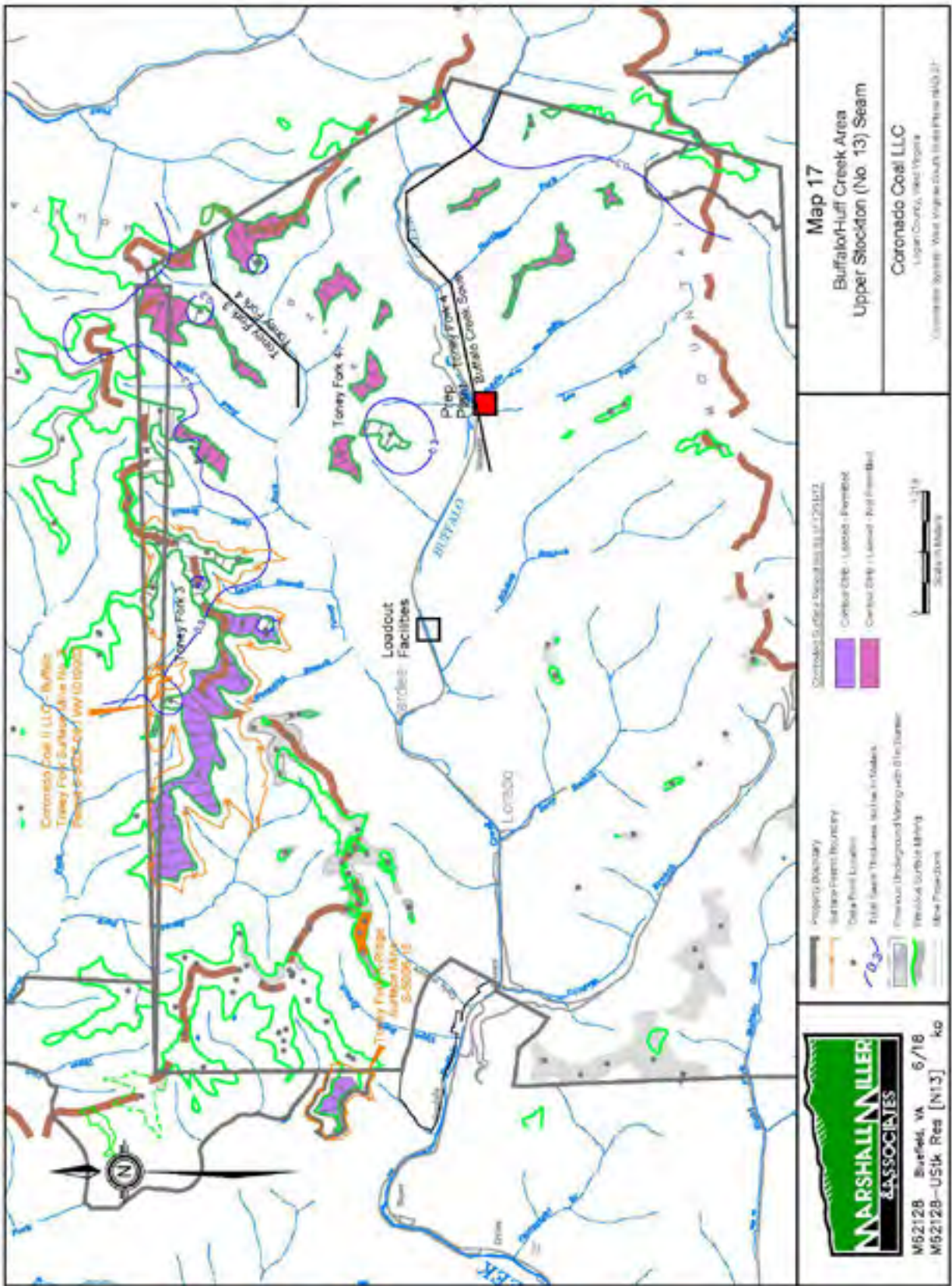
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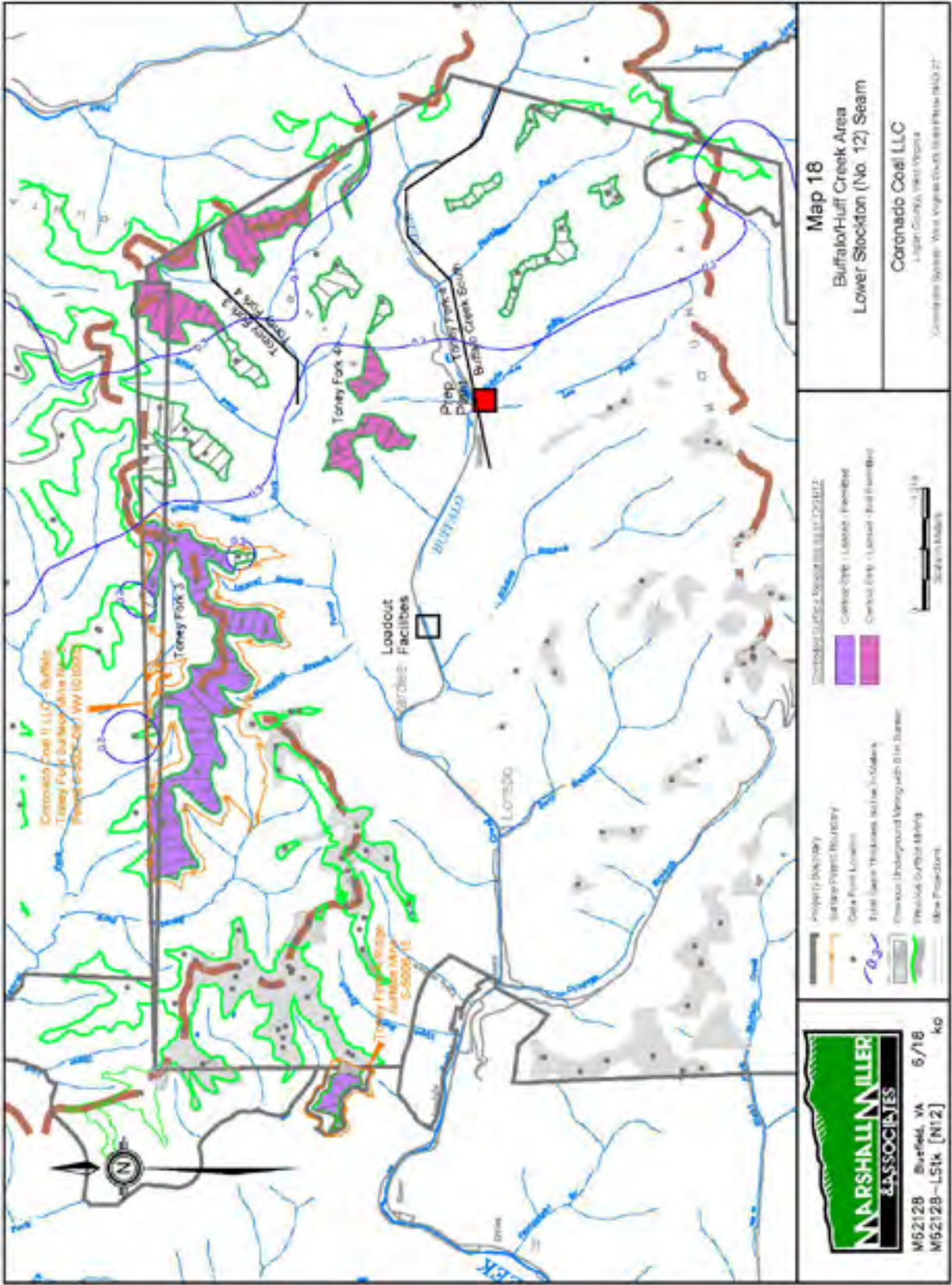




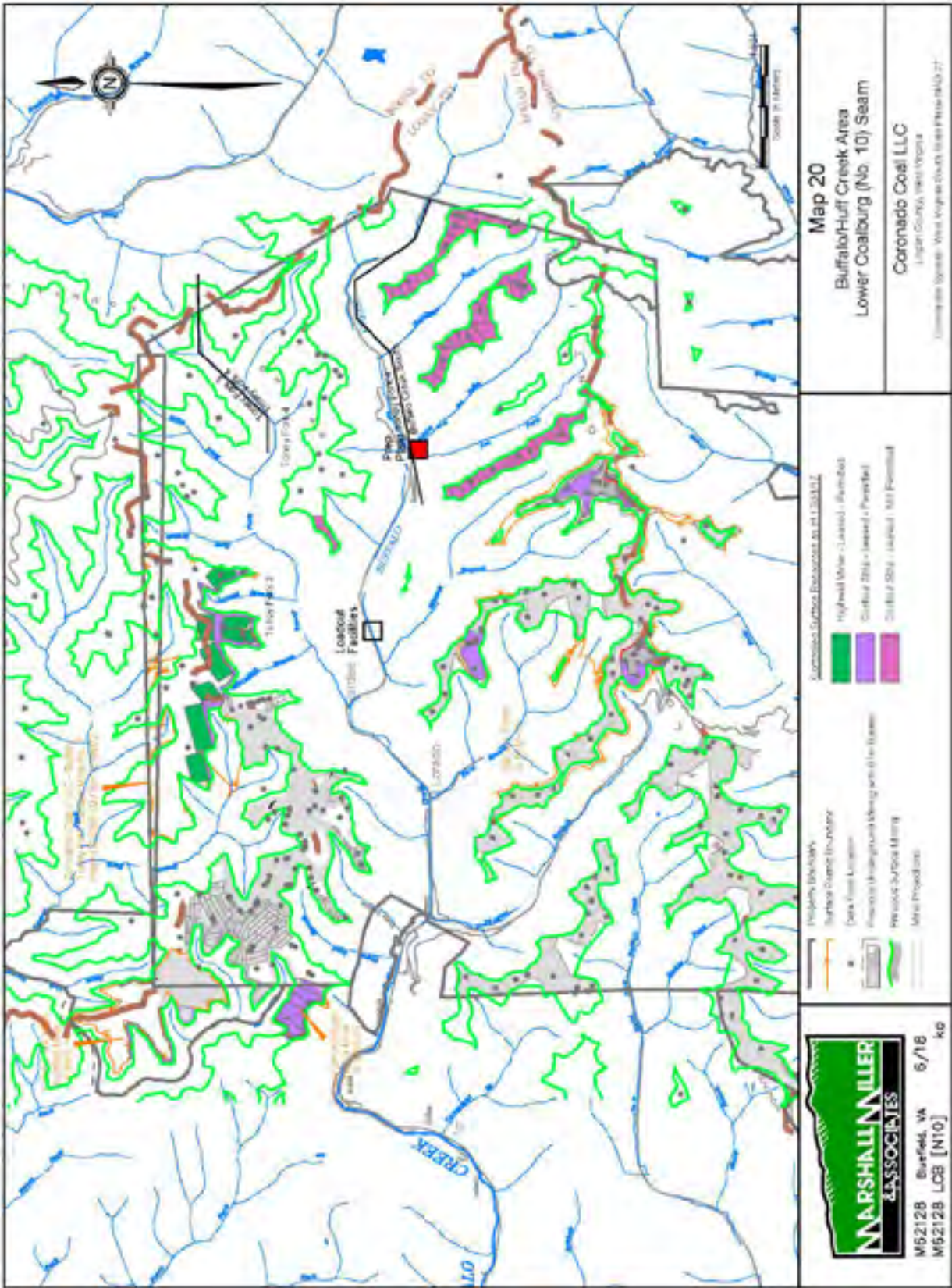
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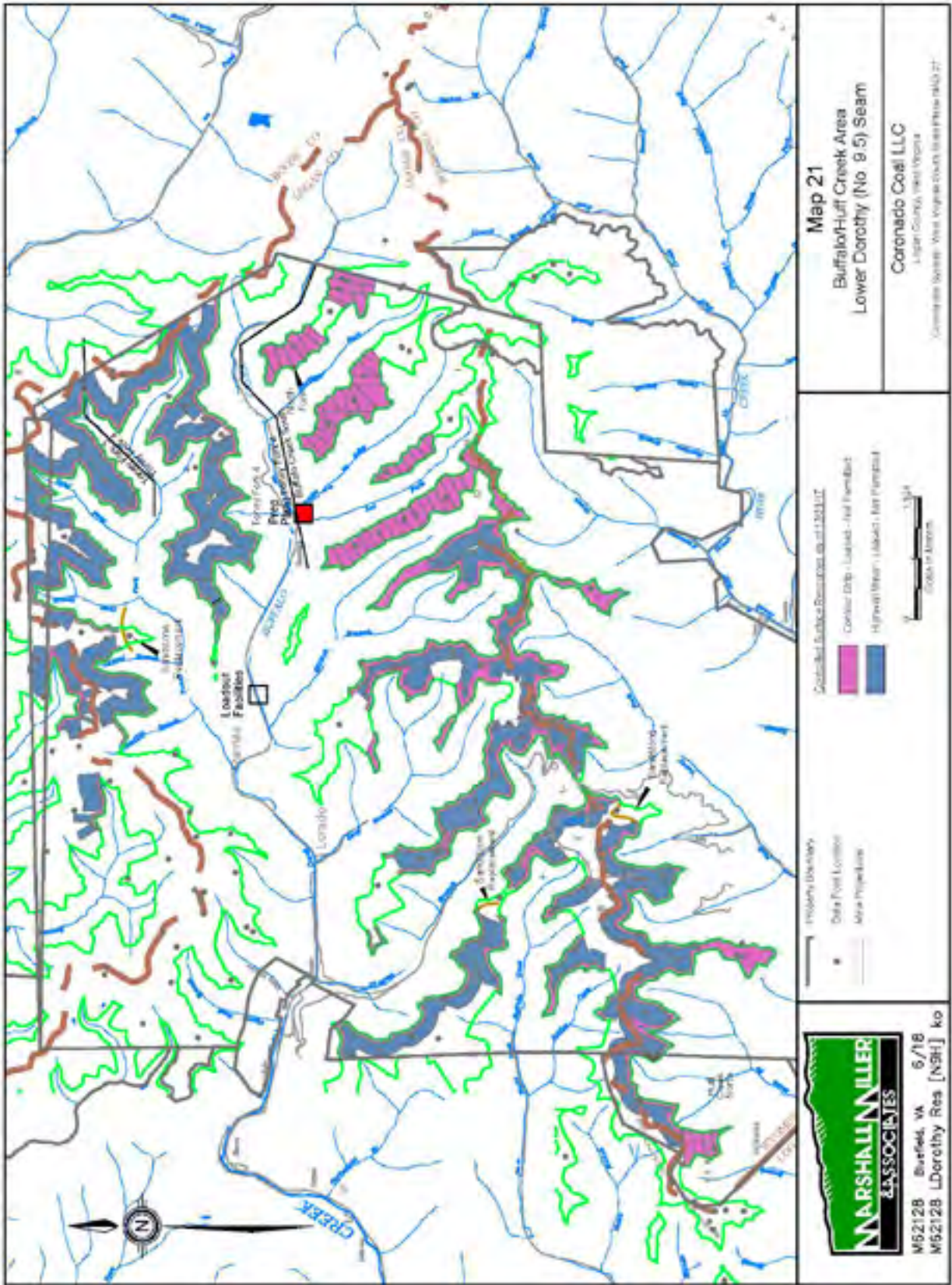




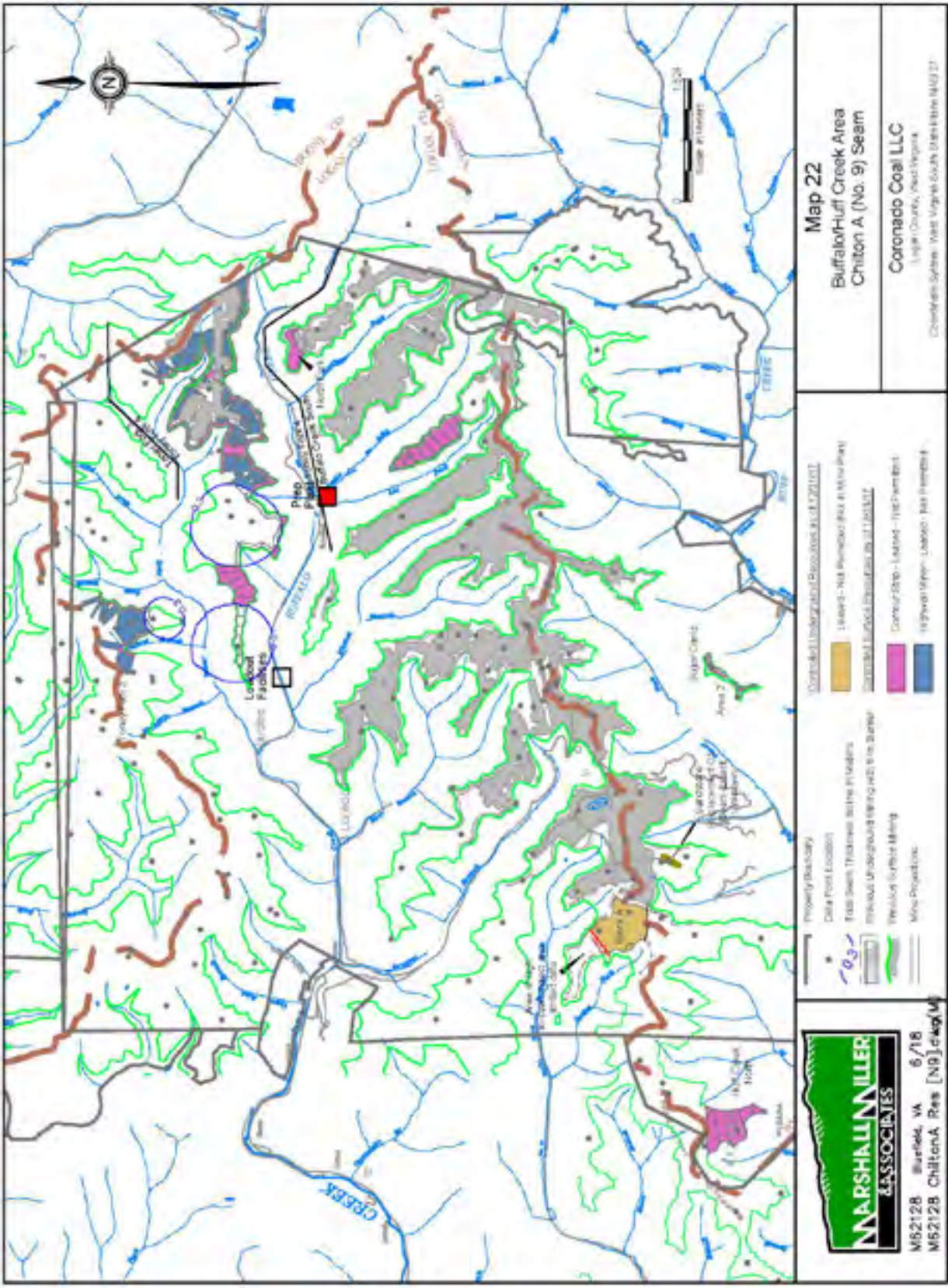


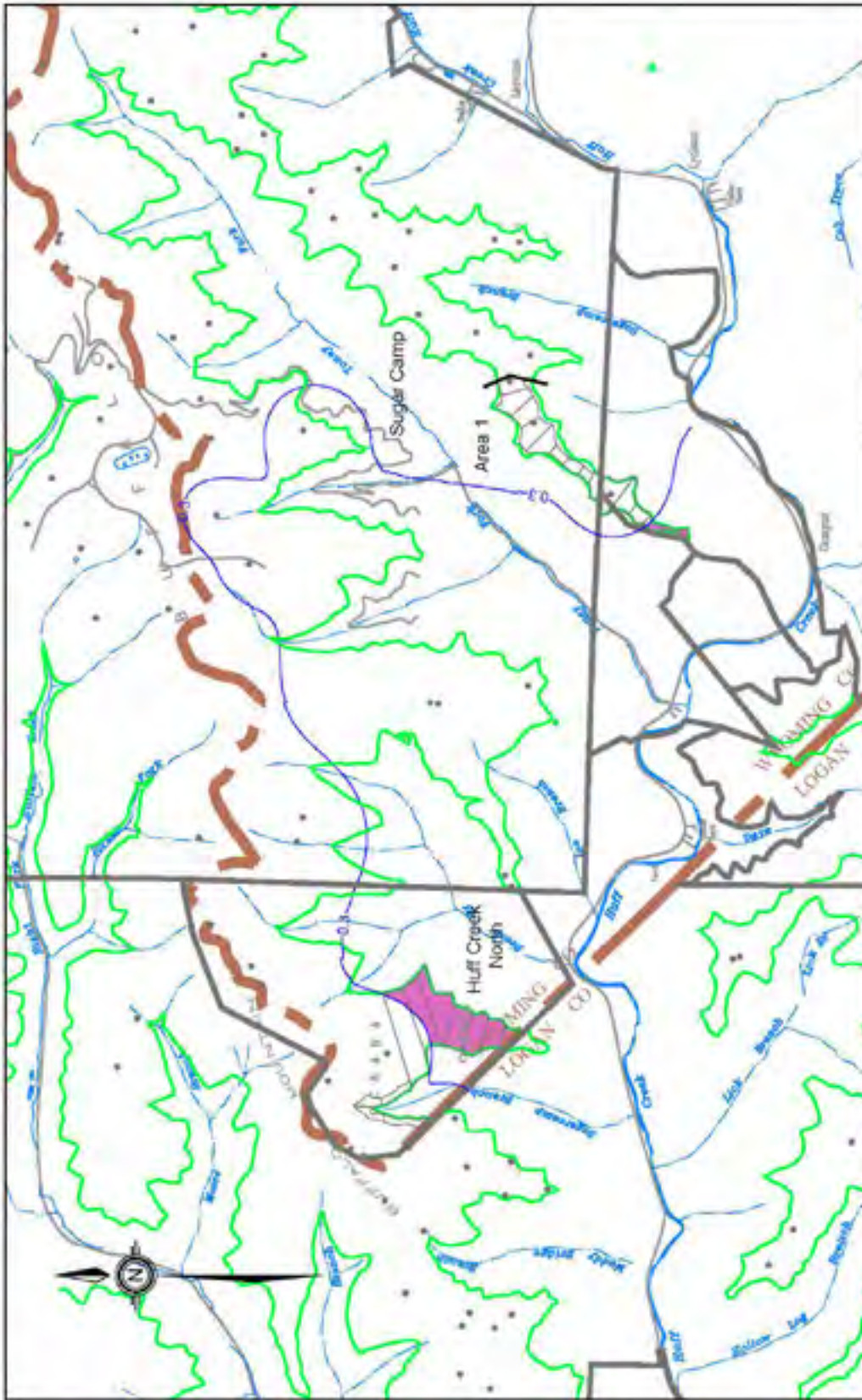
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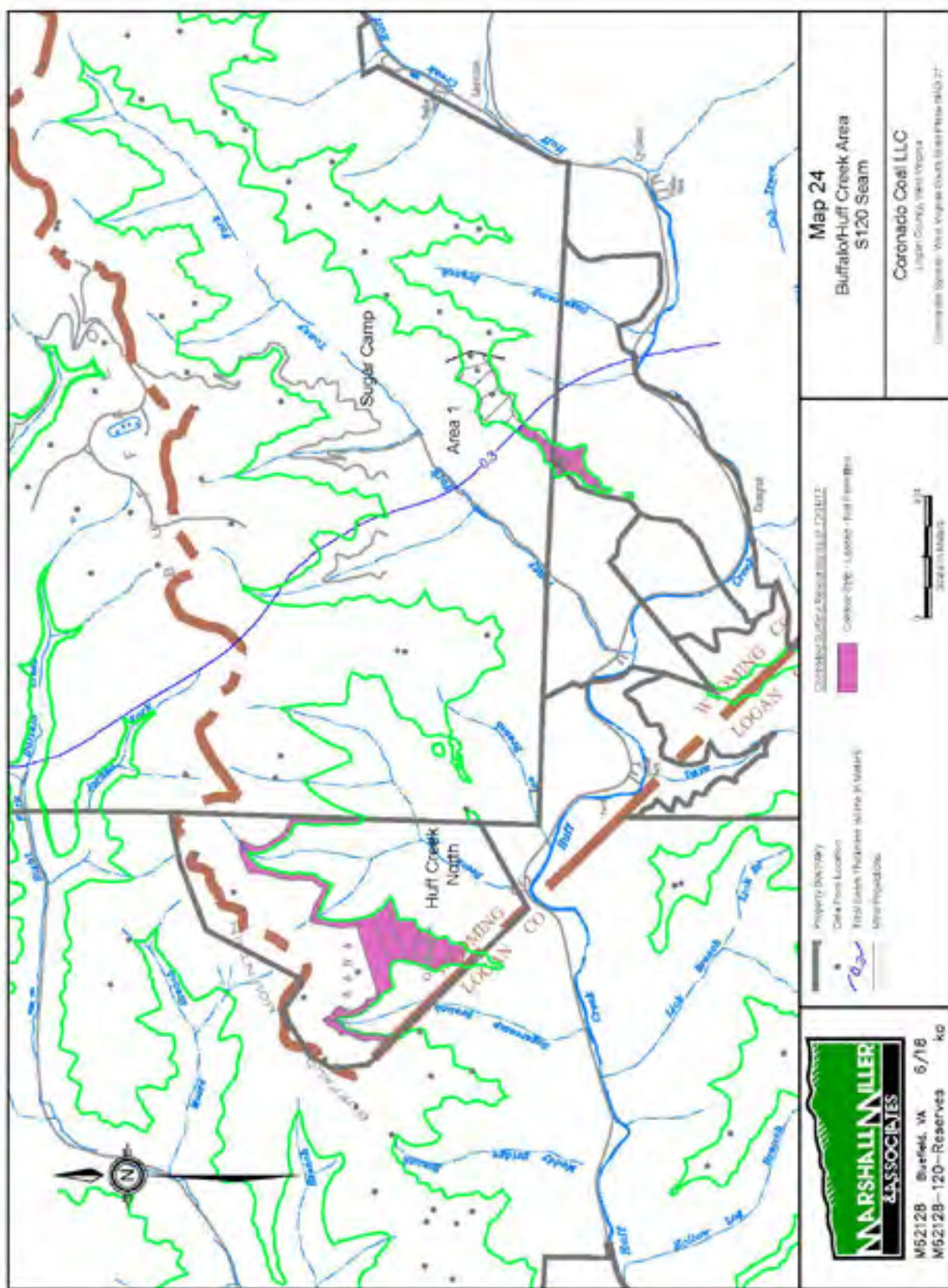
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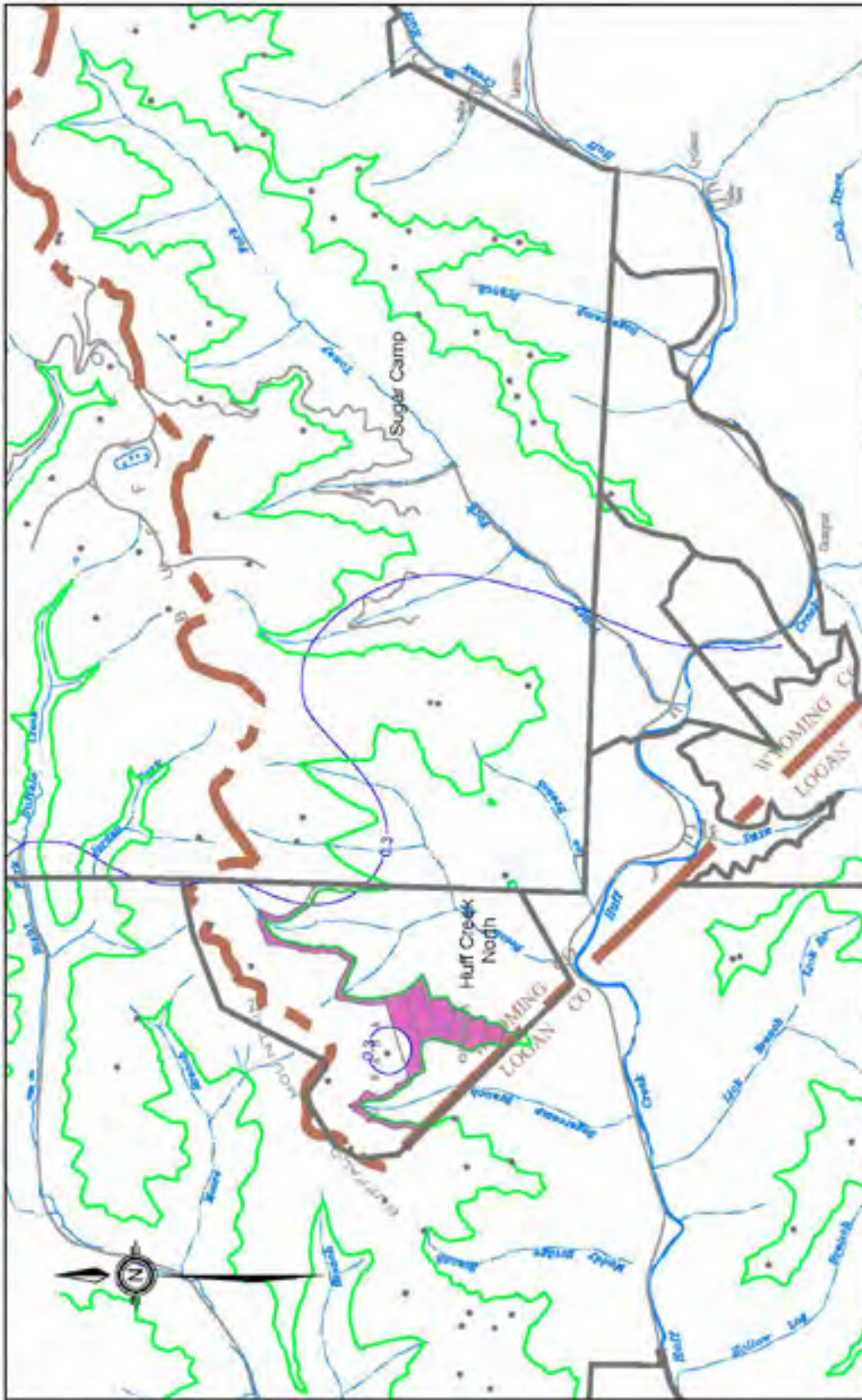




 M5212B Bluefield, VA 6/18 M5212B-110-Reserves kp	Map 23 Buffalo-Huff Creek Area S110 Seam Coronado Coal LLC Logan County, West Virginia Commodore System - West Virginia State Office Building 217	Contoured Surface & Section Map of S110 S110 S110 Contour Map - 10' Contour - Red from Blue Property Boundary Data Point Location Total Surface Thickness of the S110 Seam Mine Production Scale in Feet 0 100 200

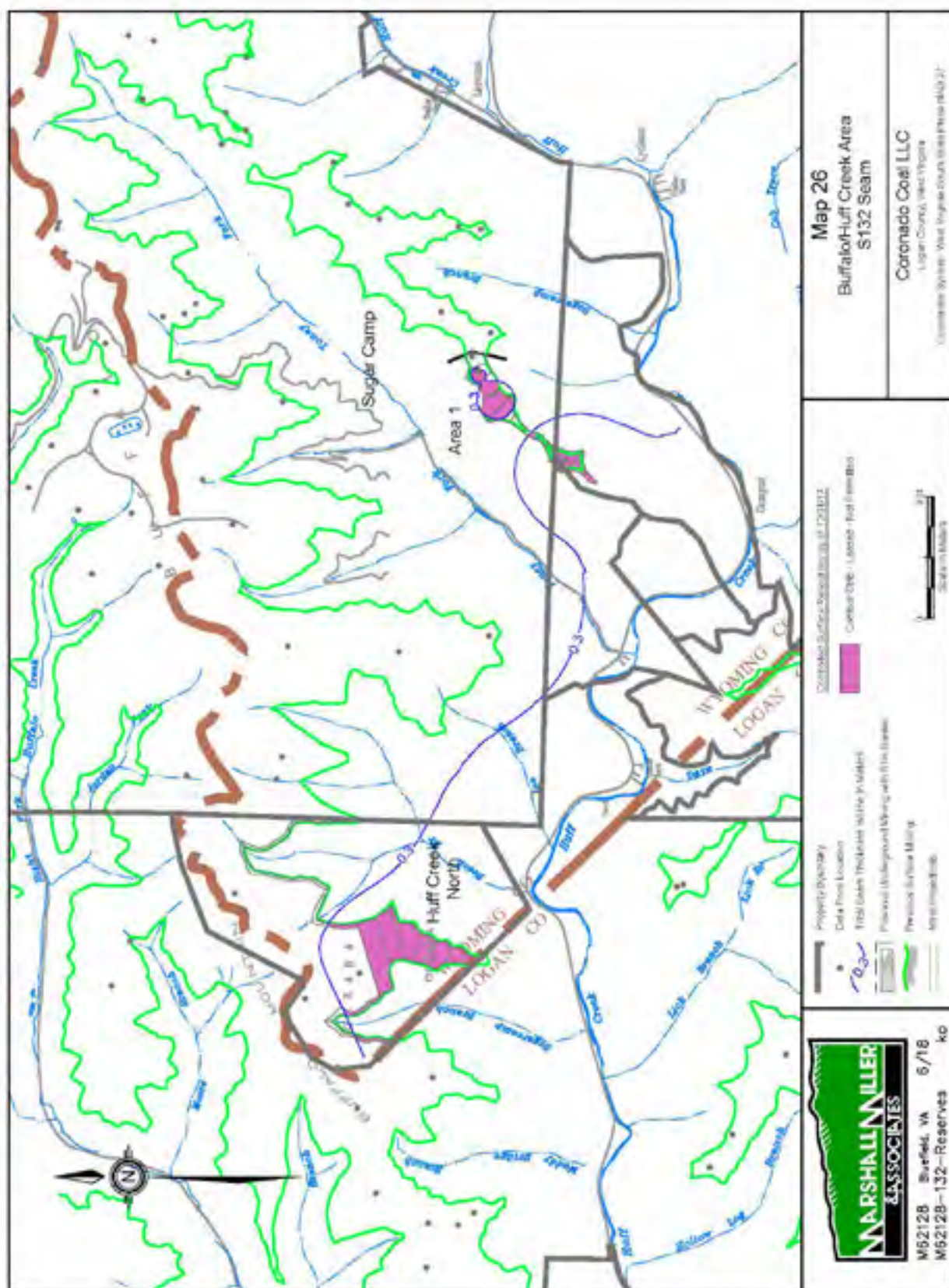
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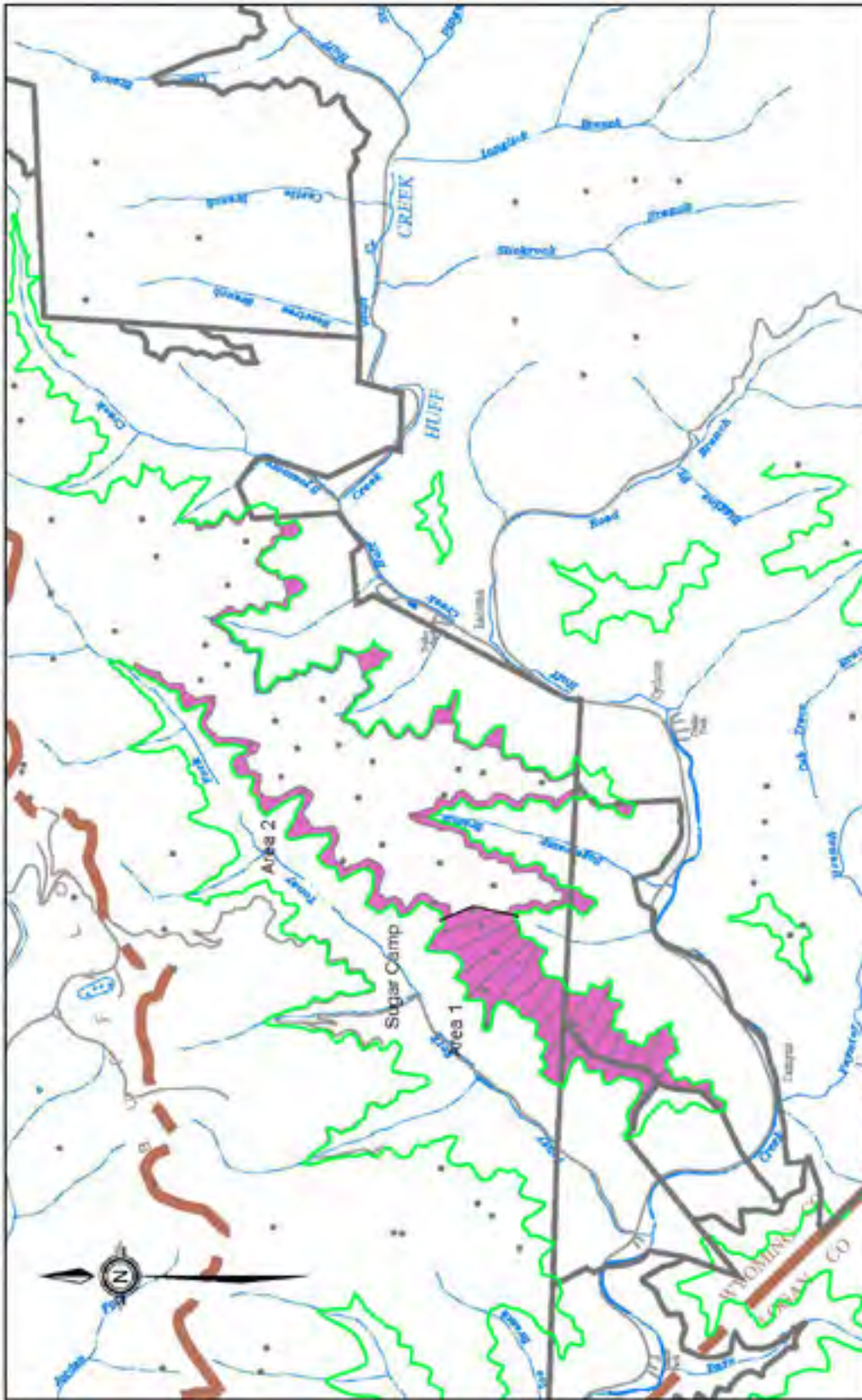




 M5212B - Bluefield, VA 6/18 M5212B-130-Reserves ko	Property Boundary Data Point Location First State Thruway 501 in West Virginia Main Roadway	Contoured Surface & Section 30.1 (S. 130.13.1) Carboniferous - Laramide - Post Laramide	Map 25 Buffalo-Huff Creek Area S130 Seam Coronado Coal LLC Logan County, West Virginia Commodore System - West Virginia Coal Sales Phase 1 (4/3/21)

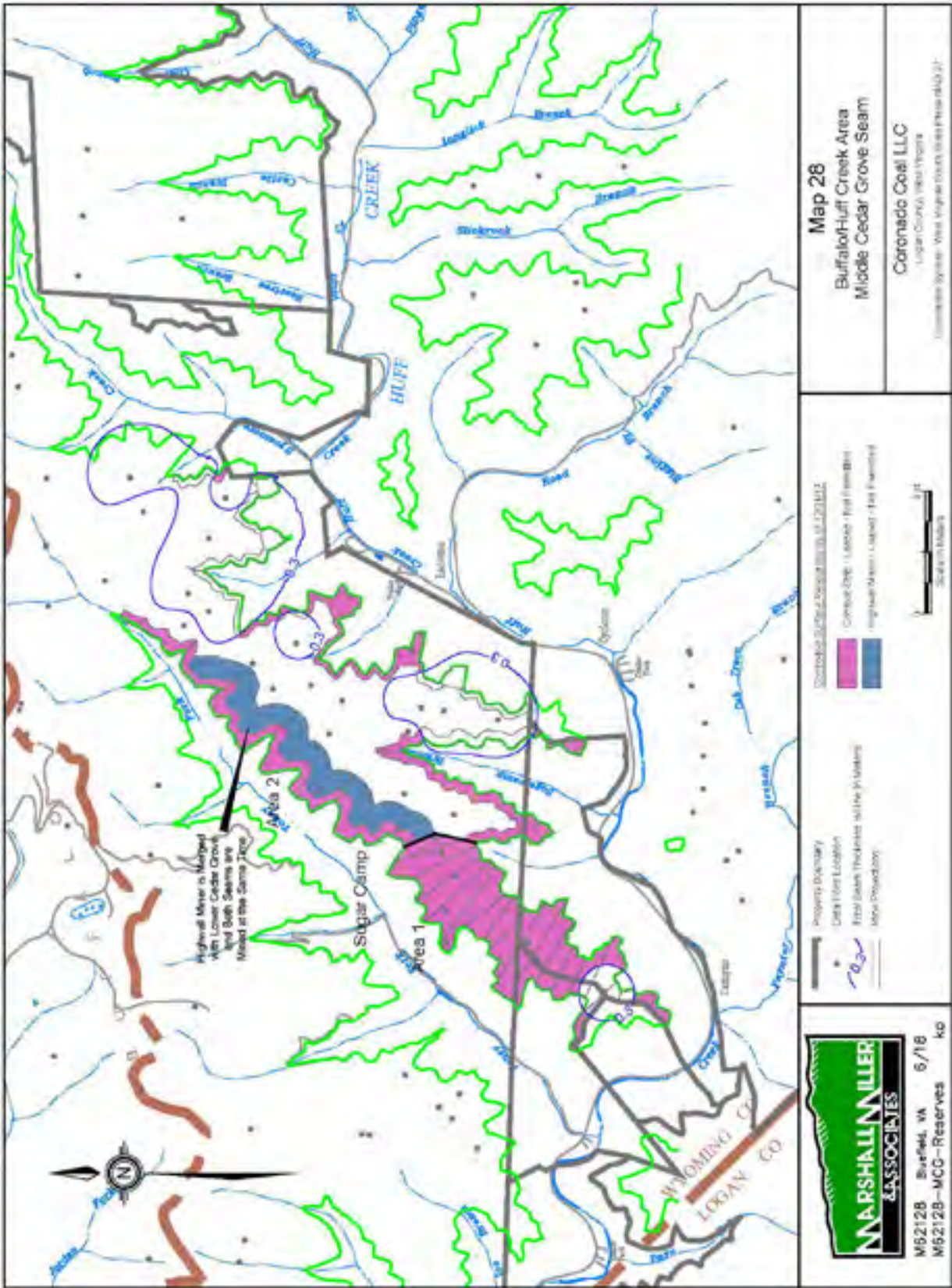
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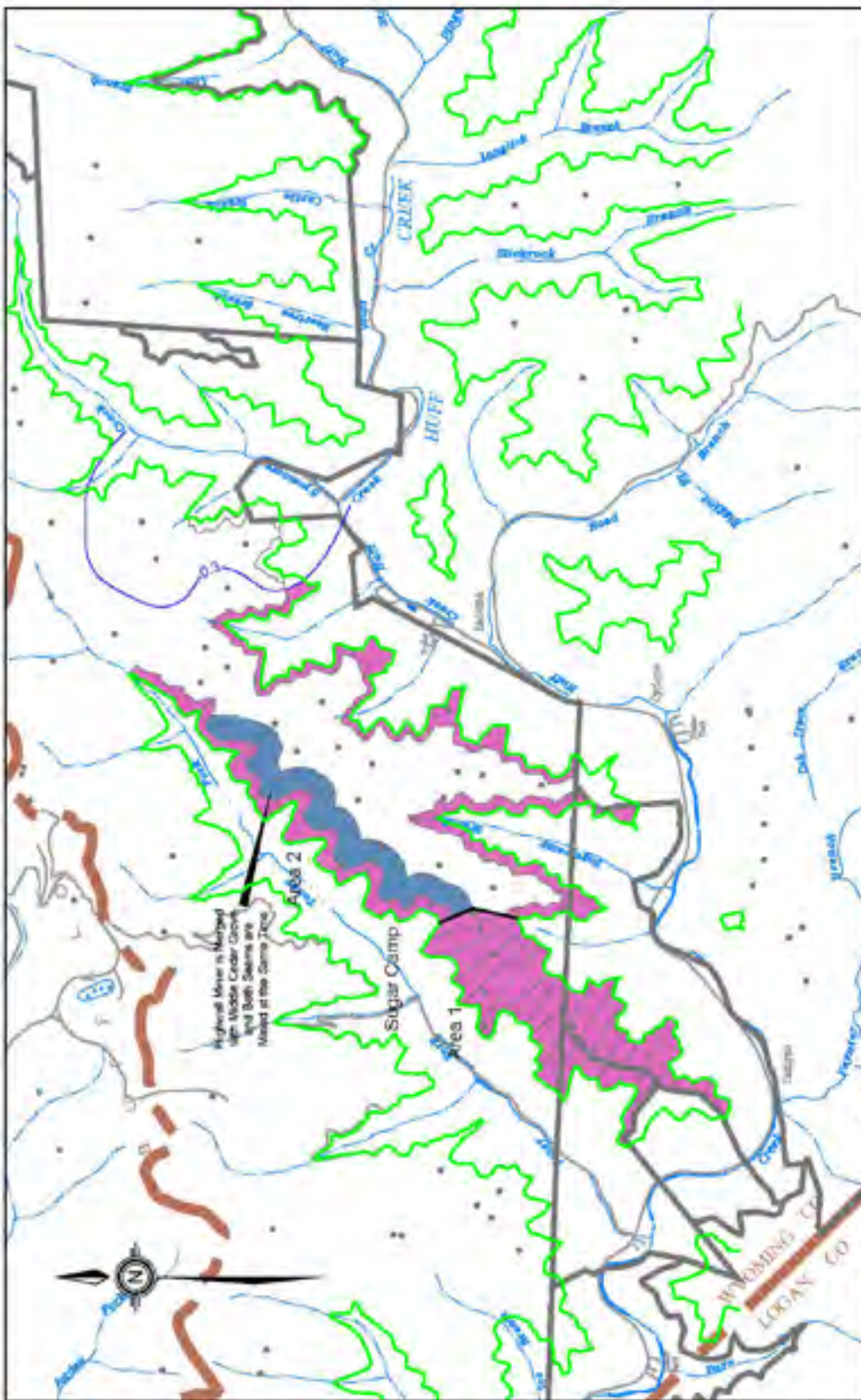




 M5212B Bluefield, VA 6/18 M5212B-UCC-Reserves KP	Property Boundary Cedar Grove Location New Reserves	Contoured Surface Elevation 100, 200, 300, 400, 500, 600, 700, 800, 900, 1000 Cedar Grove 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	Map 27 Buffalo-Huff Creek Area Upper Cedar Grove Seams Coronado Coal LLC Logan County, West Virginia Copyright © 2018 West Virginia State Office of Mineral Resources

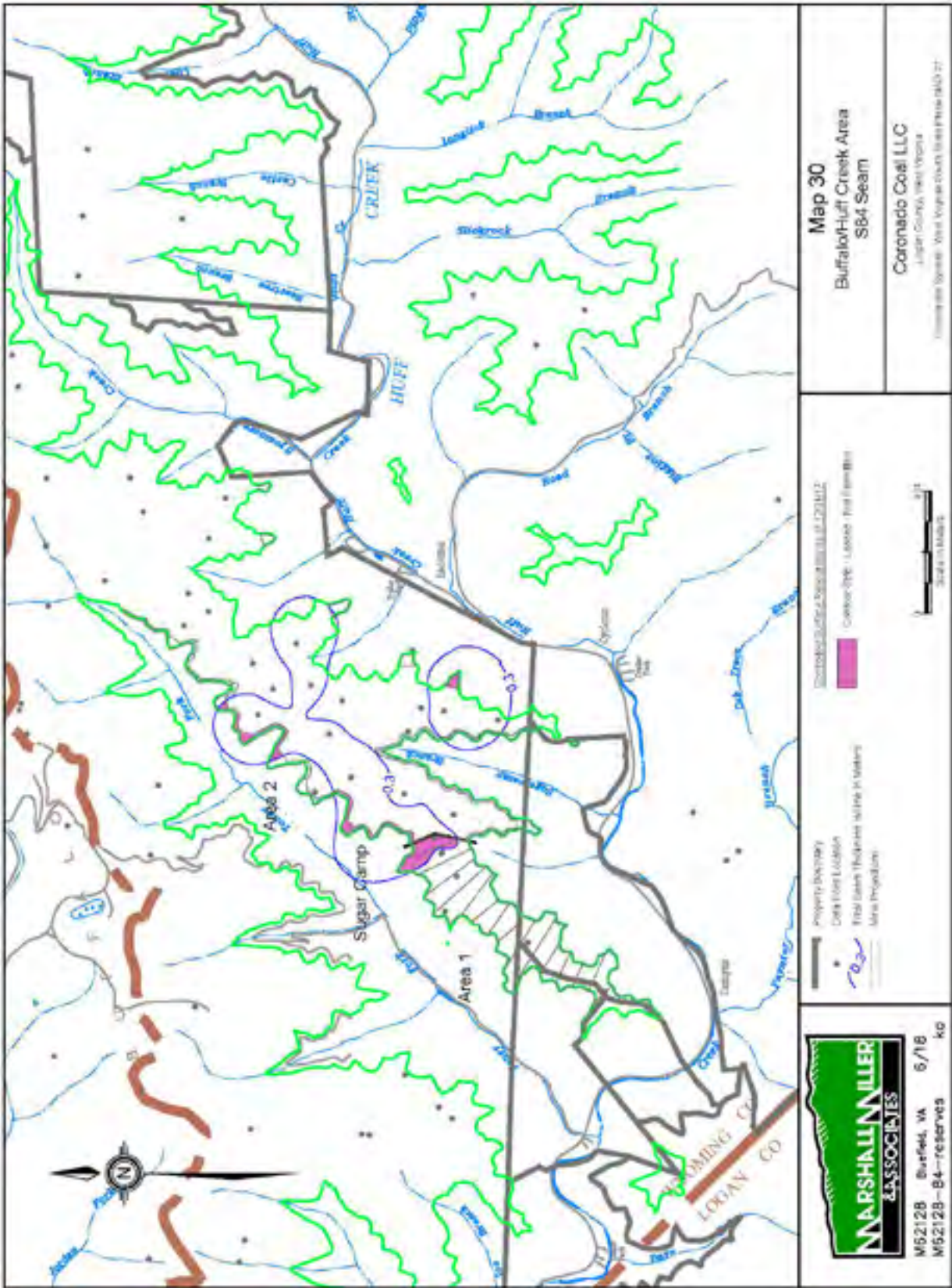
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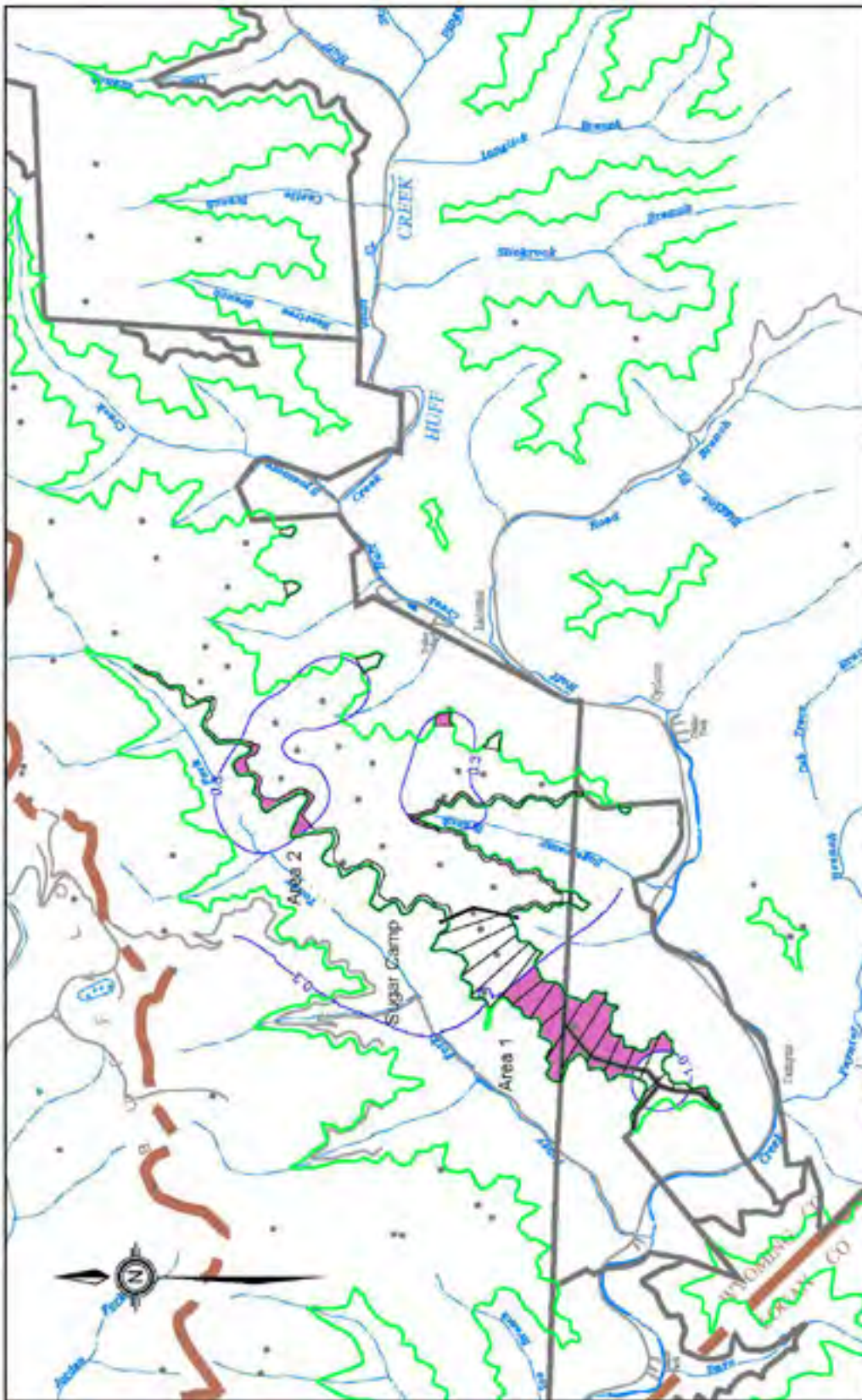




 M5212B Bluefield, VA 6/18 M5212B-LCG-Reserves KP	Property Boundary Cedar Grove Seam Total Seams Thickness at the 1st Seams Lower Seams	Contour Interval: 20 Feet Cedar Grove Seam: 1 Seams Lower Seams: 1 Seams Total Seams: 2 Seams	Map 29 Buffalo/Huff Creek Area Lower Cedar Grove Seam Coronado Coal LLC Logan County, West Virginia Copyright © 2018 Marshall Miller & Associates, Inc. All Rights Reserved.

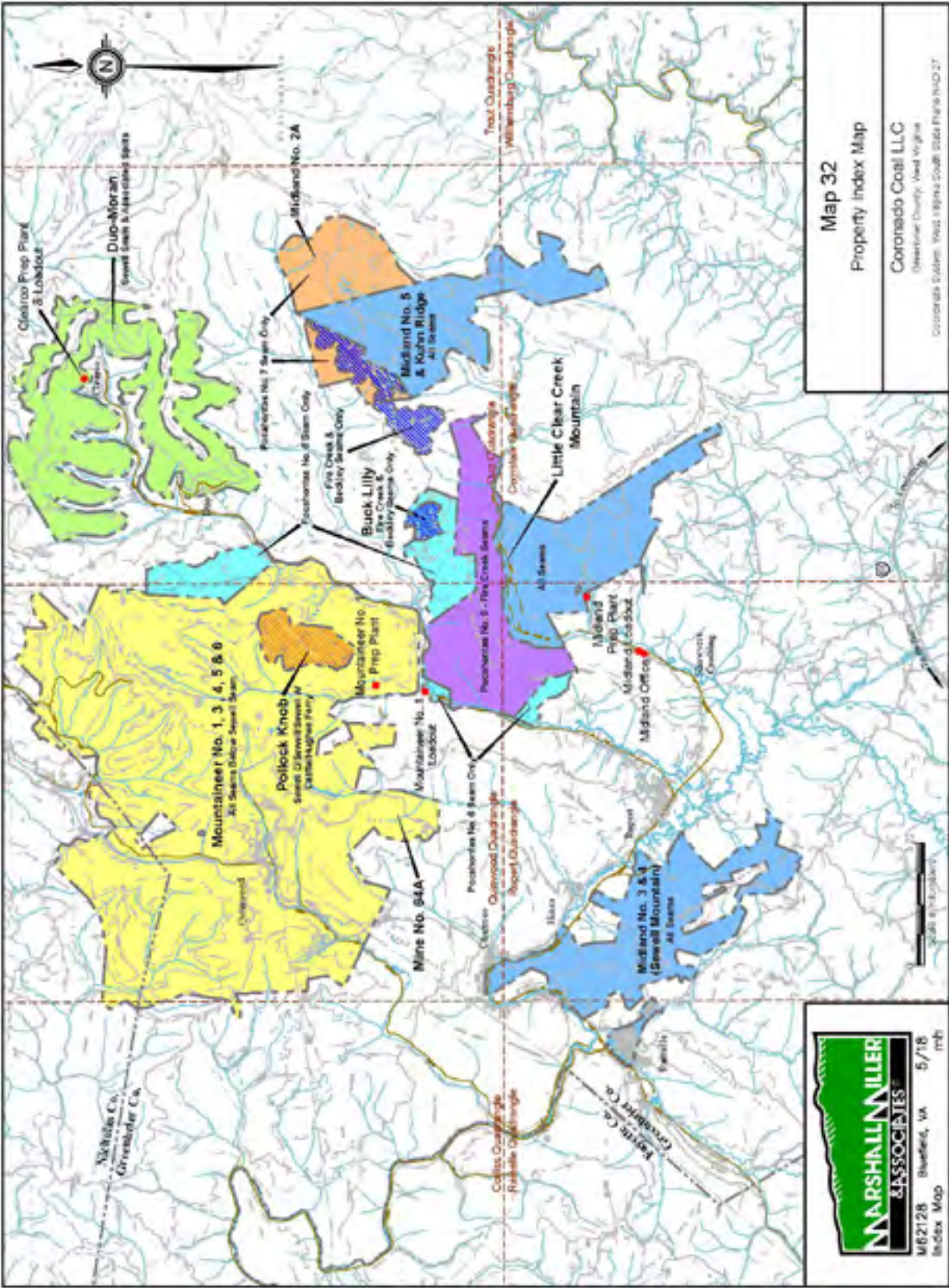
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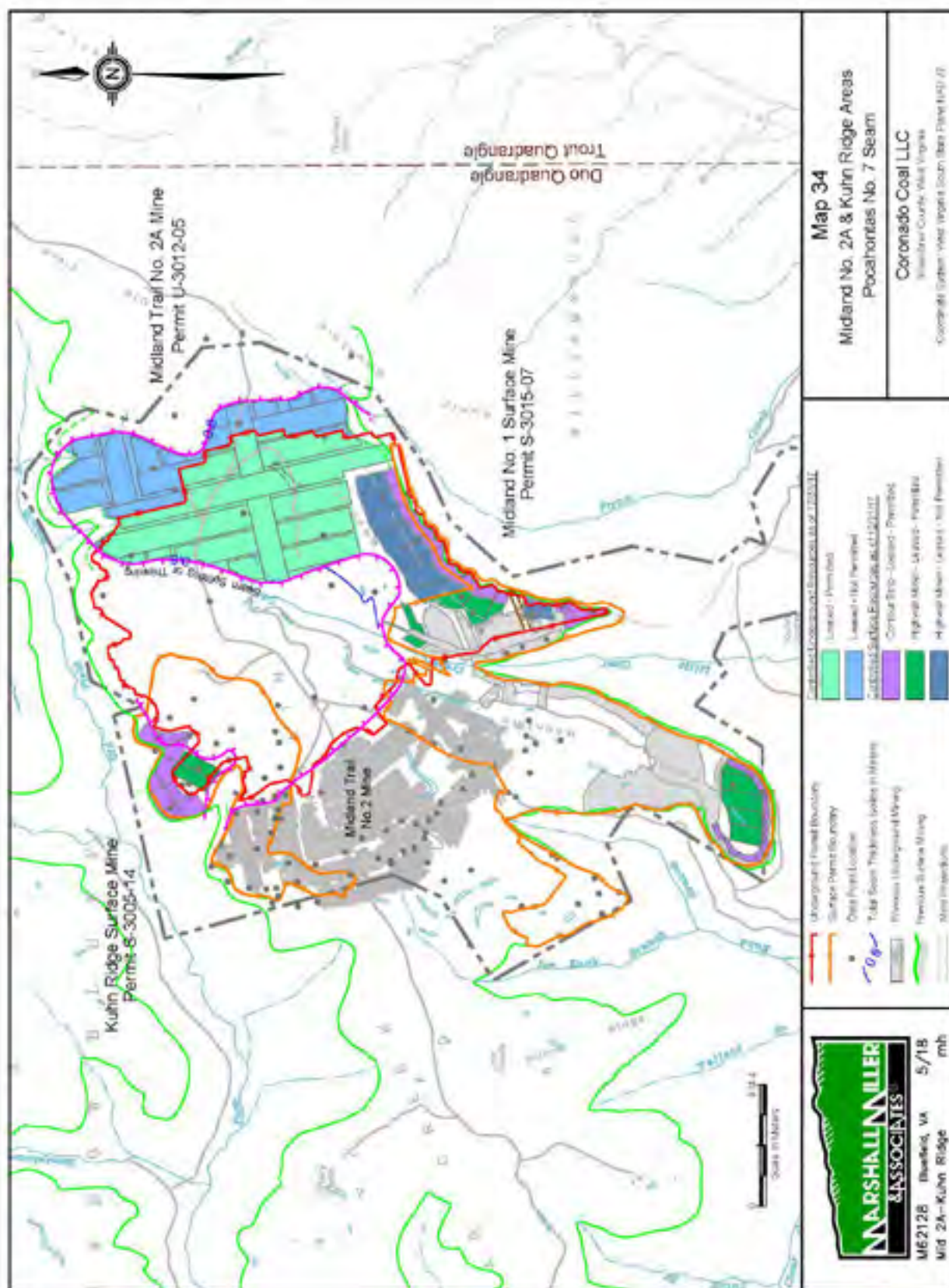


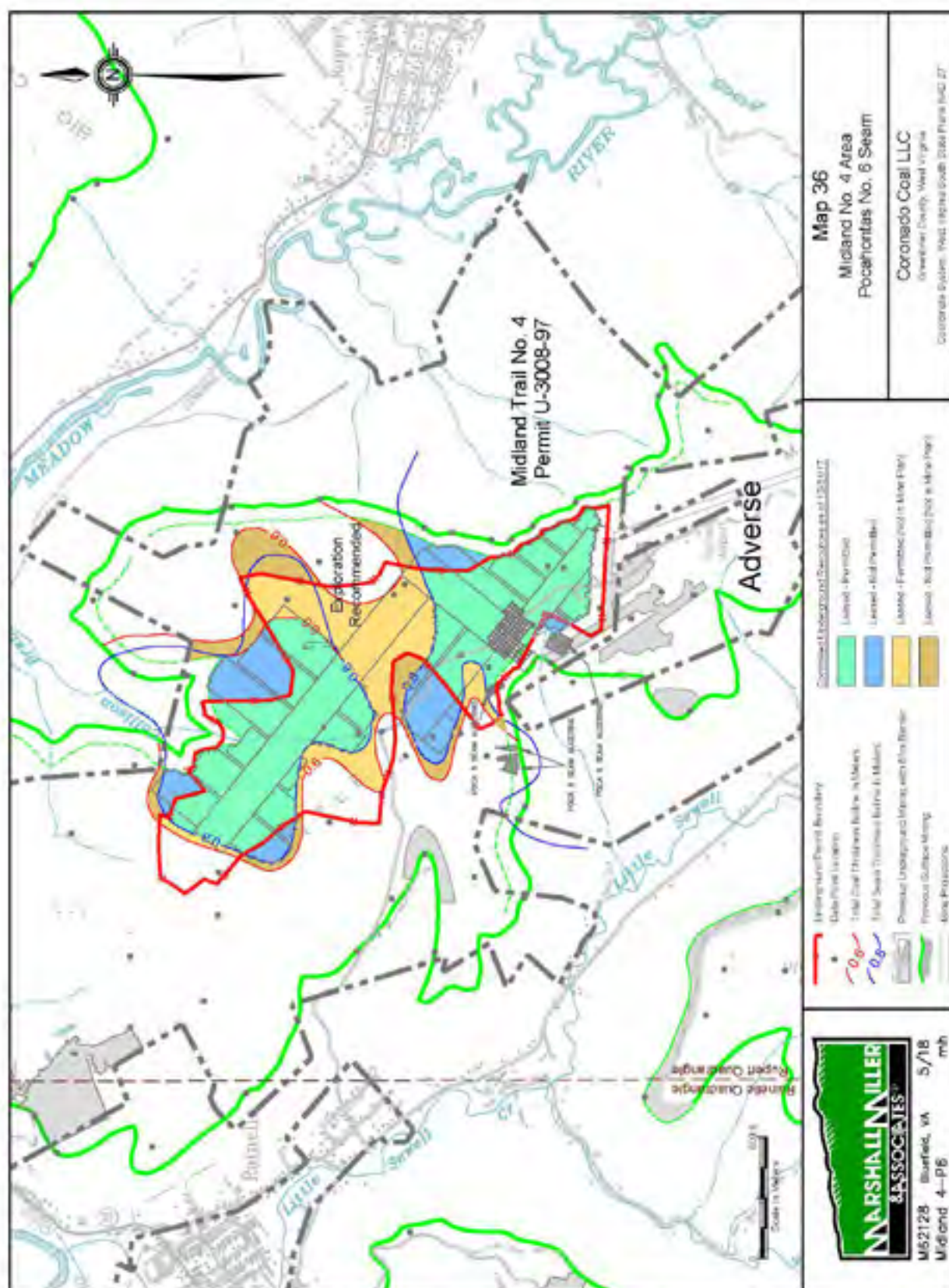
 M5212B Bluefield, VA 6/18 M5212B-80-reserves kp	Property Boundary Data Entry Location Total Station Measurements within 10 Meters Area Projections	Contoured Surface Interval 100 FT (20 MILE) Contour Type: 1. Contour 2. First from West	Map 31 Buffalo-Huff Creek Area S80 Seam
			Coronado Coal LLC Logan County, West Virginia Computer System: West Virginia State Geology Division (WVGS)

10. MM&A Report (2018)

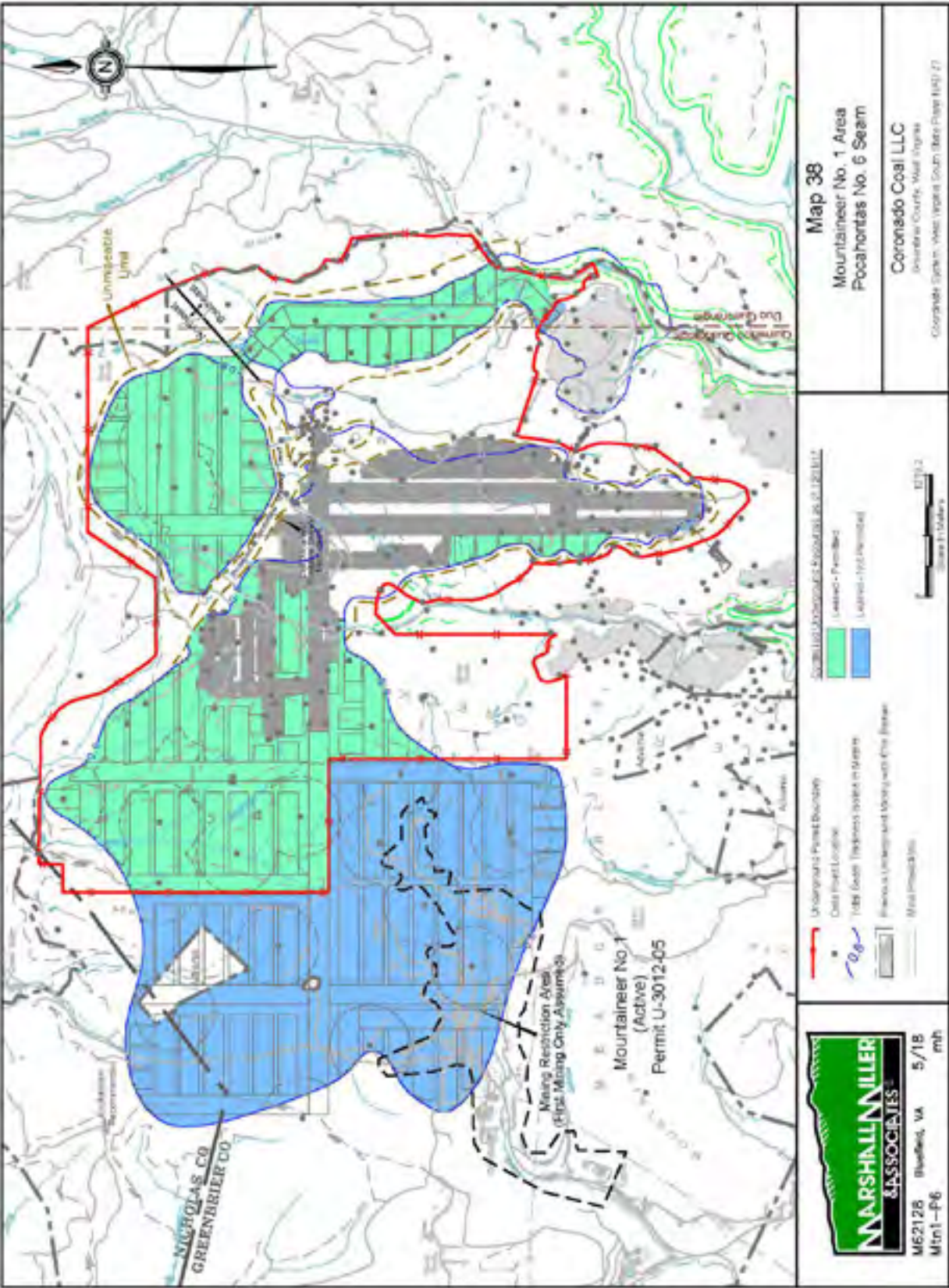


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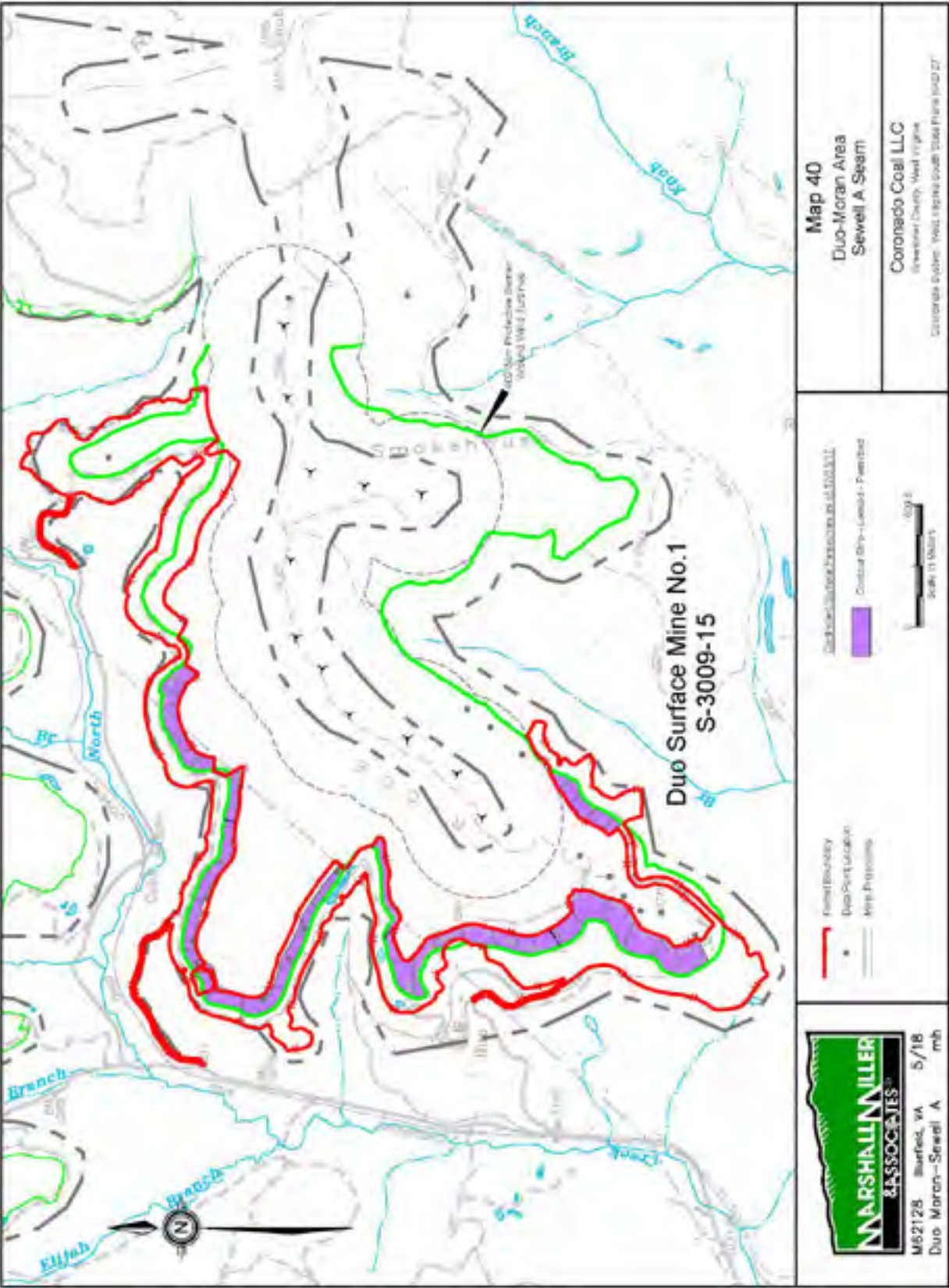




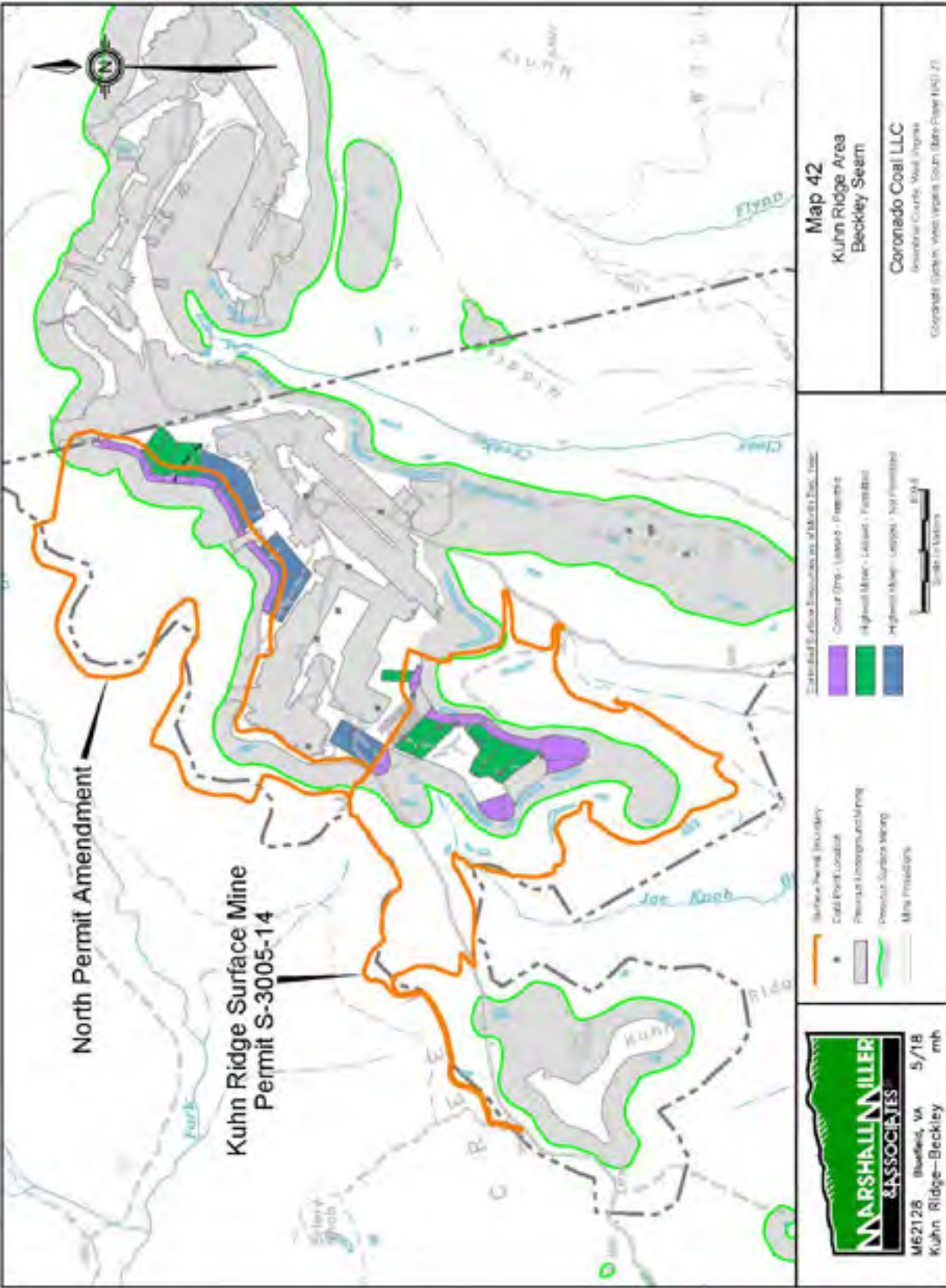
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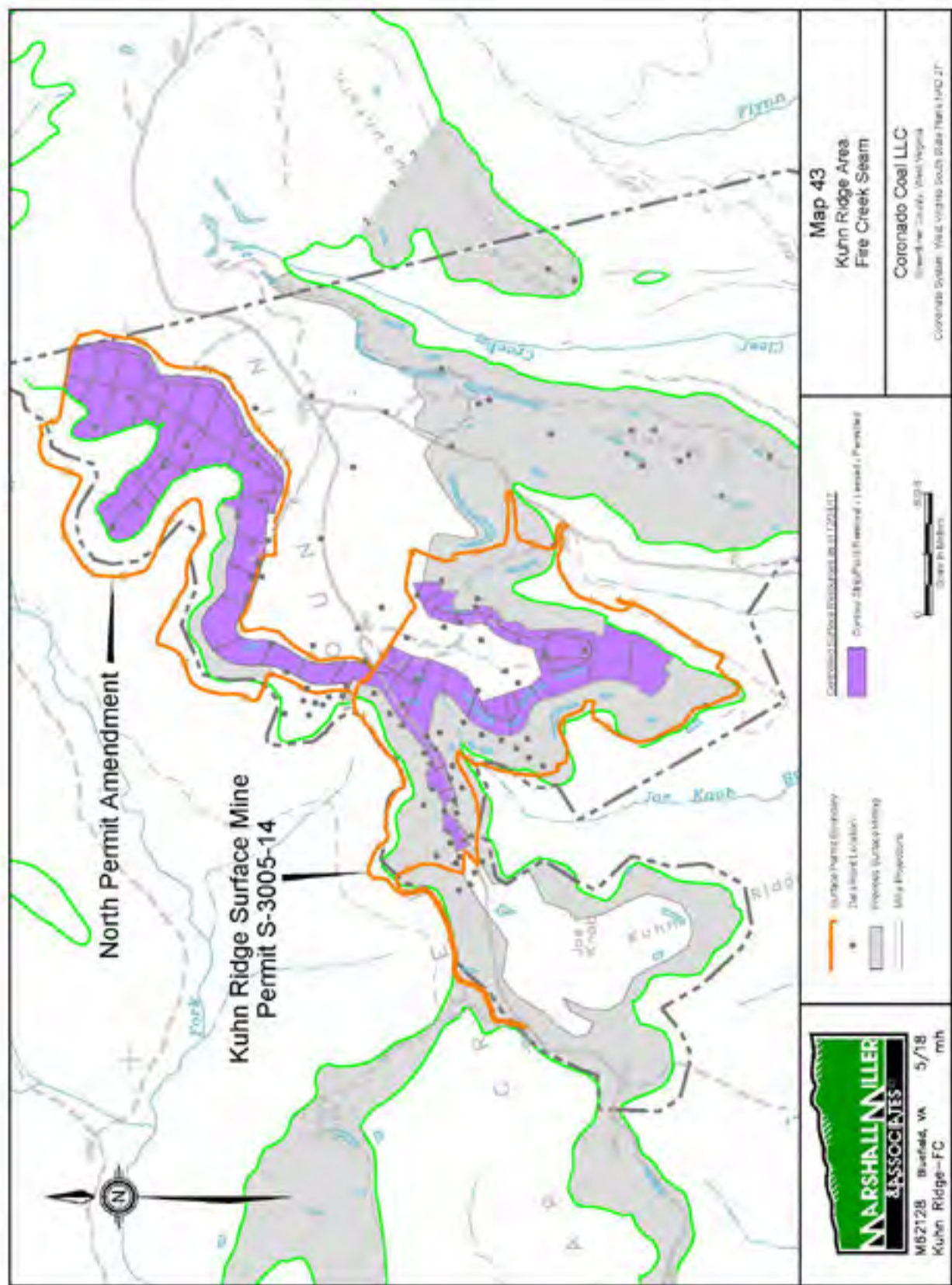


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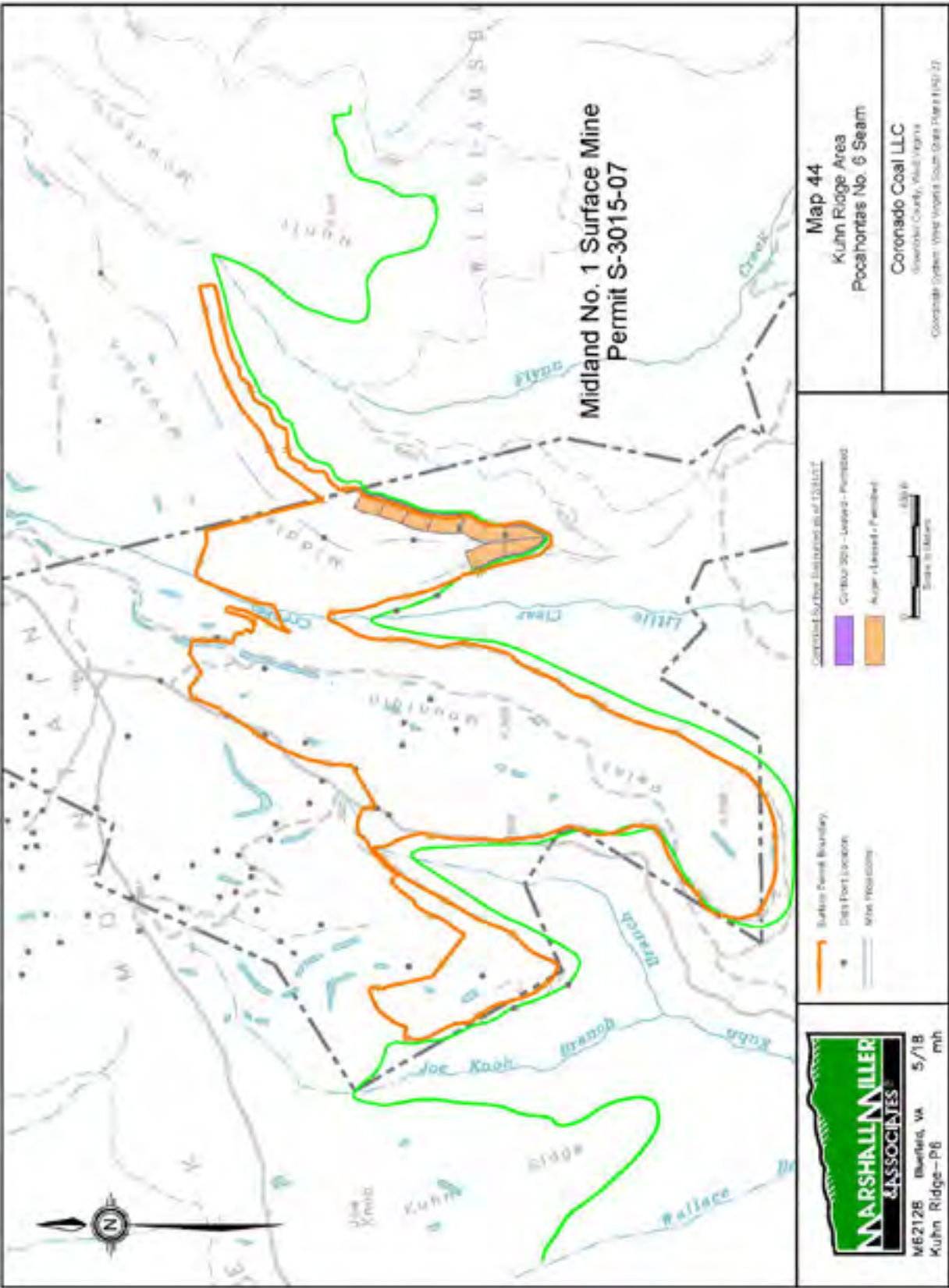


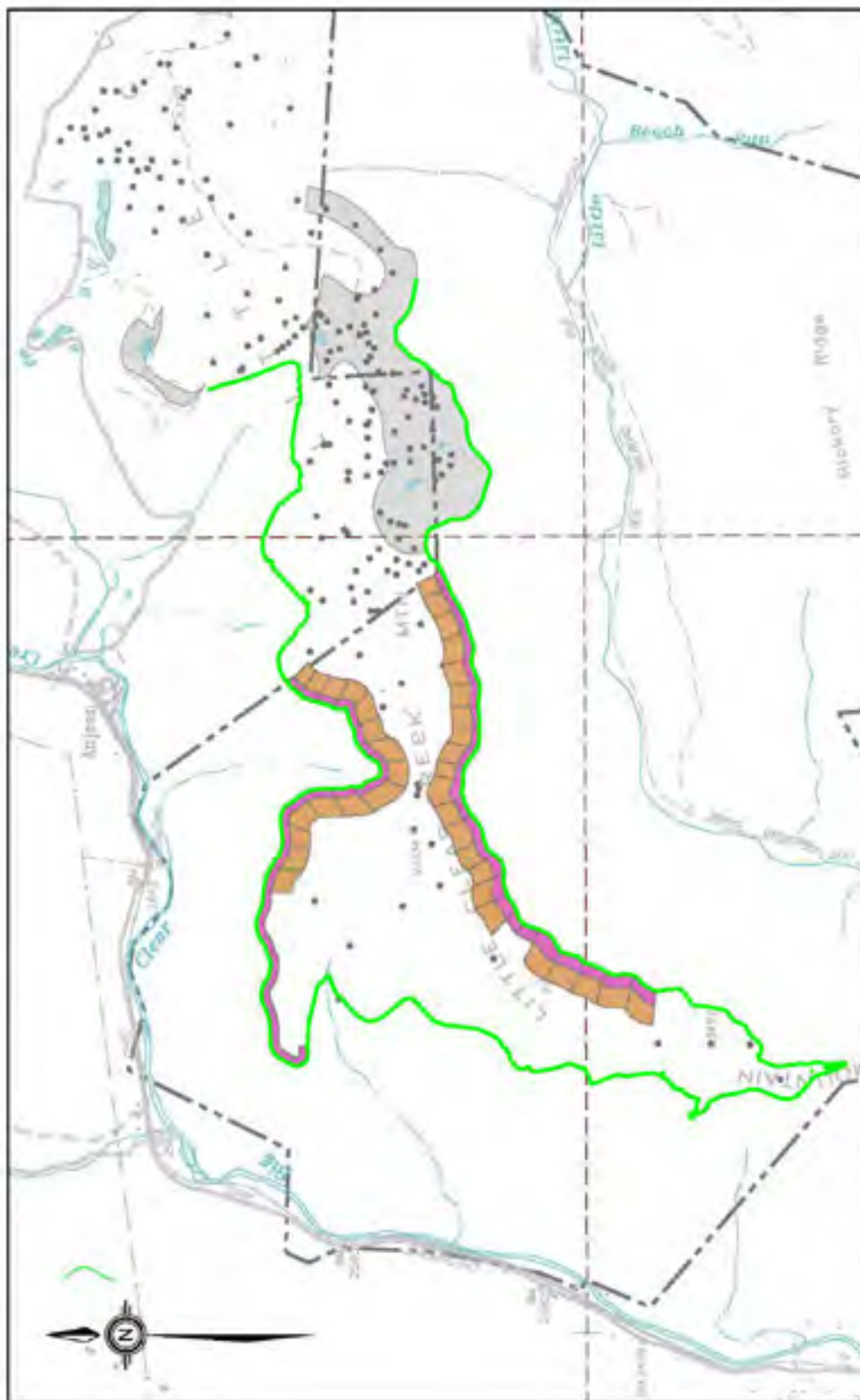
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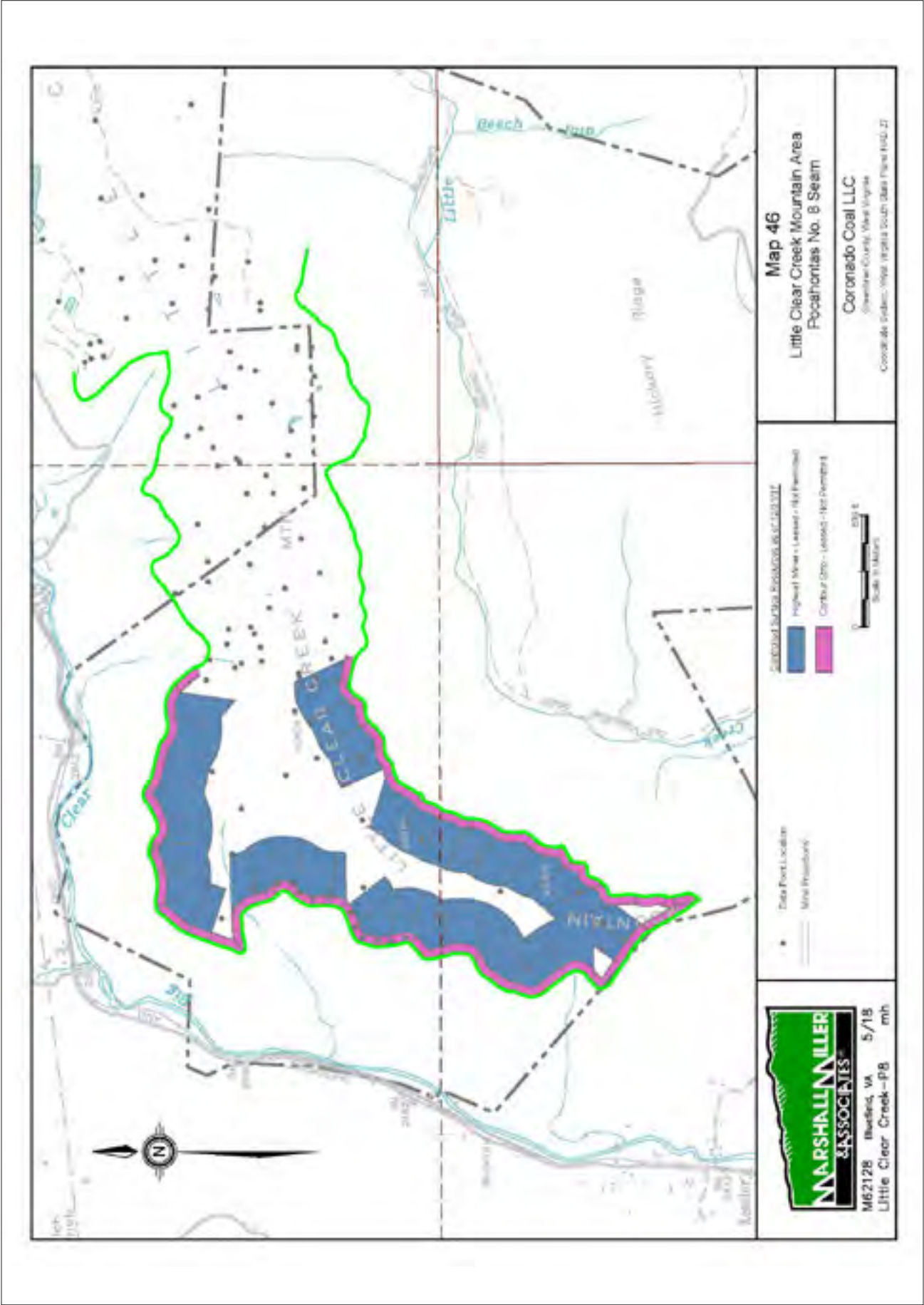
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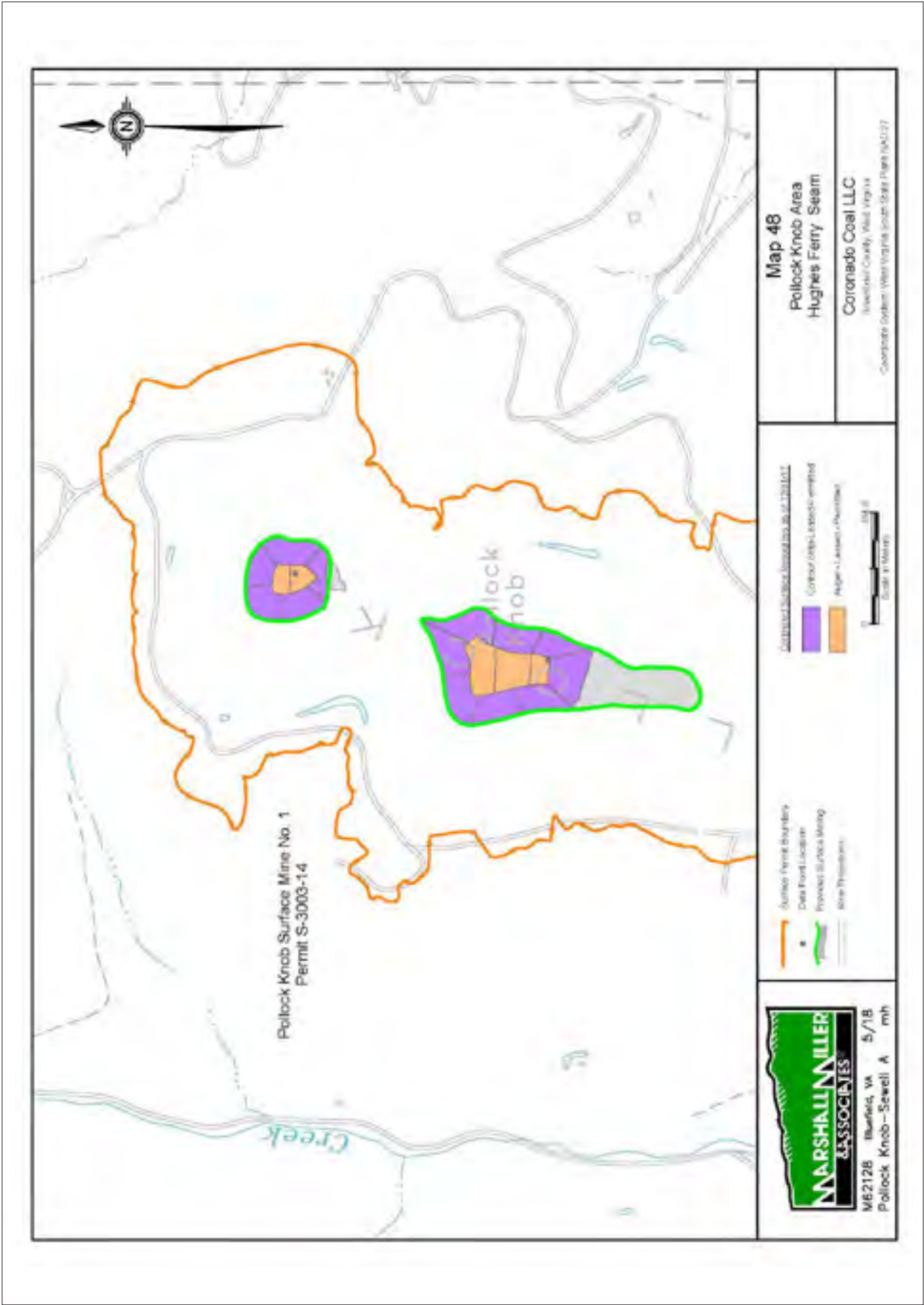


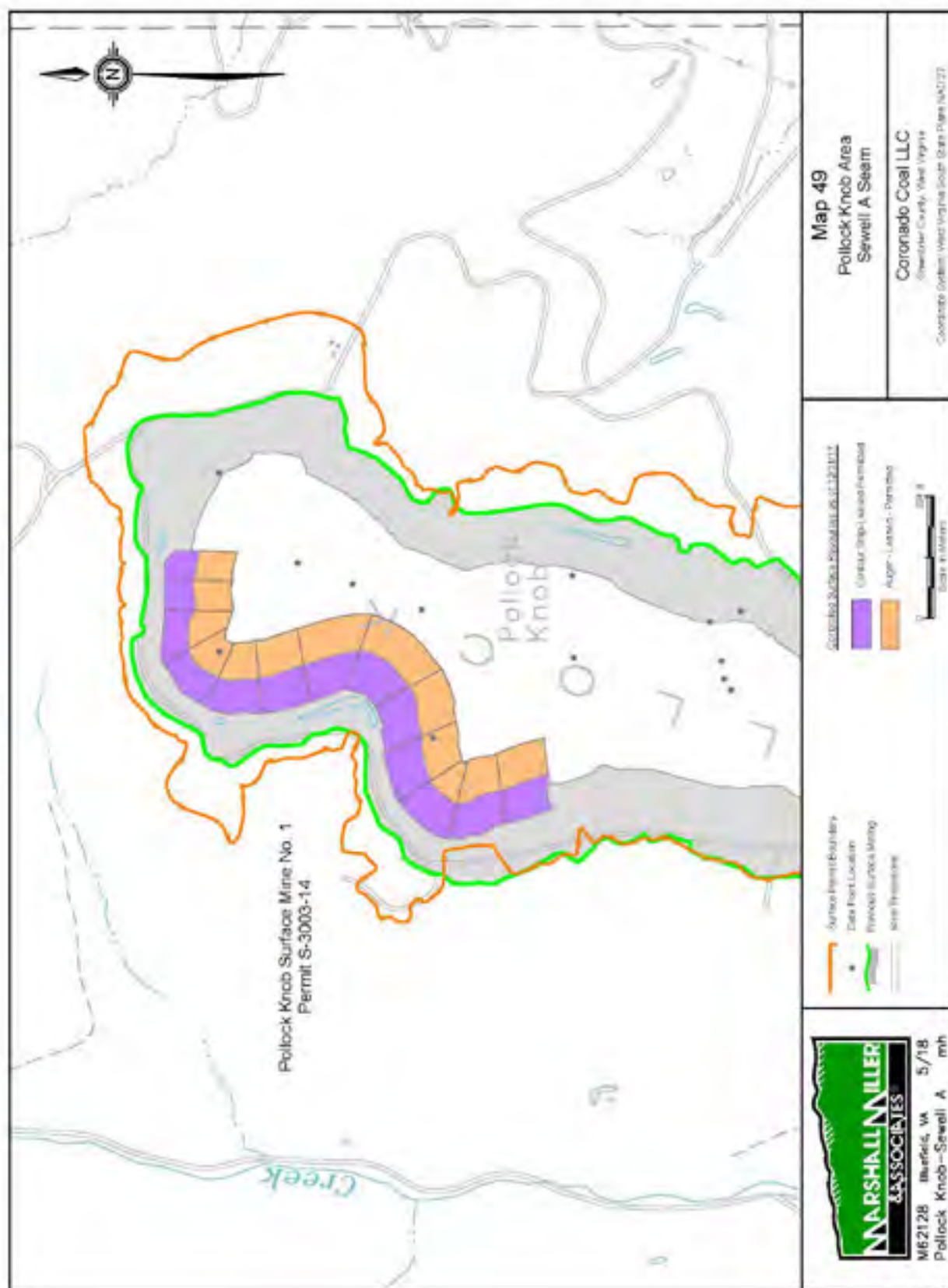
 M52128 Bluefield, VA 5/18 Little Clear Creek-FC mh	• Data Point Location — Corridor Line - 1 mile wide - Red Line — Auger - 1 mile wide - Red Line Scale in Feet 0 800	Map 45 Little Clear Creek Mountain Area Fire Creek Seam Coronado Coal LLC Overhead Drift, West Virginia Coronado System, West Virginia South State Mine (WV) 27

10. MM&A Report (2018)

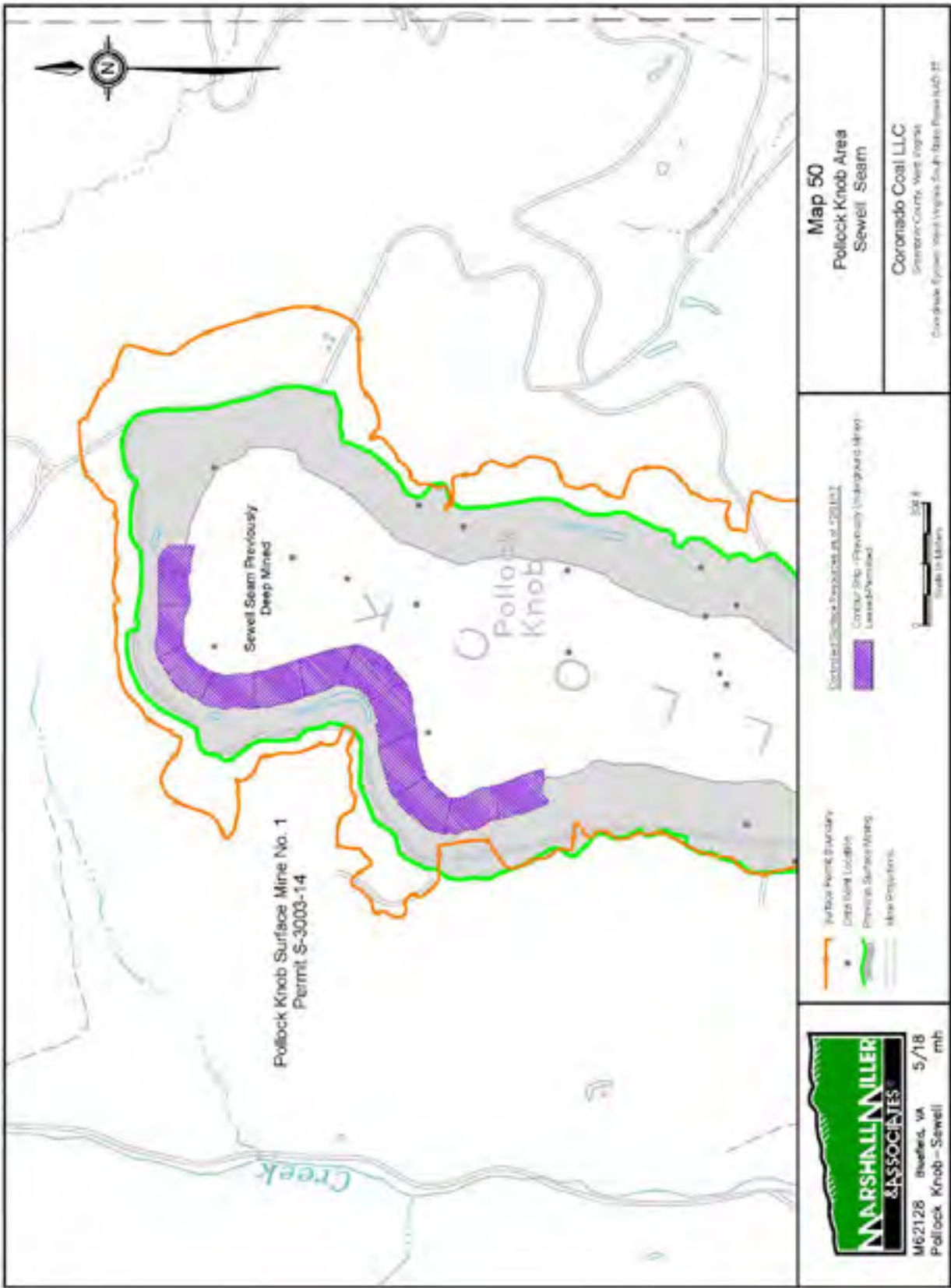


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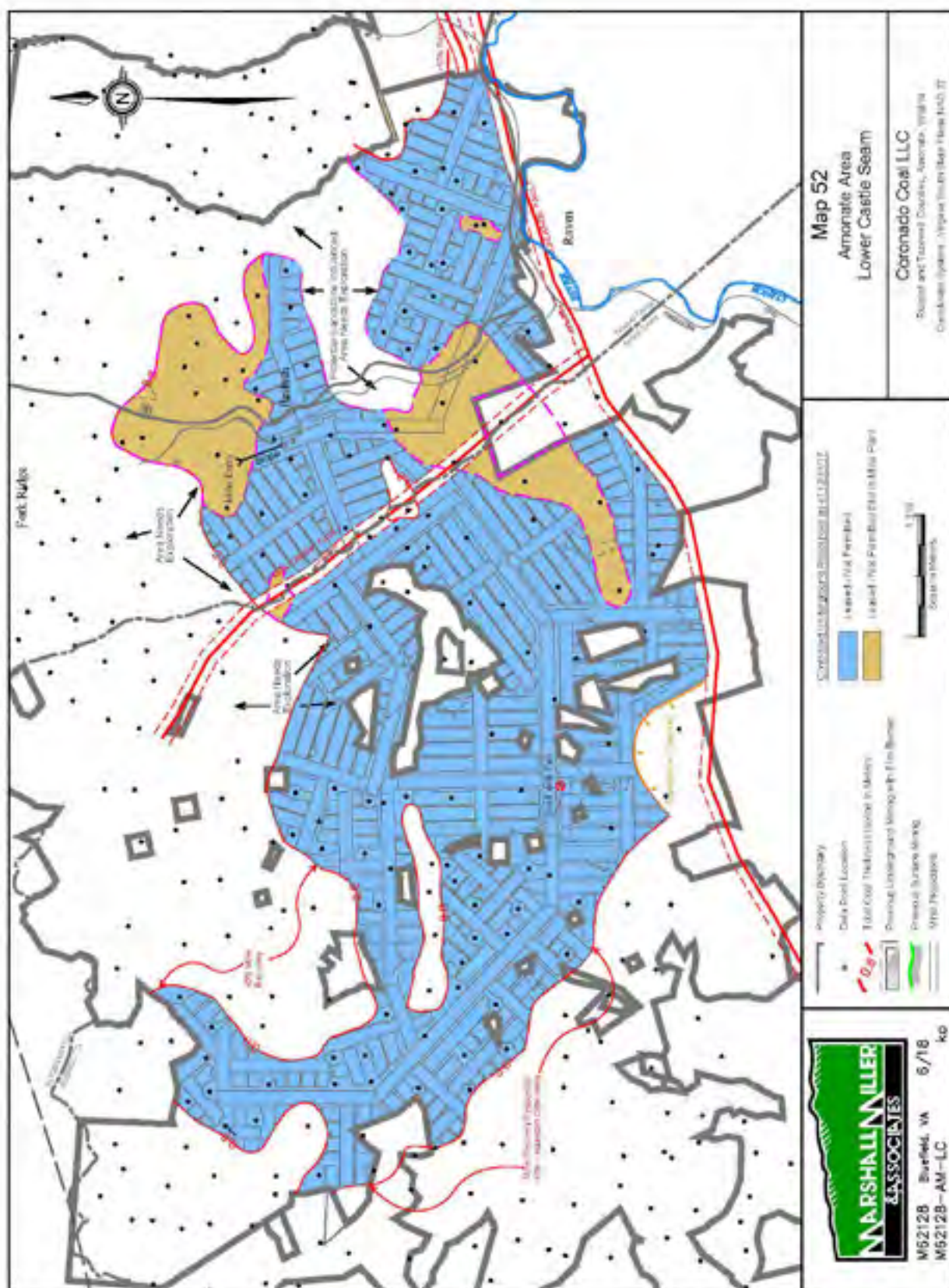




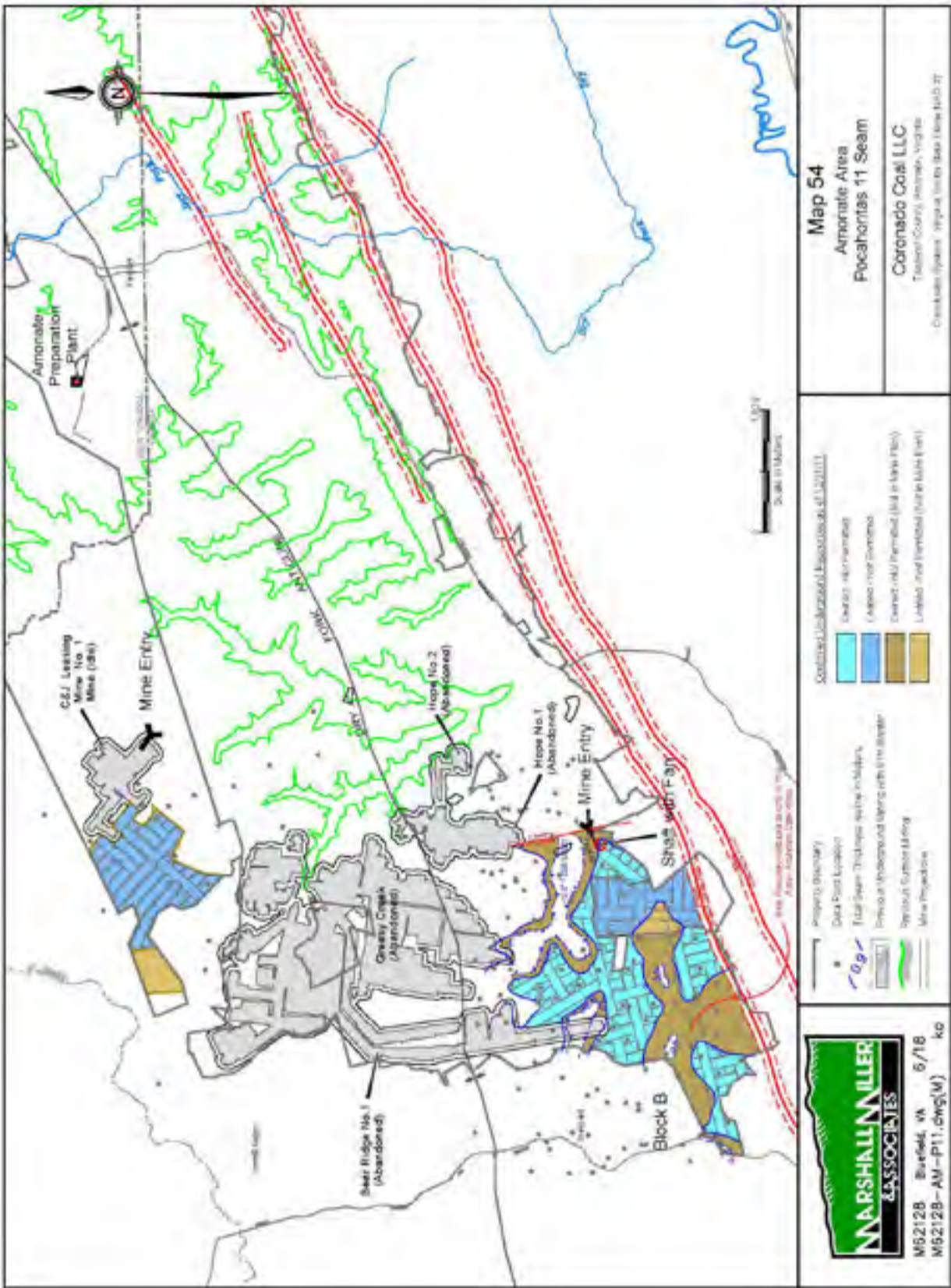
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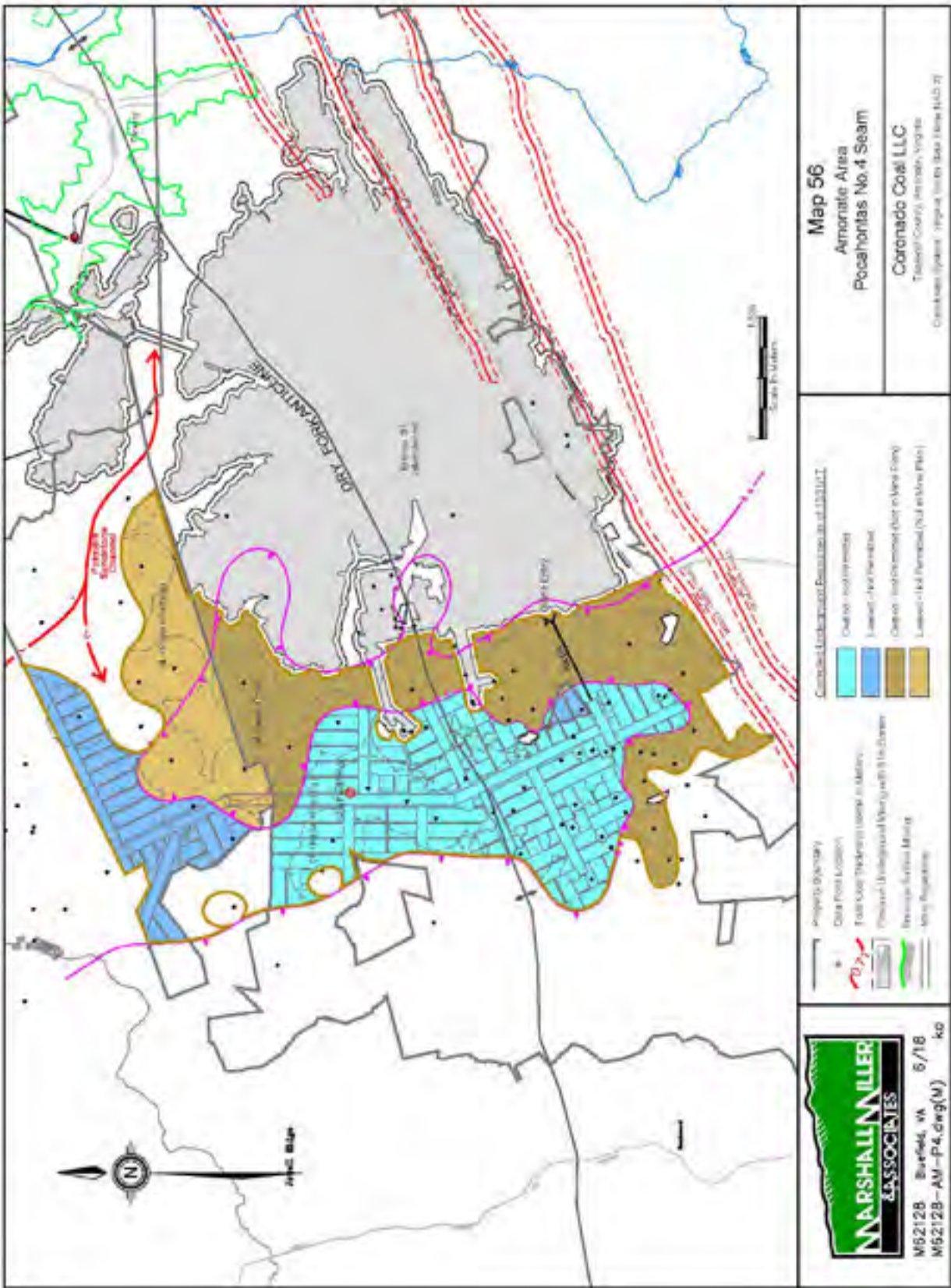
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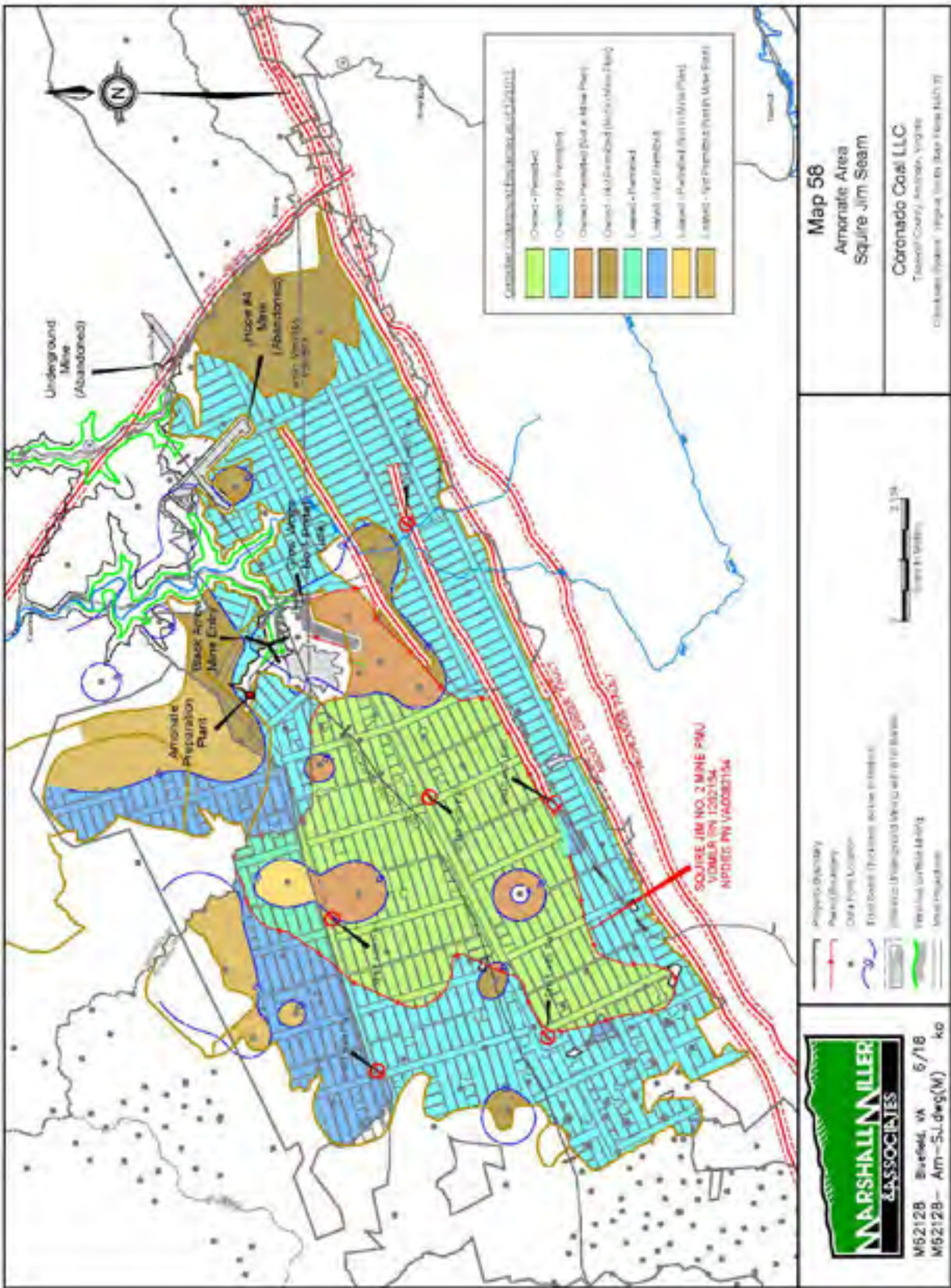
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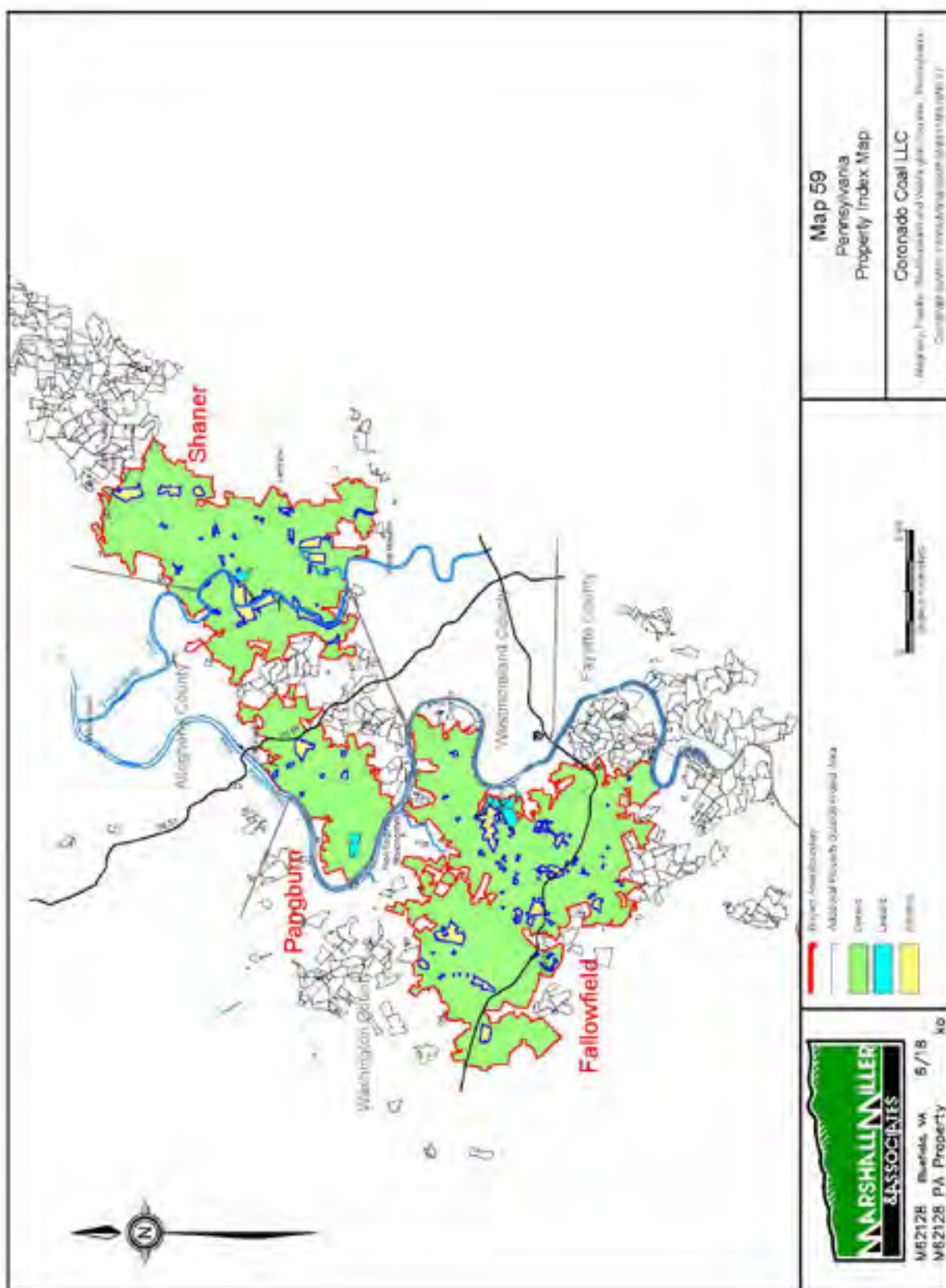


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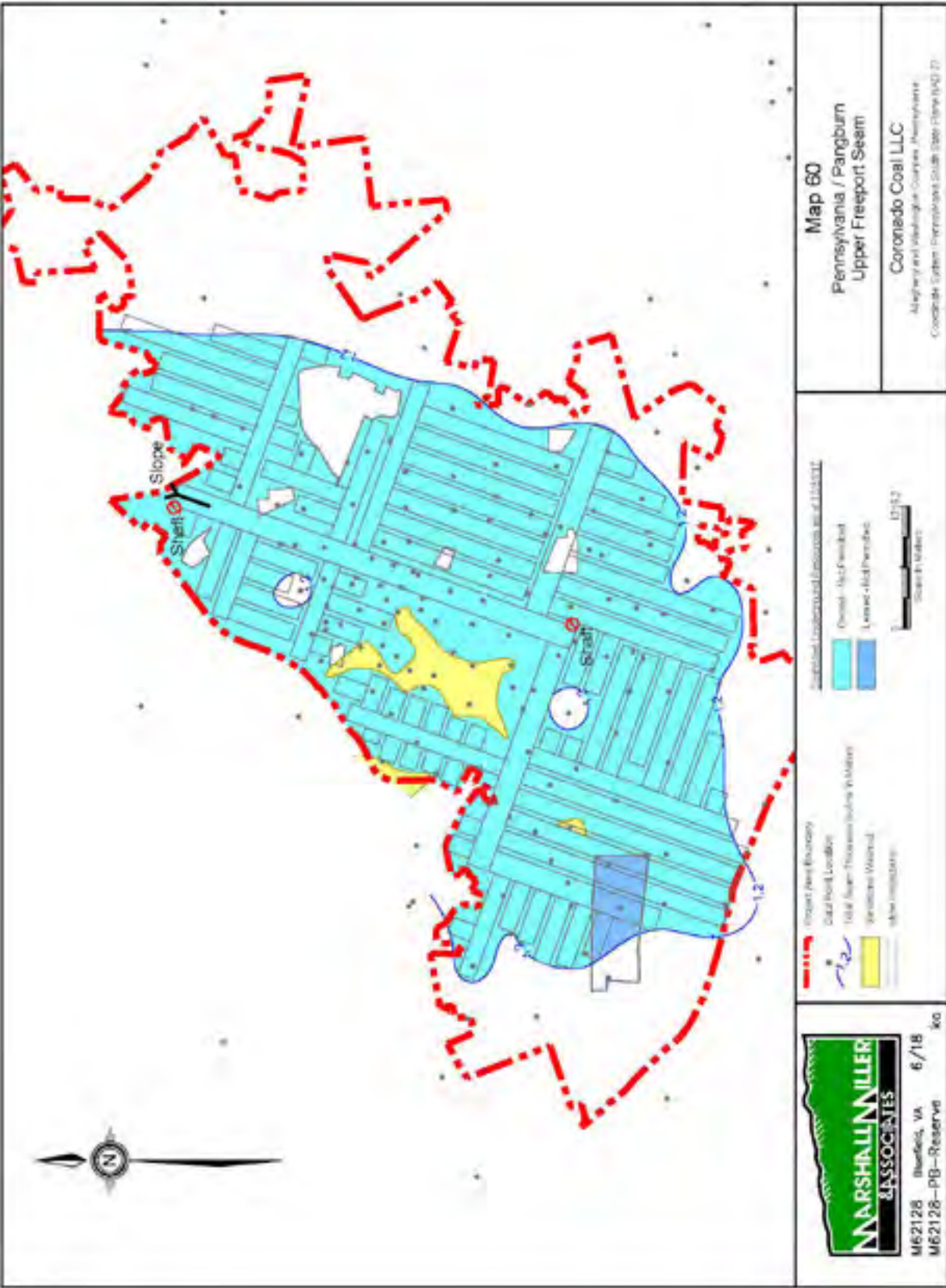


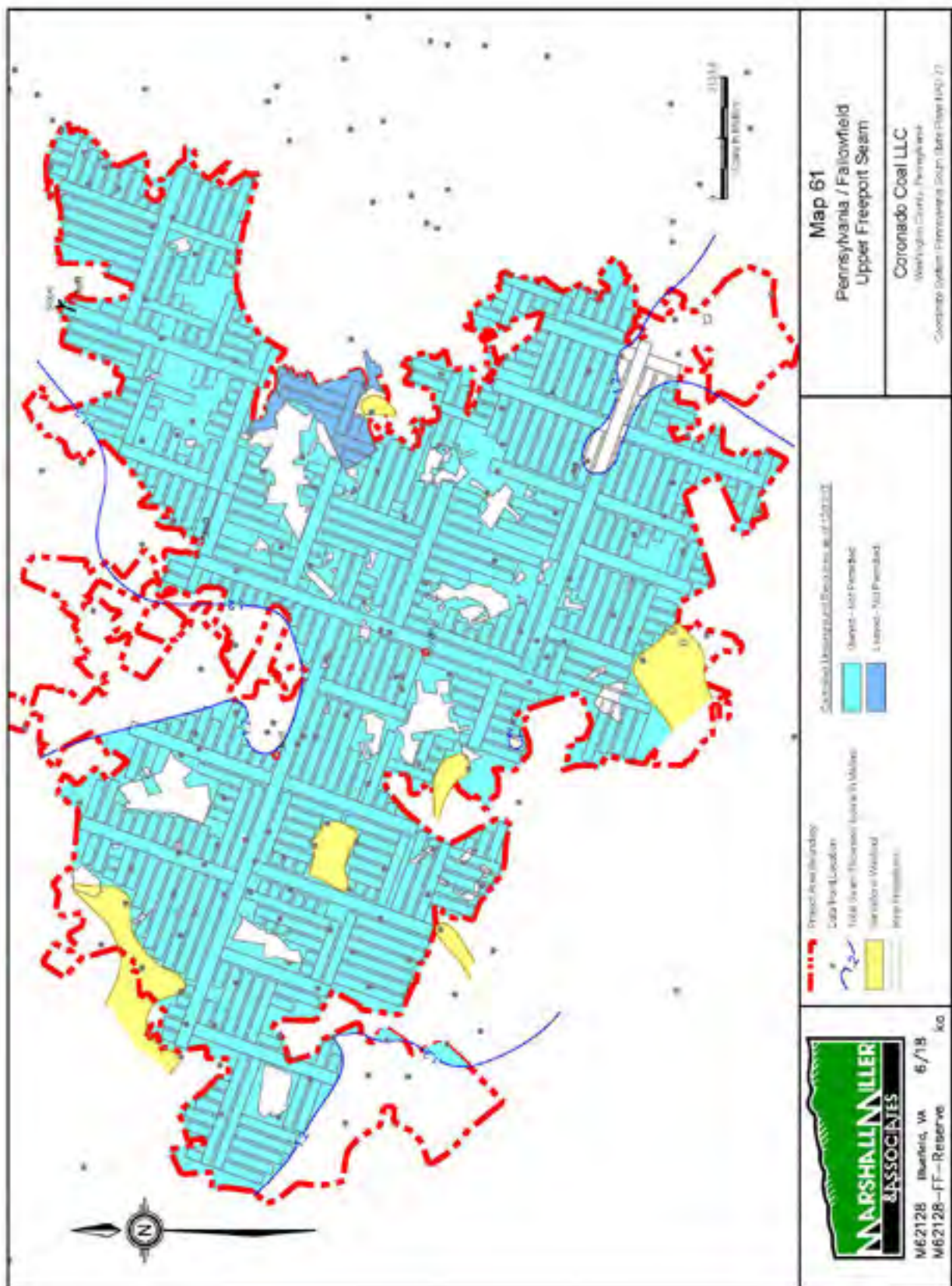
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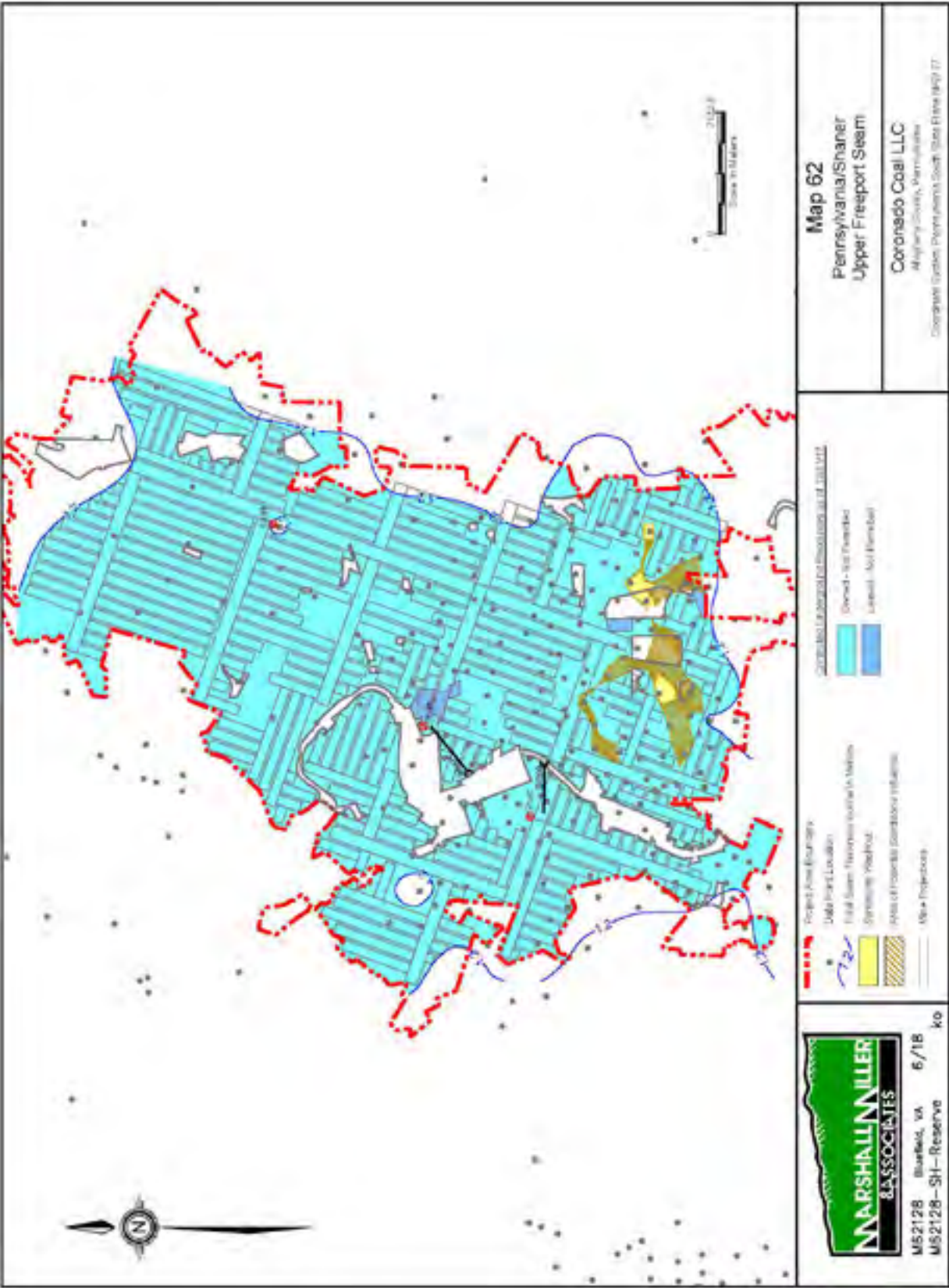


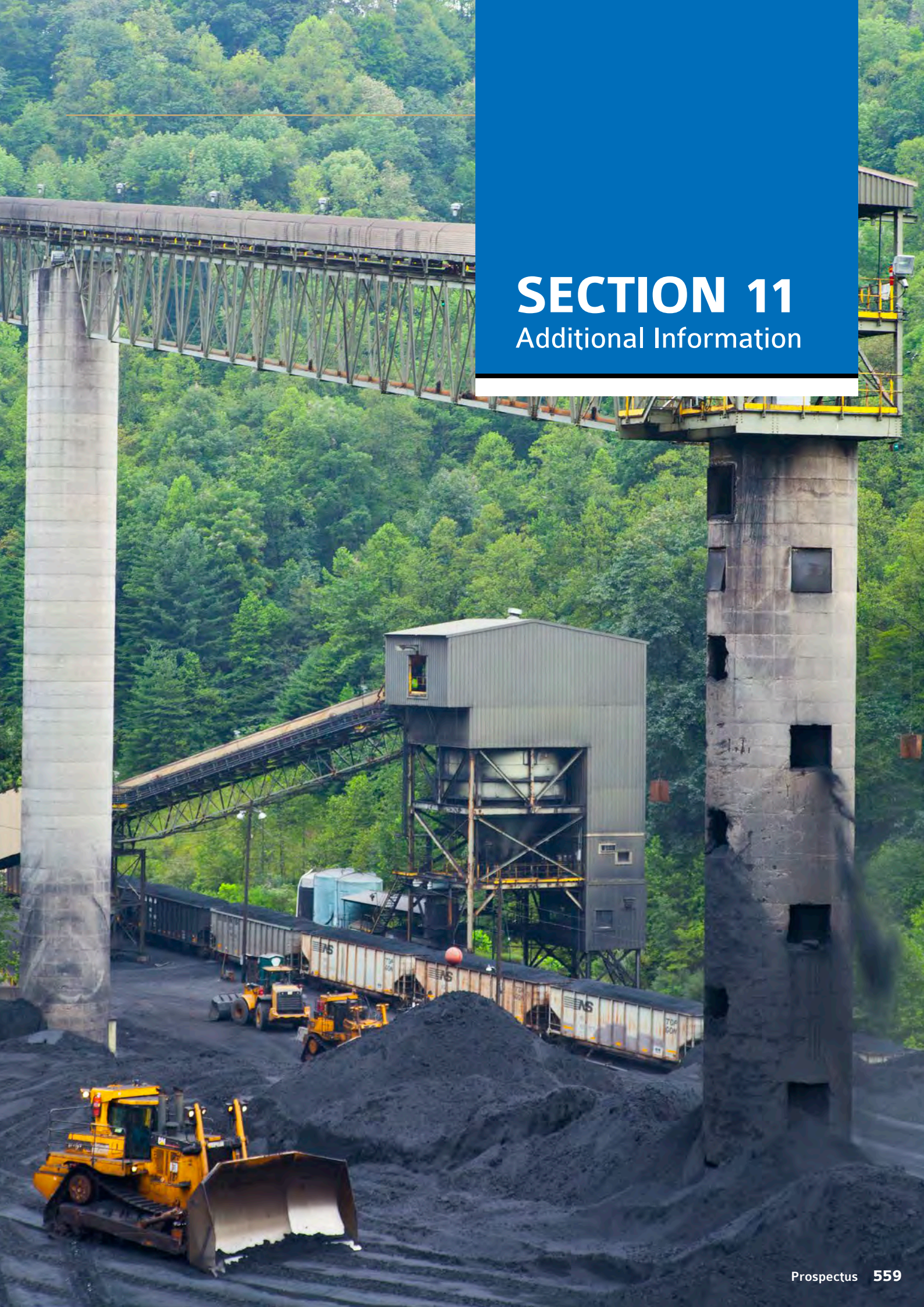
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10. MM&A Report (2018)





SECTION 11

Additional Information

11. Additional Information

11.1 REGISTRATION AS A FOREIGN COMPANY

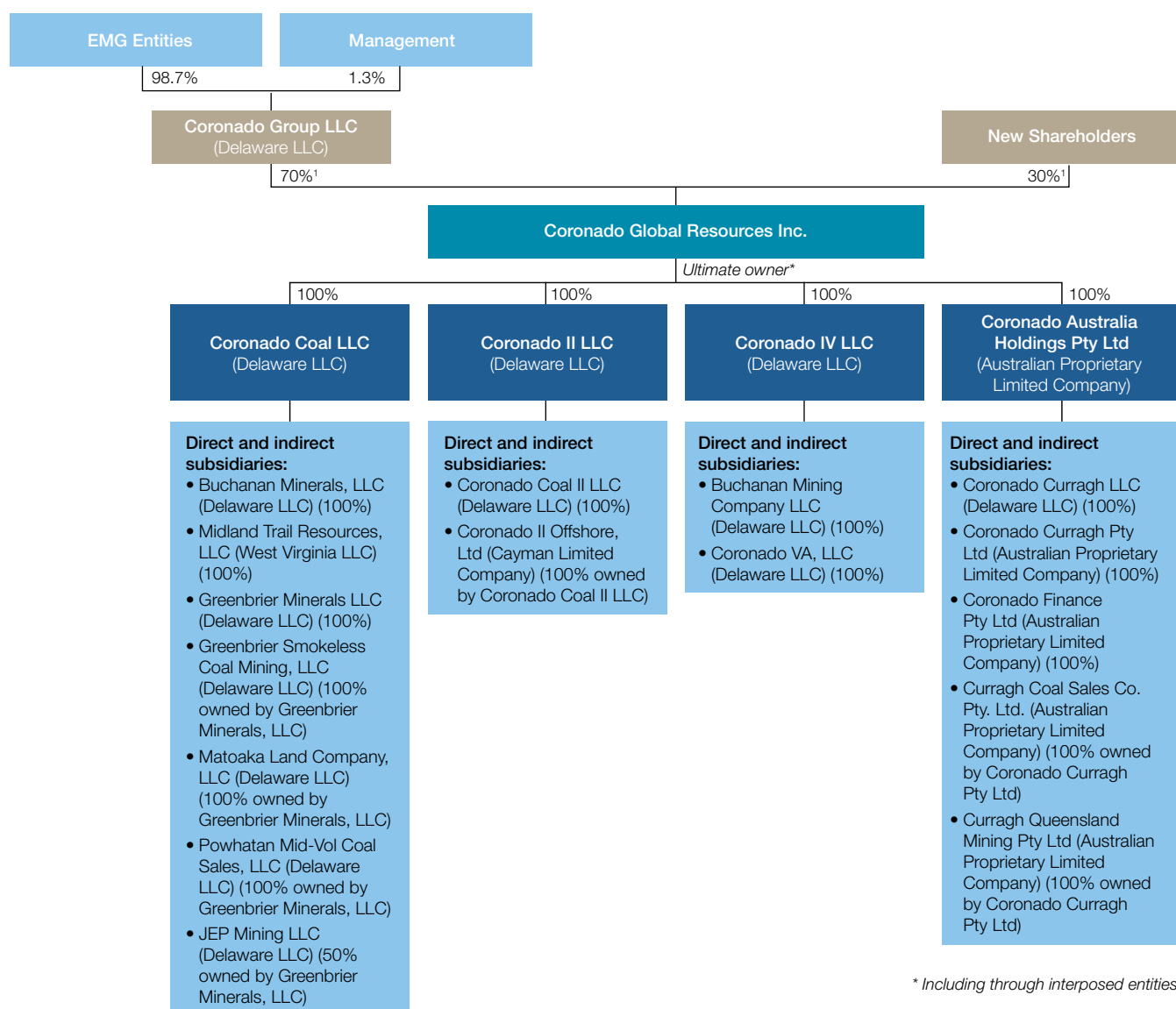
The Company was incorporated in Delaware, United States, as a corporation pursuant to the Delaware General Corporation Law by certificate of incorporation dated 13 August 2018. The Company's certificate of incorporation was amended and restated on 20 September 2018.

On 13 September 2018, the Company was registered as a foreign company in Australia under Chapter 5B of the Corporations Act.

Coronado Curragh has been appointed as the local agent of the Company pursuant to Chapter 5B of the Corporations Act. As the Company's local agent, Coronado Curragh is authorised to accept service of process and notices on behalf of the Company. Richard Rose has been engaged to act as the Australian company secretary for the Company.

11.2 CORPORATE STRUCTURE

Figure 71: Coronado's corporate structure following Completion



Each of the Coronado entities listed above undertakes the business of Coronado as set out in this Prospectus.

1. Assumes no reduction in the number of Sale CDIs. Refer to Section 7.2 for further details regarding the Seller's right to sell fewer CDIs.

11.3 CHESS DEPOSITARY INTERESTS (CDIs)

Details of CDIs and the key differences between holding CDIs and holding underlying Shares are explained below.

What are CDIs?	In order for the Shares to trade electronically on ASX, the Company intends to participate in the electronic transfer system called CHESS operated by ASX Settlement. CHESS facilitates the paperless transfer of ownership of securities through an electronic subregister system. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as the US, whose corporate laws do not recognise CHESS as a method of electronic transfer of legal title to their securities. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, the Company intends to issue depositary interests called CHESS Depositary Interests or CDIs, through a system called CHESS Units of Foreign Securities, which are issued in respect of foreign equity securities and which are analogous to electronic depositary receipts. CDIs confer beneficial ownership of the equivalent number of underlying foreign securities such as the Shares on the CDI holder, with the legal title to such Shares held in book entry uncertificated form indirectly or directly by an Australian depositary nominee for CHESS. Although the CDIs will be traded in Australian dollars and any dividends on the CDIs are expected to be paid in Australian dollars, unless a Shareholder provides instructions to pay dividends in US dollars into a US bank account, any dividends on the Shares will be declared in US dollars. Currency conversion will be based on a selected foreign currency exchange rate determined on the record date and reflecting the 10:1 ratio between CDIs and Shares.
Who is the depositary nominee and what do they do?	The Company will appoint CDN, a subsidiary of ASX and an approved general participant of ASX Settlement, to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of the CDI holders. The CDI holders will hold the beneficial title to the Shares, and will receive all direct economic and other benefits of the Shares. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the CDI holders. CDN will receive no fees for acting as the depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued or transferred to CDN, which will in turn issue CDIs to the Applicant.
What registers will be maintained to record the interests of Shareholders?	The Company will operate: • a book entry uncertificated US register of Shares; • an uncertificated issuer sponsored subregister of CDIs; and • an uncertificated CHESS sponsored subregister of CDIs in Australia. The US register of Shares will be the register of legal title (and will reflect legal ownership by CDN of the Shares underlying the CDIs, with the Shares held by CDN recorded on the register of Shares in book entry uncertificated form). The two uncertificated subregisters combined will make up the register of beneficial title of the Shares underlying the CDIs. The Company's uncertificated issuer sponsored subregister of CDIs will be maintained by the Share Registry and uncertificated CHESS subregister of CDIs will be maintained by ASX Settlement. The Company must ensure that at all times the total number of CDIs on the issuer sponsored subregister of CDIs and CHESS subregister of CDIs reconciles with the number of Shares registered in the name of CDN on the Share register. The Company will make available for inspection the Share register and the CDI register as if those registers were registers of securities of an Australian listed public company.

11. Additional Information

How is local and international trading in CDIs affected?	CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer, as a result of on-market trading, will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS-approved securities, such as shares in an Australian public company. See Sections 11.8 and 11.14 for more information about transfer restrictions applicable to CDIs.
What is the ratio of CDIs to Shares?	10 CDIs will represent an interest in one Share.
What will Applicants receive on acceptance of their Applications?	Successful Applicants will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.
How do CDI holders transmute from a CDI holding to a direct holding of Shares?	After the closing of the Offer, a CDI holder may either leave their holdings in the form of CDIs (so that legal title remains in the name of CDN) or transmute the CDIs to Shares and hold legal title in their own right. However, please note that only CDIs can be traded on ASX, and it is therefore expected that most holders will wish to hold CDIs. The Shares are not currently quoted on any other securities exchanges. The Shares will bear applicable restrictive legends on the register to assist with compliance with applicable US securities laws. CDI holders can transmute their ASX-listed CDIs to Shares by instructing the Share Registry, either: • directly in the case of CDIs on the issuer sponsored subregister operated by the Company. CDI holders will be provided with a form entitled 'CDI Cancellation AU-US Register' for completion and return to the Company's Share Registry; or • through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS subregister. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Share Registry. The Share Registry will then arrange for the transfer of Shares on the US register from CDN into the name of the CDI holder and a statement will be issued. The Shares will be registered in the name of the holder on the Company's share register and trading on ASX will no longer be possible. To obtain one Share, the CDI holder will need to transmute 10 CDIs. The Share Registry will not charge an individual holder a fee for transferring CDIs into Shares (although a fee may be payable by market participants). It is expected that this process will be completed within 24 hours, once the Share Registry receives a duly completed and valid conversion form. However, no timeframe for conversion can be guaranteed. Such Shares are 'restricted securities' as defined in Rule 144 under the US Securities Act. As a result, all Shares will be subject to the restrictions contained in the Share Legend, including that they will be subject to a 'holding lock' that will prevent the holder from transferring those Shares for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place and until such Shares (and the CDIs from which they were transmuted) have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the US Securities Act, unless the Company otherwise determines to remove that holding lock. If holders of Shares wish to transmute their holdings to CDIs, they can do so by contacting the Share Registry. The Share Registry will not charge a fee to a holder of Shares seeking to transmute their Shares to CDIs (although a fee may be payable by market participants).

**How do CDI holders
transmute from a CDI holding
to a direct holding of Shares?**

continued

A holder that transmutes its Shares into CDIs must comply with the restrictions set forth in the Share Legend during the Distribution Compliance Period until it is removed by the Company, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring those CDIs for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place and until such CDIs have been held for at least one year by non-affiliates and are sold pursuant to Rule 144 under the US Securities Act,, unless the Company otherwise determines to remove that holding lock. As CDIs represent beneficial interests in the underlying Shares, holders of CDIs transmuted from Shares will be bound by the restrictions set forth in the Share Legend to the extent they relate to their beneficial interests until that Share Legend is removed by the Company. For more information on these restrictions, see Section 11.8.

Contact details for the Share Registry are set out in the Corporate Directory.

**What is the ‘Foreign
Ownership Restriction’
designation on ASX?**

The Shares and CDIs will be ‘restricted securities’ under Rule 144 under the US Securities Act, and offers and sales of the CDIs and the underlying Shares will be subject to an initial one year Distribution Compliance Period from the date of allotment of the CDIs, which period could be extended. This means that during the Distribution Compliance Period, which may be extended longer than 12 months, investors will not be permitted to sell the CDIs acquired in the Offer or the underlying Shares into the United States or to, or for the account or benefit of, a US Person, unless the resale of the Shares or CDIs is registered under the US Securities Act (which the Company is not obligated to do) or an exemption from such registration is available (including resales to QIBs pursuant to Rule 144A).

The Company has requested that all CDIs issued or transferred under the Offer bear a designation on ASX during the Distribution Compliance Period in order to enforce these restrictions. This designation is intended to prevent any CDIs from being sold on ASX during the Distribution Compliance Period to persons that are in the United States or to, or for the account or benefit of, US Persons, in each case that are not QIBs. Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and therefore the Company cannot provide any assurances as to when this designation will be lifted from the CDIs. For more information, see Section 11.8.

The discussion above assumes that none of the CDIs are acquired and resold by certain affiliates of the Company. Any CDIs that are acquired and subsequently resold by such affiliates will be subject to a Distribution Compliance Period. Because it would not be possible to distinguish such CDIs resold by affiliates of the Company from the other CDIs, the practical impact of such a resale would be to extend the Distribution Compliance Period for all of the Company’s CDIs.

11. Additional Information

What are the voting rights of a CDI holder?

CDN will receive notice of any meeting of holders of Shares and be entitled to attend and vote at any such meeting. CDI holders may attend and, subject to the requirements listed below, vote at any meeting of holders of Shares. Under the ASX Listing Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of holders of Shares unless relevant laws in the United States at the time of the meeting prevent CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders may:

- instruct CDN, as the legal owner of the Shares, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Share Registry prior to the meeting;
- inform the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy in respect of their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- transmute their CDIs into a holding of Shares and vote these at the meeting (although if the former CDI holder later wishes to sell their investment on ASX, it would be necessary to transmute the Shares back to CDIs). In order to vote in person, the transmutation must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

Since CDI holders will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at meetings of holders of Shares (and their CDIs will not count towards any relevant quorum requirements at such meetings) unless one of the above steps is undertaken.

As each CDI represents one tenth of a Share, a CDI holder will be entitled to one vote for every 10 CDIs they hold. However, in the case of CDI holders holding an amount of CDIs that is not in a multiple of 10 (and therefore represents a fractional Share), such holder's 'fractional' votes will be aggregated by CDN and will not be truncated at a CDI-holder level.

Under the ASX Settlement Operating Rules, CDN will appoint two proxies for each vote: one for votes in favor of a poll and another for votes against. These rules provide that votes from all CDI holders are aggregated into the appropriate proxy before the 10:1 transmutation ratio is applied to those votes rather than cutting off any fractional votes from an individual CDI holder prior to aggregation.

CDI voting instruction forms will be included in each notice of meeting sent to CDI holders by the Company.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law. Since CDN is the legal holder of applicable Shares but the CDI holders are not themselves the legal holders of their underlying Shares, the CDI holders do not have any directly enforceable rights under the Company's Certificate of Incorporation or Bylaws.

What dividend and other distribution entitlements do CDI holders have?

Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the Delaware General Corporation Law or the US Exchange Act.

The Company expects to declare its dividends in US dollars as this is its functional and presentation currency. The Company expects to pay its dividends in Australian dollars, unless a Shareholder provides instructions to pay dividends into a US bank account, where they are paid in US dollars. Shareholders must make an election to alter their dividend currency by the business day after the record date for the dividend. Currency conversion will be based on a selected foreign currency exchange rate determined on the record date and reflecting the 10:1 ratio between CDIs and Shares.

What corporate action entitlements (such as rights issues and bonus issues) do CDI holders have?	CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include the entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the Delaware General Corporation Law or the US Exchange Act. It is possible that marginal differences may exist between the resulting entitlement of a CDI holder and the entitlements that would have accrued if a CDI holder held their holding directly as Shares. As the ratio of CDIs to Shares is not one-to-one and any entitlement will be determined on the basis of Shares rather than CDIs, a CDI holder may not always benefit to the same extent, for example from the rounding up of fractional entitlements. The Company is required by the ASX Settlement Operating Rules to minimise any such differences where legally permissible.
What rights do CDI holders have in the event of a takeover?	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.
What notices and announcements will CDI holders receive?	CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.
What rights do CDI holders have on liquidation, dissolution or winding up?	In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefits on their CDIs as holders of an equivalent economic interest in Shares. These rights exist only under the ASX Settlement Operating Rules, rather than under the US Exchange Act or the Delaware General Corporation Law.
Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?	A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.
Where can further information be obtained?	For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled: 'Understanding CHESS Depositary Interests' at: http://www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf; and ASX Guidance Note 5 at: https://www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf, or contact your Broker or the Coronado Offer Information Line.

11. Additional Information

11.4 CERTIFICATE OF INCORPORATION, BYLAWS, RIGHTS ATTACHING TO SHARES, STOCKHOLDER’S AGREEMENT AND REGISTRATION RIGHTS AND SELL-DOWN AGREEMENT

As the Company was incorporated in Delaware, United States, rights attaching to the Shares will be governed by Delaware law (including the Delaware General Corporation Law), US federal securities laws (to the extent applicable), the Certificate of Incorporation and the Bylaws. Once listed on ASX, the Company will also become subject to the ASX Listing Rules. The Company will also be subject to certain Australian laws, including limited provisions under the Corporations Act.

The following is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only of the rights attaching to the Shares. For a discussion of the rights attaching to CDIs, refer to Section 11.3 above. As a foreign company registered in Australia, the Company has a continuing obligation under Listing Rule 3.17C, if it becomes aware of a change to the Delaware General Corporation Law or any other applicable US law that materially affects the rights or obligations of Shareholders, to give ASX details of that change immediately.

The rights of the Seller or the Seller Group Entities (as applicable) discussed below will apply so long as any one or more of the persons or entities constituting the Seller Group Entities beneficially own in the aggregate Shares at least equal to the thresholds discussed below.

If you would like to read the Certificate of Incorporation or Bylaws, these documents are available free of charge by writing to:

Coronado Global Resources Inc.
c/- Computershare
Level 4, 60 Carrington Street
Sydney NSW 2000
Attn: Australian Company Secretary.

You should consult with your own legal adviser if you require further information.

For the avoidance of doubt, the below discussion relates to the rights of holders of Shares in the Company only. A discussion of certain rights of CDI holders (including dividend and voting rights) is set out in Section 11.3.

Rights of holders of Shares in the Company

Rights attaching to Shares

Share capital	Following Completion, the Company’s authorised capital stock will consist of 1,100,000,000 shares of capital stock, with 1,000,000,000 shares of capital stock being designated as common stock with a par value of US\$0.01 per share, and 100,000,000 shares of capital stock being designated as preferred stock with a par value of US\$0.01 per share. The Board may establish the rights and preferences of the preferred stock from time to time, subject to compliance with the ASX Listing Rules and the Delaware General Corporation Law.

Rights of holders of Shares in the Company

Preferred stock

The Board has the authority, subject to the ASX Listing Rules and the Delaware General Corporation Law, to issue from time to time shares of preferred stock in one or more series and to fix the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions of each series without approval from holders of Shares.

Pursuant to the Certificate of Incorporation, the Company has issued one Series A Share to the Seller.

Ownership of the Series A Share provides the Seller with Board designation rights tied to the level of the Seller Group Entities' aggregate beneficial ownership of Shares. Pursuant to the Certificate of Incorporation, if the Seller (or a permitted transferee of the Series A Share, which is any Seller Group Entity) elects, by written notice to the Company, the Seller 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 (such Directors, **Series A Directors**):

- a majority of the total number of Directors so long as the Seller Group Entities beneficially own in the aggregate at least 50% of the Company's outstanding Shares;
- 40% of the total number of Directors, in the event that the Seller Group Entities beneficially own in the aggregate 40% or more, but less than 50%, of the outstanding Shares;
- 30% of the total number of Directors, in the event that the Seller Group Entities beneficially own in the aggregate 30% or more, but less than 40%, of the outstanding Shares;
- 20% of the total number of Directors, in the event that the Seller Group Entities beneficially own in the aggregate 20% or more, but less than 30%, of the outstanding Shares; or
- 10% of the total number of Directors, in the event that the Seller Group Entities beneficially own in the aggregate 10% or more, but less than 20%, of the outstanding Shares.

As of the Prospectus Date, the Seller has not exercised its right to designate Series A Directors. In the event that the Seller exercises this right in the future, the size of the Board will increase, with the new seats being the Series A Director seats, in a sufficient amount such that the percentage of Series A Directors satisfies the requirements above. In the event that the Seller Group Entities' beneficial ownership of Shares in the aggregate falls below any of these thresholds, the Seller must select such number of its designated Directors to step down and be replaced by the Board so that the number of Series A Directors, as a percentage of the total number of Directors, corresponds with the percentages set out in the Director election thresholds set forth above. Furthermore, once the Seller Group Entities' beneficial ownership in the aggregate of Shares declines below a given threshold for a period of 30 consecutive days, the Seller's rights to nominate and elect Directors shall not be increased above such threshold again, regardless of any subsequent increase in the number of outstanding Shares beneficially owned in the aggregate by the Seller Group Entities.

The Series A Share shall be redeemed to the fullest extent permitted by law (at a price of US\$1.00) by the Company if, at any time following the date of the Certificate of Incorporation, the Seller Group Entities no longer beneficially own, in the aggregate, 10% or more of the outstanding Shares.

11. Additional Information

Rights of holders of Shares in the Company	
Preferred stock <i>continued</i>	Pursuant to the Stockholder's Agreement, for so long as the Seller has the right to nominate and elect Directors as a holder of the Series A Share and any Series A Director has been elected, the Seller Group Entities will have the right to designate one of the Series A 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. The Series A Share does not entitle the Seller 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 Seller Group Entity. The number of Series A Shares may not be increased or decreased without the approval of: • both a majority of the Series A Directors (if any) and a majority of Directors elected by other means; and • the Seller, as holder of the Series A Share, voting as a separate class.
Purchase of own Shares	Under Delaware law, the Board may be able to cause the Company to buy back its outstanding Shares out of funds legally available without needing to obtain approval from holders of Shares. A company generally is not permitted to buy back its shares if its liabilities exceed its assets or its capital would otherwise be impaired. In addition, share buy-backs are subject to US securities laws and the provisions of the Stockholder's Agreement described below under 'Transactions requiring stockholder approval'.
Acquisition and transfer of Shares	Under Delaware law, shares are freely transferable, subject to applicable federal and state securities laws, unless a transfer restriction is imposed by a company's certificate of incorporation or bylaws or an agreement signed with the holder of the shares at issue. For more information on the transfer restrictions applicable to Shares, see Section 11.8. Accordingly, a company is obligated to register a transfer of shares unless such transfer would violate federal or state securities laws or a valid transfer restriction would be imposed as described above. Once the Company is listed on ASX, the Directors must not in any way prevent, delay or interfere with the registration of a transfer of quoted securities in the Company unless permitted by the ASX Listing Rules or the ASX Settlement Operating Rules.
Dividends and distributions	Subject to preferences that may be applicable to any shares of preferred stock on issue in the Company, holders of Shares are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board out of funds legally available for dividend payments. Under Delaware law, the Directors may declare and pay any dividends generally out of: • the surplus of the Company, which is defined to be the Company's Net Assets less capital; or • if no surplus exists, the net profits of the Company for the financial year in which the dividend is declared and/or the preceding financial year.

Rights of holders of Shares in the Company

Variation of class rights and amendments to incorporating documents

Under Delaware law, any amendment to the Certificate of Incorporation that would alter or change the special rights, powers or preferences of one or more classes or series of stock so as to affect them adversely must, in addition to any other vote required by law or under the Certificate of Incorporation, be approved by the adversely affected class or series by a majority of all votes entitled to be cast by the holders of the outstanding shares of that class or series, voting as a class or series.

Except as otherwise provided in the Certificate of Incorporation, the issuance of shares of any series of common stock or preferred stock (assuming there were a sufficient number of authorised and unissued shares of such series) would not require a separate vote of any class or series of stock of the Company. However, an amendment increasing the number of authorised shares of a class or series of stock must be approved by the holders of a majority of the votes entitled to be cast by the holders of that class or series, unless the Certificate of Incorporation provides that such vote is not necessary.

In order for the holders of Shares to amend Articles V ('Board of Directors'), VI ('Directors'), VIII ('Amendments'), IX ('Corporate Opportunities') or X (Delaware General Corporation Law 'Section 203', addressing business combinations with interested shareholders) of the Certificate of Incorporation, the amendment must be approved by the Board and by the holders of (i) a majority of the voting power of the then Voting Stock while the Seller Group Entities beneficially own in the aggregate Shares representing at least a majority of the voting power of all Voting Stock and (ii) at least two thirds of the voting power of the Voting Stock from and after the time that the Seller Group Entities beneficially own in the aggregate Shares representing less than a majority of the voting power of all Voting Stock.

Under Delaware law and the Certificate of Incorporation, amendments to the Bylaws can be made by the Board or by a vote of holders of Shares. The Board is authorised to amend the Bylaws at any time by a majority vote. In order for the holders of Shares to amend the Bylaws, the amendment must be approved by the holders of (i) a majority of the voting power of the Voting Stock while the Seller Group Entities beneficially own in the aggregate shares of capital stock of the Company representing at least a majority of the voting power of all the Voting Stock and (ii) at least two thirds of the voting power of all the Voting Stock from and after the time that the Seller Group Entities beneficially own in the aggregate Shares representing less than a majority of the voting power of all Voting Stock.

In addition, the Stockholder's Agreement provides that for as long as the Seller Group Entities beneficially own in the aggregate at least 25% of the outstanding Shares, neither the Certificate of Incorporation nor the Bylaws may be amended without the Seller's consent.

Moreover, the Bylaws' provision for 'Board Observer Rights', which permits the Seller Group Entities to have one non-voting representative attend all Board and Board Committee meetings and to receive Board and Board Committee meeting materials until such time as the Seller Group Entities cease to beneficially own in the aggregate shares of capital stock of the Company representing at least 5% of the voting power of the Voting Stock, may not be amended unless the Seller expressly consents.

11. Additional Information

Rights of holders of Shares in the Company

Capital raising

Issue of Shares	Subject to the limitations on the issue of securities under the ASX Listing Rules and the Delaware General Corporation Law and subject to the Stockholder's Agreement, the Company's authorised but unissued Shares and preferred stock will be available for future issue without approval by holders of Shares. The Company may use additional Shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorised but unissued Shares and preferred stock could render more difficult, or discourage, an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.
ASX Listing Rules	Once listed on ASX, the Company will be subject to the annual limit on security issuances found in the ASX Listing Rules in relation to issuances of equity securities.

Directors

Board structure	The Certificate of Incorporation and Bylaws provide that the number of Directors on the Board is to be fixed exclusively by the Board. In the event that the Seller exercises its right to designate Series A Directors, then the Board size will increase, with the new seats being the Series A Director seats, in a sufficient amount such that the percentage of Series A Directors satisfies the requirements set forth below. See 'Preferred stock' above for more information. Pursuant to the terms of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 50% of the outstanding Shares, the Seller Group Entities shall have 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. Pursuant to the Stockholder's Agreement, if the Seller has exercised its right to designate Series A Directors, then the Seller will have the right to designate one Series A Director 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. The Seller is able to assign its rights under the Stockholder's Agreement to any person forming part of the Seller Group Entities. Pursuant to the Bylaws, until such time as the Seller Group Entities no longer beneficially own in the aggregate Shares representing at least 5% of the voting power of the Voting Stock, the Seller (or its permitted successors or assigns, being the Seller Group Entities) shall have the right to have one non-voting observer attend all Board and Board Committee meetings and to receive Board and Board Committee meeting materials. Pursuant to the Stockholder's Agreement, the Company has agreed to indemnify the observer to the same extent as the Company indemnifies Directors, and has also agreed to reimburse the observer for certain expenses in connection with attendance at Board meetings.
Voting requirements	The Bylaws provide that Directors shall be elected to the Board by a plurality of the votes cast at any meeting for the election of Directors at which a quorum is present.

Rights of holders of Shares in the Company

Removal of Directors	The Certificate of Incorporation provides that Directors may be removed with or without cause by the affirmative vote of the holders of a majority of the outstanding Shares. The Series A Directors, if any, may be removed with or without cause by (i) the holder of the Series A Share or (ii) for so long as the Company is listed on ASX, by the affirmative vote of the holders of a majority of the outstanding Shares. Pursuant to the terms of the Stockholder's Agreement, in the event that holders of Shares vote to remove any Series A Directors and the affirmative vote received to remove such director is equal to a vote of the holders of a majority of Shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter, but less than the affirmative vote of the holders of a majority of the outstanding Shares, the Seller will take all such actions as are necessary to cause the removal of such Series A Director.
Directors' liability	Under Delaware law, a company may include in its certificate of incorporation a provision eliminating or limiting the personal liability of a director to the company or to holders of shares in the company for monetary damages for breach of fiduciary duty as a director. However, the provision may not eliminate or limit liability for breach of the director's duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, unlawful payment of dividends, unlawful purchases or redemptions of the company's stock, or any transaction from which the director derived an improper personal benefit. The Delaware General Corporation Law provides that a company may indemnify its directors and officers, as well as other employees and agents of the company when the person has been adjudged to be liable to the company, against liabilities that are incurred in connection with various actions, suits or proceedings, other than an action by or in the right of the company. To be eligible for indemnification under the Delaware General Corporation Law, the director, officer, employee or other individual must have acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the company, and, with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe his or her conduct was unlawful. The Certificate of Incorporation limits the liability of the Directors to the fullest extent permitted by the Delaware General Corporation Law. The Bylaws also provide that the Company will indemnify its Directors and officers to the fullest extent permitted by applicable law.
Nomination of Directors	The Bylaws establish advance notice procedures with respect to proposals by holders of Shares and nomination of candidates for election as Directors, other than nominations made by or at the direction of the Board or a Board Committee. See 'Board structure' above for more details regarding the Seller's right to decide to nominate and elect Directors as holder of the Series A Share.
Board vacancies and newly created directorships	Except with respect to the Series A Director seats, if any, newly created directorships resulting from any increase in the Company's authorised number of Directors and any vacancies will be filled by a majority of the remaining Directors in office although less than a quorum, or by the sole remaining Director. Under the Certificate of Incorporation, the Seller or its permitted transferee will have the sole right to nominate and elect Series A Directors nominated and elected by the Seller as the holder of the Series A Share, provided that such departure was not necessitated by a reduction in the percentage of the Seller Group Entities' beneficial ownership in the aggregate below specified ownership thresholds. Under Delaware law and the Certificate of Incorporation, a Director elected by the Board (or by the holder of the Series A Share, as the case may be) to fill a vacancy will complete the remaining term of office of his or her predecessor.

11. Additional Information

Rights of holders of Shares in the Company

Stockholders' meetings

Annual meeting	An annual meeting of Shareholders shall be held for the election of Directors and for the transaction of such other business as may properly come before the meeting, at such date and time as may be designated by the Board from time to time.
Special meetings	Special meetings of Shareholders may be called at any time by the Board, the chairperson of the Board or the chief executive officer, to be held at such date and time as may be stated in the notice of the meeting. A special meeting of Shareholders shall be held solely for the purposes specified in the notice of the meeting. A special meeting of Shareholders shall be called by the secretary of the Company if the secretary receives a valid request or requests for a special meeting of Shareholders from the record holder(s) of Shares representing (i) with respect to the removal of any Director, for so long as the Company is listed on the ASX, more than 5% or (ii) for any other matter, more than 50% of the combined voting power of the then-outstanding shares of all classes and series of the Company's capital stock entitled to vote on the matter or matters proposed to be voted on at such proposed special meeting.
Voting at meetings and proxies	Under the Delaware General Corporation Law and the Bylaws, each holder of Shares entitled to vote at such meeting of Shareholders (or, in the case of a series of preferred stock that expressly so provides, to express consent or dissent to corporate action in writing without a meeting) may authorise another person or persons to act for such holder of Shares by proxy. No such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The Bylaws provide that at each meeting of holders of Shares, except where otherwise provided by law or the Certificate of Incorporation or the Bylaws, 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. The Bylaws provide that unless otherwise provided in the Certificate of Incorporation, each holder of Shares entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such holder which has voting power upon the matter in question. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Company generally. A holder of Shares may revoke any proxy which is not irrevocable, by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Company Secretary. Holders of Shares may submit Director nominations or any other proposals, provided the Company Secretary receives a notice pursuant to the Bylaws that a holder intends to nominate a Director or Directors or submit a proposal. Other than any Directors nominated and elected by the Seller or its permitted transferee as the holder of the Series A Share pursuant to the Certificate of Incorporation, each Director shall be elected by a plurality of the votes cast at any meeting for the election of Directors at which a quorum is present. The Bylaws provide that in all other matters, unless otherwise provided by law, the Certificate of Incorporation or the Bylaws, the affirmative vote of the holders of a majority of the Shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the holders of Shares.

Rights of holders of Shares in the Company

Voting by consent in lieu of meeting

While the Seller Group Entities beneficially own in the aggregate Shares representing at least a majority of the voting power of all Voting Stock, subject to the ASX Listing Rules any action required or permitted to be taken at any annual or special meeting of holders of Shares 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 having not less than the minimum number of votes that would be necessary to authorise or take such action at a meeting at which all Shares entitled to vote thereon were present and voted and shall be delivered to the Company.

At any time when the Seller Group Entities beneficially own in the aggregate less than a majority of the voting power of all Voting Stock (or at such time while the Seller Group Entities beneficially own in the aggregate Shares representing at least a majority of the voting power of all Voting Stock but the ASX Listing Rules do not permit action by written consent on the particular action), any action required or permitted to be taken by the holders of Shares must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Any action required or permitted to be taken by the holders of preferred stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the Certificate of Incorporation or by the applicable certificate of designation relating to such series of preferred stock.

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Rights of holders of Shares in the Company	
Transactions requiring stockholder approval	Pursuant to the terms of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 25% of the outstanding Shares, the following actions by the Company or any of its subsidiaries shall require the approval of the Seller (or its successor or permitted assigns described below): • amending and/or restating the Certificate of Incorporation or Bylaws; • issuing any equity security or securities convertible into or exercisable or exchangeable for any equity securities of the Company; • merging or consolidating with any other entity or transferring all or substantially all of the assets of the Company and its subsidiaries or entry into a transaction or series of related transactions as a result of which any person would acquire more than 50% of the capital stock of the Company; • terminating the employment of the Chief Executive Officer of the Company or hiring a new Chief Executive Officer of the Company; • initiating a voluntary liquidation, dissolution, receivership, bankruptcy or other insolvency proceeding involving the Company or certain significant subsidiaries; • any payment or declaration of any dividend or other distribution on any shares of common stock or CDIs or entering into any recapitalisation transaction the primary purpose of which is to pay a dividend, except in each case in accordance with the dividend policy described in this Prospectus; • the adoption of an annual business plan of the Company and its subsidiaries, taken as a whole (Business Plan) that contemplates or would result in (i) any reduction of one Mt or more in planned annual production for the applicable budget year from the prior year's production, (ii) any decision to undertake extraction or sale of a commodity other than (A) met coal or (B) thermal coal when extracted or sold as an adjunct to the extraction or sale of met coal, or (iii) undertaking any new greenfield development projects, or the adoption of any amendments to, or departures from a Business Plan approved by the Board that contemplates or would result in (i) an increase or decrease in aggregate capital expenditures of 30% or more as compared to the amount set forth in the Business Plan, (ii) a decrease in total production for any particular mine of 10% or more as compared to the amount set forth in the Business Plan or (iii) any of the actions over which Seller has consent rights with respect to the adoption of a Business Plan; • share repurchases, subject to certain exceptions; • entering into any agreement providing for the acquisition or divestiture of assets or equity securities, whether in a single transaction or a series of related transactions, in each case (i) providing for aggregate consideration in excess of US\$50 million or (ii) relating to any business, including any commodity, other than met coal or thermal coal when extracted or sold as an adjunct to the extraction or sale of met coal; • entering into any joint venture or similar business alliance having a fair market value as at the date of its formation (as reasonably determined by the Board) (i) in excess of US\$50 million or (ii) relating to any business, including any commodity, other than met coal or thermal coal when extracted or sold as an adjunct to the extraction or sale of met coal; • any currency, commodity or interest rate hedging, derivative or trading transactions, except transactions conducted in accordance with a policy approved by the Seller and the Board;

Rights of holders of Shares in the Company

Transactions requiring stockholder approval

continued

- the incurrence of indebtedness for borrowed money (including through capital leases, the issuance of debt securities or the guarantee of indebtedness) in an aggregate principal amount in excess of US\$50 million, other than (i) the incurrence of trade payables arising in the ordinary course of business of the Company and its subsidiaries or (ii) borrowings under the Company's revolving syndicated facility agreement (or amendments, extensions, or replacements thereof); and
- any transaction with or involving any affiliate of the Company or any affiliate of any holder of Shares of the Company that beneficially owns in excess of 10% of the voting power of the Company (in each case, other than the Seller Group Entities), other than any transaction or series of related transactions in the ordinary course of business and on arm's length third party terms and in an amount less than US\$10 million.

Pursuant to the terms of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 10% of the outstanding Shares, unless the Seller (or its successor or permitted assign) agrees otherwise:

- any equity securities or securities convertible into or exercisable or exchangeable for any equity securities of the Company which are to be allocated under a share incentive plan will be sourced by purchasing them in the market rather than by issuing them; and
- any issuance of equity securities or securities convertible into or exercisable or exchangeable for any equity securities of the Company other than those issued under any share incentive plan of the Company in effect from time to time must be offered to the Seller (or its successor or permitted assign) in respect of its pro rata share.

The Seller may assign its rights under the Stockholder's Agreement to any Seller Group Entity without the consent of the Company.

Under Delaware law, Board approval and approval of the holders of Shares is required for (i) sales, leases and exchanges of all or substantially all of the Company's assets and (ii) a merger or consolidation with or into another entity, provided that in the case of a merger, no vote of the holders of Shares is necessary if the Company will be the surviving corporation and the Certificate of Incorporation and outstanding stock will remain unaffected and no more than 20% of its common stock outstanding immediately prior to the merger is to be issued (or, in the case of treasury shares, delivered) under the plan of merger.

Information rights

Pursuant to the terms of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 5% of the outstanding Shares, the Company and its subsidiaries shall permit the Seller (or its successors and permitted assigns) and its respective designated representatives to have access to and review the books and records of the Company and its subsidiaries (other than privileged information of the Company) and shall also provide the Seller Group Entities with specified information, and the Company must cooperate and assist the Seller Group Entities in connection with any loan or financing arrangements entered into or to be entered into by any of the Seller Group Entities.

Pursuant to the terms of the Stockholder's Agreement, for so long as the Seller Group Entities beneficially own in the aggregate at least 5% of the outstanding Shares, the Company and its subsidiaries shall provide the Seller (or its successors and permitted assigns) with information in advance of significant corporate actions, including extraordinary dividends, mergers, acquisitions, dispositions of assets, issuances of significant amounts of debt or equity, purchases of the Company's debt or equity securities or any material amendments to the Certificate of Incorporation or Bylaws or any of its subsidiaries, and the Seller (or its successors and permitted assigns) the right to consult with the Company with respect to such actions prior to completion of such actions.

11. Additional Information

Rights of holders of Shares in the Company

Shareholder actions

Derivative actions	Under Delaware law, stockholders may bring derivative lawsuits on behalf of a corporation against that corporation's management or board of directors to force management to take, or refrain from taking, a certain action. The corporation receives any damages awarded. Before filing a stockholder derivative suit, a plaintiff must make a demand to the board of directors to take a specified action or pursue legal claims. When a stockholder makes a demand to the board, the board can then decide whether to pursue the claims identified in the demand, resolve the grievance, or reject the demand. A stockholder can only bring a derivative lawsuit in spite of the board's rejection if the stockholder can allege particularised facts that raise a reasonable doubt as to whether the board's rejection was made in good faith or was not grossly negligent. The demand requirement is excused if the stockholder plaintiffs show that making a demand on the board would be futile. If the stockholder has already made a demand on the board, it can no longer allege demand futility.
Forum selection	The Bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, a state or federal court in the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any Director or officer or other employee or agent to the Company or its stockholders or debtholders, (c) any action 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 Delaware General Corporation Law or the Certificate of Incorporation or Bylaws or (d) any action or proceeding asserting a claim against the Company or any Director or officer or other employee of or involving the Company that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of the Company's capital stock shall be deemed to have notice and consented to the foregoing forum selection provisions.

Takeovers

Regulation of takeovers	As a foreign company registered in Australia, the Company will not be subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares, including provisions that relate to takeovers. The acquisition of securities in the Company is subject to Delaware law and applicable US securities laws. As a Delaware company, the Company has elected, until such time as the Seller Group Entities beneficially own in the aggregate less than 10% of the outstanding Shares, not to be subject to Section 203 of the Delaware General Corporation Law, in which case the Company shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms would apply to the Company (noting that it would not apply to the Company until the CDIs or Shares (or any other series of Voting Stock) are listed on a securities exchange in the United States or held of record by more than 2,000 holders unless any of the foregoing results from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder). Section 203 generally prohibits a Delaware company from engaging in any business combinations with any shareholder who owns, or at any time in the last three years owned, 15% or more of the company's outstanding voting stock, referred to as an interested shareholder, for a period of three years following the date on which the holder of shares became an interested shareholder, subject to certain exceptions.

Rights of holders of Shares in the Company

Regulation of takeovers	While the Board will have substantial discretion to implement such provisions, its exercise of that discretion must comply with its fiduciary duties of loyalty and care. Under Delaware case law, in any litigation by holders of Shares challenging the adoption of 'defensive' provisions such as those described above, the Board will have the initial burden of demonstrating that it had reasonable grounds for believing that a threat to corporate policy and effectiveness existed and that the action taken was reasonable in relation to the threat posed.
Disclosure of substantial holdings and changes in holdings	Until such time, if any, as the Company is subject to beneficial ownership reporting under the US Exchange Act, beneficial owners of Company securities will not be required to disclose to the Company or otherwise, their holdings or changes in their holdings. If the Company is later required to report beneficial ownership holdings under the US Exchange Act, the Company will be required to release to ASX any substantial holder notices that are filed in the US.

Winding up

Winding up	Under Delaware law, a majority of the Board can decide whether it is advisable to dissolve the Company, or sell any or all of its assets, and submit a resolution to approve dissolution or a sale of all or substantially all assets for approval by the holders of Shares. A majority of the Shares outstanding must approve such resolution for it to be adopted. Dissolution may also be authorised without Director action if all the holders of Shares entitled to vote consent in writing. In either case, a certificate of dissolution must be filed with the Secretary of State of Delaware. In the event of the Company's liquidation or dissolution, holders of common stock are entitled to share in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of the outstanding preferred stock, if any. The Stockholder's Agreement provides the Seller (or its successors or permitted assigns) with a consent right to any winding up or dissolution. See 'Transactions requiring stockholder approval' above.

Registration rights

Registration Rights and Sell-Down Agreement	Pursuant to the terms of the Registration Rights and Sell-Down Agreement, the Seller (or its successors or permitted assigns described below) shall have the right, by delivering a written notice to the Company, to require the Company to register under the US Securities Act the number of registrable securities requested to be so registered on Form S-1 or any similar or successor long-form registration or, if available, on Form S-3 or any similar or successor short-form registration (any such written notice, a Demand Notice and any such registration, a Demand Registration), provided, however, that the Seller shall not be permitted to deliver more than one Demand Notice for a Demand Registration in any period of 180 calendar days. The Company shall be entitled to postpone (but not more than twice in any 12-month period), for a reasonable period of time not in excess of 90 days, the filing of a registration statement if the Company delivers to the holders requesting registration a certificate signed by both the Chief Executive Officer and Chief Financial Officer of the Company certifying that, in the good faith judgement of the Board, such registration and offering would reasonably be expected to materially adversely affect or materially interfere with any bona fide material financing of the Company or any material transaction under consideration by the Company or would require disclosure of information that has not been disclosed to the public, the premature disclosure of which would materially adversely affect the Company.

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Rights of holders of Shares in the Company	
Registration Rights and Sell-Down Agreement <i>continued</i>	Except with respect to a Demand Registration, if the Company proposes to file a registration statement under the US Securities Act with respect to an offering of common stock whether or not for sale for its own account (other than a registration statement (i) on Form S-4, Form S-8 or any successor forms thereto or (ii) filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan), then, each such time, the Company shall give prompt written notice of such filing no later than 10 days prior to the filing date (Piggyback Notice) to all of the holders of registrable securities. The Piggyback Notice shall offer such holders the opportunity to include (or cause to be included) in such registration statement the number of registrable securities as each such holder may request. In addition to the registration rights in the US afforded to the Seller Group Entities under the terms of the Registration Rights and Sell-Down Agreement, the Seller (or its successors or permitted assigns) may, at any time, in its absolute discretion, decide to sell some or all of the Shares held directly or indirectly by it (in the form of a sale of Shares, CDIs or otherwise as the Seller may reasonably request) without triggering the registration rights in the US offered to the Seller (or its successors or permitted assigns) under the terms of the Registration Rights and Sell-Down Agreement (Sell-Down). If the Seller (or its successors or permitted assigns) decides to conduct a Sell-Down, the Seller may request the reasonable cooperation of the Company in facilitating the Sell-Down, provided that, in certain circumstances, the Company may defer such cooperation for a period of no more than 60 days and not more than twice in a 12-month period. The registration rights and sell-down assistance rights under the Registration Rights and Sell-Down Agreement may be transferred to any Seller Group Entity without the Company's consent. The registration rights and sell-down assistance rights under the Registration Rights and Sell-Down Agreement may be transferred to any third party purchasing at least US\$100 million of the Seller's Shares or CDIs without the Company's consent, provided that such transferee shall not be able to initiate an underwritten demand registration unless such offering is expected to result in gross proceeds of more than US\$50 million. The Company has agreed to indemnify the Seller (or its successor or any permitted assigns) against certain liabilities, including liabilities under the US Securities Act.

11.5 MATERIAL CONTRACTS

Coronado considers that there are a number of contracts which are significant or material to Coronado or of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for CDIs. The main provisions of these contracts are summarised below. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

11.5.1 Offer Management Agreement

The Offer is being managed by the Joint Lead Managers pursuant to the Offer Management Agreement between the Company, the Seller and the Joint Lead Managers (**Offer Management Agreement**).

The Joint Lead Managers have agreed to:

- arrange and manage the Offer; and
- provide settlement support for the Institutional Offer and Broker Firm Offer.

The Joint Lead Managers have not agreed to underwrite the Offer and do not guarantee that the Offer will be successful.

For the purposes of this Section 11.5.1:

Enquiry means any actual or threatened claim or proceedings in relation to the Offer, the Offer Documents (as defined below), the Company, Seller or any of their officers or directors, or any investigation, enquiry, order, action, suit, charge, investigation or other proceeding (whether commenced, announced or threatened) by ASIC, ASX or any governmental agency in relation to the Offer, the Offer Documents or the Group or any of the Company's officers or directors (in their capacity as such), and includes any circumstances where:

- ASIC issues an order (including an interim order) under Section 739 of the Corporations Act;
- ASIC holds a hearing under Section 739(2) of the Corporations Act;
- an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, or the Offer Documents or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or the Offer Documents;
- any person who has previously consented to the inclusion of its name in any of the Offer Documents withdraws that consent; or
- any person gives a notice under Section 730 of the Corporations Act in relation to the Offer Documents.

Group means the Company, and its subsidiaries.

Offer Documents means the following documents issued or published by, or on behalf of, and with the authorisation of, the Company and the Seller in respect of the Offer, and in a form approved by the Joint Lead Managers:

- the Prospectus and any Application Form;
- the US Offering Memorandum and any documents associated with the US Offering Memorandum;
- certain other written communication that constitutes an offer to sell or the solicitation of an offer to buy the CDIs in the United States or to, or for the account or benefit of US Persons; and
- certain marketing, roadshow presentations and/or ASX announcement(s) used by or on behalf of the Company to conduct the Offer.

Public Information means all public and other media statements made by, or on behalf and with the knowledge and consent of the Company and the Seller or any other Group member in relation to the business or affairs of the Company, the Group or the Offer.

11.5.1.1 Fees and costs

The Company has agreed to pay the Sole Global Coordinator a global coordinator fee equal to 0.50% of the gross proceeds and the Joint Lead Managers an offer management fee equal to 2.25% of the gross proceeds of the Offer. In addition, an incentive fee of up to 0.75% of the gross proceeds of the Offer may also be payable to the Joint Lead Managers at the absolute discretion of the Company and the Seller.

Any fees payable to Co-Lead Managers, Co-Managers and Brokers appointed in relation to the Offer are payable by the Joint Lead Managers on behalf of the Company and the Seller out of the offer management fees payable to it under the Offer Management Agreement. In addition to the fees described above, the Company has agreed to reimburse the Joint

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Lead Managers for certain other reasonable agreed costs and expenses, including certain legal costs incurred by the Joint Lead Managers in relation to the Offer.

11.5.1.2 Representations, warranties and undertakings

The Offer Management Agreement contains certain representations and warranties provided by the Company and the Seller (as applicable) to the Joint Lead Managers, as well as customary conditions precedent (including conducting due diligence, lodgement of this Prospectus, the Seller, the EMG Entities and the members of Company management entering into a voluntary escrow deed and ASIC and ASX granting the waivers and modifications necessary to enable the Offer to proceed in accordance with the timetable).

The representations and warranties relate to matters such as the nature of the Company and the Seller, the conduct of the Company (including in respect of its business and operations, disclosure and compliance with the Corporations Act, the ASX Listing Rules and other applicable laws) and the Seller, information provided to the Joint Lead Managers, accounting controls, material contracts, licenses, litigation, insurance, information in this Prospectus and the conduct of the Offer.

A number of standard representations and warranties are also given by the Joint Lead Managers to the Company and the Seller.

The undertakings given by the Company and the Seller relate to matters including, but not limited to, provision of and consultation with the Joint Lead Managers in respect of ASIC and ASX correspondence, notification of certain breaches of the Offer Management Agreement to the Joint Lead Managers. The Company additionally gives the following undertakings that during the period following the date of the Offer Management Agreement:

- until 120 days after the date of Completion, it will not (without the prior written consent of the Joint Lead Managers) allot or agree to allot (or indicate that it may do so), any shares, CDIs or other securities that are convertible or exchangeable into equity, or represent the right to receive equity of the Company, or any other Group member, or enter into any swap or other arrangements that transfers to another, in whole or in part, any of the economic consequences of ownership of securities of the type, however settled, subject to certain limited exceptions including the valid exercise of any options pursuant to an employee securities, option or incentive plan, a non-underwritten dividend reinvestment plan or bonus share plan, or proposed transaction disclosed in the pathfinder prospectus or this Prospectus;
- until 120 days after the date of Completion, it will not (subject to the exceptions described in the preceeding paragraph) alter the capital structure of the Company, amend Company's constituent documents except in the ordinary course of business or as disclosed in certain Offer Documents or with the prior written consent of the Joint Lead Managers;
- until 120 days after the date of Completion, it will not vary in any material respect any term of a material contract described in Section 11.5 of this Prospectus or, in the case of the Company only, any contract that is material to its business, except with the prior written consent of the Joint Lead Managers; and
- until 120 days after the date of Completion it will carry on its business, and procure that each Group member carries on its business in the ordinary course and not dispose (or permit any other Group Member to dispose) of any material part of its (or their) business or property except in the ordinary course or as disclosed in the pathfinder prospectus.

11.5.1.3 Indemnity

Subject to certain exclusions relating to, among other things the fraud, recklessness, wilful default or gross negligence by the Joint Lead Managers or certain of their affiliated parties (**Indemnified Parties**), the Company and the Seller agree to keep the Indemnified Parties indemnified from losses suffered in connection with the Offer, including for losses, claims, damages or liabilities under the US Securities Act and other US securities laws.

11.5.1.4 Termination

Any Joint Lead Manager may, by notice given to the Company and the Seller and other Joint Lead Managers, and without cost or liability, terminate the Offer Management Agreement if any of the following events has occurred or occurs at any time from the date of this agreement until on or before 10.00am on the Settlement date (or such other time as specified):

- (**disclosures in the US Offering Memorandum or certain documents associated with the US Offering Memorandum**) the US Offering Memorandum or certain documents associated with the US Offering Memorandum includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (**supplementary Prospectus**) the Company and the Seller issue or, in the reasonable opinion of the terminating Joint Lead Manager, are required to issue, a supplementary Prospectus to comply with Section 719 of the Corporations Act or the Company and the Seller lodge a supplementary Offer Document that is in a form that has not been approved by the Joint Lead Managers;

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- **(market fall)** after the Institutional Offer bookbuild the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately prior to the date of close of the Institutional Offer bookbuild and is at or below that level at the close of trading on two consecutive business days or on the business day prior to the Settlement date;
 - **(voluntary escrow deeds)** if the voluntary escrow deeds to be entered into by the Company, the Seller, the EMG Entities and the members of Company management are withdrawn, materially varied, terminated, rescinded, altered or amended, breached or failed to be complied with (other than with the consent of the Joint Lead Managers);
 - **(fraud)** the Company or the Seller or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of this agreement, in any fraudulent conduct or activity whether or not in connection with the Offer;
 - **(listing and quotation)** approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the Official List on or before 4.00pm on the listing approval date required under the Offer Management Agreement; or
 - the quotation of the CDIs on ASX or for the CDIs to be traded through CHESS on or before the listing approval date required under the Offer Management Agreement,
 - the Company's application to:
 - act as 'Principal Issuer' (under the ASX Settlement Operating Rules) in relation to the CDIs; or
 - seek approval of the CDIs as 'Approved Financial Products' (under the ASX Settlement Operating Rules); or
 - have ASX Settlement include the CDIs in Schedule 1 as 'FOR Financial Products' (under the ASX Settlement Operating Rules) in the manner contemplated by the Offer Documents,
 or if granted, the approval is subsequently withdrawn or qualified (other than by customary conditions) or withheld;
 - **(notifications)** any of the following notifications are made in respect of the Offer:
 - ASIC issues an order (including an interim order) under Section 739 of the Corporations Act in relation to the Offer or the Prospectus or ASIC prosecuting or commencing proceedings in relation to the Offer or the Prospectus except where any such order does not become publicly known and is withdrawn within two business days of commencing (or if it is held within two business days prior to the Settlement date it has been withdrawn prior to the Settlement date);
 - ASIC holds a hearing under section 739(2) of the Corporations Act except such hearing does not become publicly known and is withdrawn three business days of commencing (or if it is held within three business days prior to the Settlement date it has been withdrawn prior to the Settlement date);
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**) in relation to the Offer or an Offer Document, except where such application, investigation or hearing does not become publicly known and is withdrawn within three business days of being made (or if it is made within three business days prior to the Settlement date it has been withdrawn prior to the Settlement date);
 - any person (other than the terminating Joint Lead Manager) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
 - any person (other than the terminating Joint Lead Manager) gives a notice under Section 730 of the Corporations Act in relation to an Offer Document;
 - **(certificate not provided)** the Company or the Seller do not provide a certificate as and when required by the Offer Management Agreement;
 - **(material contracts)** any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or the material agreements summarised in Section 11.5 of this Prospectus are not capable of being performed in accordance with their terms or if all or any part of any such contracts:
 - is terminated;
 - ceases to have effect, otherwise than in accordance with its terms; or
 - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;

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- **(withdrawal)** the Company and the Seller withdraws an Offer Document or the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer without the prior written consent of the Joint Lead Managers;
- **(insolvency events)** any Group member becomes insolvent or there is an act or omission which is likely to result in any of those entities becoming insolvent;
- **(timetable)** an event specified in the timetable contained in the Offer Management Agreement from the date of this agreement up to and including the Settlement date is delayed by more than two business days (other than any delay agreed between the Company and the Joint Lead Managers);
- **(unable to issue or transfer)** the Company is prevented from allotting and issuing the New Shares or the Offer CDIs, or the Seller is prevented from transferring the Sale Shares, within the time required by the contained in the Offer Management Agreement timetable, the Offer Documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- **(change to Company)** the Company:
 - alters its issued capital or the issued capital of a Group member; or
 - disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group member.
- **(regulatory approvals)** a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or the Seller to perform its obligations under the Offer Management Agreement or to carry out the transactions contemplated by the Offer Documents;
- **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under this document, or to market, promote or settle the Offer;
- **(change in management)** a change in the CEO or the CFO or the Board of the Company occurs;
- **(vacancy in office)** the CEO or CFO of the Company vacates his or her office;
- **(prosecution)** either:
 - a Director of or a proposed Director of the Company named in this Prospectus is charged with an indictable offence; or
 - any governmental agency commences any public action against the Company and the Seller or any of its Directors in their capacity as Directors of the Company or the Seller, or announces that it intends to take such action; or
 - any Director or a proposed Director of the Company named in this Prospectus is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- **(debt covenants)** the Company or any Group member is in breach of any debt covenant.

11.5.1.5 Termination events subject to materiality

Any Joint Lead Manager may, by notice given to the Company and the Seller and the other Joint Lead Managers and the other Joint Lead Managers, and without cost or liability, terminate the Offer Management Agreement, if any of the following events occur at any time from the date of the Offer Management Agreement until on or before 10.00am on the Settlement date (or such other time as specified) only if the Joint Lead Managers have reasonable grounds to believe that the event:

- has or is likely to have a materially adverse effect on:
 - the success, settlement or marketing of the Offer or on the ability of the Joint Lead Managers to market or promote or settle the Offer or on the likely price at which the CDIs will trade on ASX; or
 - the willingness of investors to subscribe for the CDIs; or
 - will, or is likely to give rise to a liability of the Joint Lead Managers or one of its affiliates under, or give rise to, or result in, a contravention by the Joint Lead Managers or its affiliates or the Joint Lead Managers or its affiliates being involved in a contravention of, any applicable law.

The Joint Lead Managers can terminate as above, if any of the following events occur:

- **(disclosures)** a statement in any of the Offer Documents or Public Information is or becomes false, misleading or deceptive or is likely to mislead, deceive or confuse or a matter required to be included is omitted from an Offer Document (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act and certain New Zealand Securities laws);
- **(new circumstances)** there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;

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- **(forecasts)** there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the terminating Joint Lead Manager for any statement or estimate in the Offer Documents which relates to a future matter or any statement or estimate in the Offer Document, which relates to a future matter is in the reasonable opinion of the terminating Joint Lead Manager, unlikely to be met in the projected timeframe (including in each case financial forecasts);
 - **(disclosures in the due diligence report and any other information)** the due diligence report prepared by the due diligence committee in connection with the Offer or the verification material or any other information supplied by or on behalf of the Company or the Seller to the Joint Lead Managers in relation to the Group or the Offer is (or is likely to), or becomes (or becomes likely to be), misleading or deceptive, including by way of omission;
 - **(adverse change)** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in any Offer Document or the Public Information.
 - **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, the United States, the United Kingdom, or Hong Kong or any State or Territory of Australia a new law, or the Reserve Bank of Australia or New Zealand, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Offer Management Agreement); any of which does or is likely to prohibit or regulate the Offer capital issues or stockmarkets;
 - **(breach of laws)** there is a contravention by the Seller or the Company or any other Group Member of the Corporations Act, the Delaware General Corporations Law, the Delaware Limited Liability Company Act, the Competition and Consumer Act 2010 (Cth), ASIC Act, its certificate of incorporation, Bylaws or any of the Listing Rules;
 - **(mutual recognition)** the Company fails to comply with the requirements of the New Zealand Mutual Recognition Regime to enable the Offer into New Zealand to proceed on the basis of the Prospectus, under those requirements;
 - **(compliance with law)** any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act, the Delaware General Corporations Law, the Delaware Limited Liability Company Act, the Listing Rules or any other applicable law or regulation;
 - **(representations and warranties)** a representation, warranty, undertaking or obligation contained in the Offer Management Agreement on the part of the Company or the Seller (whether severally or jointly) is breached, becomes not true or correct or is not performed;
 - **(breach)** the Company or Seller defaults on one or more of its obligations under the Offer Management Agreement;
 - **(Material Contracts)** any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or the material agreements summarised in Section 11.5 of this Prospectus are not capable of being performed in accordance with their terms or if all or any part of any such contracts:
 - is amended or varied without the consent of the Joint Lead Managers (acting reasonably); or
 - is breached;
 - **(constituent documents)** the Company varies any term of its certificate of incorporation, Bylaws or other constituent documents, other than as contemplated in the Prospectus, without the prior written consent of the Joint Lead Managers;
 - **(legal proceedings)** any of the following occurs:
 - the commencement of legal proceedings against the Company, any other Group member or against any Director or the director of any other Group member in that capacity; or
 - any regulatory body commences any Enquiry or public action against a Group member;
 - **(New Zealand regulatory investigation)** the New Zealand Registrar of Financial Service Providers, another regulator appointed under the Companies Act 1993 of New Zealand or the New Zealand Financial Markets Authority: commencing, or publicly announcing or indicating to the Company an intention to commence, an investigation, proceedings or hearing into the conduct of the Offer in New Zealand, or issuing an order prohibiting the Company from making the Offer under the New Zealand Mutual Recognition Regime;
 - **(information supplied)** any information supplied (including any information supplied prior to the date of the Offer Management Agreement) by or on behalf of a Group member to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including by omission);
 - **(certificate incorrect)** a statement in any certificate provided by the Company or any Group member pursuant to the Offer Management Agreement is false, misleading, inaccurate or untrue or incorrect (including by omission);
 - **(hostilities and disruption in financial markets)** any of the following occur:

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- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, the People's Republic of China, South Korea, North Korea, Israel, Singapore, Ukraine, Russia, or a member state of the European Union or any major terrorist attack is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
- any adverse effect on the financial markets in Australia, New Zealand, the People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a member state of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
- trading in all securities quoted or listed on ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading.

11.5.2 Stockholder's Agreement and Registration Rights and Sell-Down Agreement

Following Completion, the Seller will retain beneficial ownership in the aggregate of 70% of the Shares on issue.

On 24 September 2018, the Company and the Seller entered into a Stockholder's Agreement which governs the relationship between the Seller and the Company while the Seller Group Entities retain an interest in the Company, including certain governance matters relating to the Company.

In summary, the Stockholder's Agreement provides for:

- **consent rights:** The Seller (or its successors or permitted assigns) will have certain consent rights, as described at Section 11.4 under the heading 'Transactions requiring Stockholder approval';
- **provision of information to the Seller:** There will be ongoing information sharing arrangements relating to the provision of financial and other information by the Company and its subsidiaries to the Seller Group Entities and cooperation and assistance between the parties in connection with any financing (or refinancing) undertaken by the Company as described at Section 11.4 under the heading 'Information rights';
- **pro rata issuances:** While the Seller Group Entities beneficially own in the aggregate at least 10% of the outstanding Shares, unless the Seller (or its successors or permitted assigns) agrees otherwise, issuances of equity securities must have been offered to the Seller 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, as described at Section 11.4 under the heading 'Transactions requiring stockholder approval'; and
- **Board rights:** Certain rights regarding the Board as described at Section 11.4 under the heading 'Board structure'.

The Company and the Seller also entered into a Registration Rights and Sell-Down Agreement on 24 September 2018, which governs the Seller's ability to require the Company to register its Shares under the US Securities Act and to provide assistance to the Seller in selling some or all of its Shares (including in the form of CDIs). The Registration Rights and Sell-Down Agreement is described further at Section 11.4 under the heading 'Registration rights'.

11.5.3 Relationship Deed

On 24 September 2018, the Seller, certain EMG Entities and their Affiliates and the Company entered into a Relationship Deed, under which the Company agrees to:

- indemnify the Seller for any liabilities incurred by the Seller under the guarantee given by the Seller to Wesfarmers under the Share Sale Agreement for the Coronado Curragh Acquisition and under the guarantee given under a Transitional Services Agreement dated 29 March 2018 and which expired on 29 June 2018 (with the exception of insurance-related services, which must be provided until all claims being managed are finalised);
- indemnify the Seller for any liabilities incurred by the Seller under a guarantee given by the Seller in connection with the agreements entered into between Coronado Curragh and Stanwell, pending release of that guarantee (which is expected to occur on or around Completion);
- reimburse the Seller for its reasonable costs of and incidental to the Offer (other than the Seller's pro rata share, based on the proportion that the number of Sale Shares bears to the total number of Offer Shares, of fees payable to the Joint Lead Managers as outlined in Section 11.5.1.1 of this Prospectus) and indemnify the Seller, any controllers of the

Seller and any of its or their directors, officers, agents and employees, to the fullest extent permitted by law, for certain liabilities incurred by such persons that arise out of or are based on various types of misstatements or omissions in the Prospectus and certain other documents associated with the Offer (in this Section 11.5.3 only, together **Offer Documents**), but excluding liabilities that are due to certain misstatements or omissions by the Seller or the Joint Lead Managers. The Seller also agrees to indemnify the Company and its directors, officers, agents and employees, to the fullest extent permitted by law, for certain liabilities incurred by such persons that arise out of or are based on various types of misstatements or omissions in the Offer Documents, but only to the extent that the relevant misstatement or omission was made in the Offer Documents in reliance upon and in conformity with information furnished in writing to the Company by the Seller expressly for use in the Offer Documents, and also excluding liabilities that are due to certain misstatements or omissions by the Joint Lead Managers;

- indemnify any person that the Seller appoints as an observer to the Board of the Company under the Stockholders Agreement and the By-laws of the Company (as referred to in Section 11.4), and reimburse that person's travel costs associated with attending Board meetings, on the same basis as it indemnifies, and reimburses such travel costs of, Directors; and
- indemnify certain Affiliates of the EMG Entities for any liabilities incurred under a New South Wales-law governed bank guarantee facility that has been used to provide bank guarantees and letters of credit in connection with the Australian Operations.

11.5.4 Australian material contracts

11.5.4.1 Financing

11.5.4.2 Syndicated Facility Agreement

On 15 September 2018, Coronado Finance Pty Ltd (as borrower), the Company (as parent) and other wholly-owned subsidiaries of the Company (as guarantors) entered into a conditional Multi-Currency Revolving Syndicated Facility Agreement with Westpac Banking Corporation (as arranger, underwriter, original lender and agent) (**Syndicated Facility Agreement**). On 21 September 2018, National Australia Bank Limited committed to join Westpac Banking Corporation as underwriter of the Syndicated Facility Agreement. The Syndicated Facility Agreement incorporates two facilities:

- an approximately 3.5-year US\$350,000,000 facility drawable in US dollars or Australian dollars that can be used to refinance Coronado's existing external debt facilities and for general working capital and corporate purposes (**Facility A**). The borrower intends to apply drawings under this facility (along with cash and certain proceeds of the Offer as set out in section 7.1.2) to repay in full the Company's outstanding pre-IPO external debt facilities; and
- an approximately 3.5-year AUD\$370,000,000 bank guarantee facility (**Facility B**). The borrower intends to utilise approximately AUD\$350,000,000 under the bank guarantee facility to replace existing bank guarantee facilities with the Syndicated Facility Agreement.

Certain material terms of the Syndicated Facility Agreement are summarised below:

- **Conditions precedent:** The borrower's right to draw down on the Syndicated Facility Agreement is subject to a number of conditions precedent customary for a facility of this nature, including Completion of the IPO. Many of these conditions precedent are procedural in nature and within the Company's control. There are also certain conditions precedent that require third party consents or approvals (e.g. to the grant of security and entry into a new intercreditor deed);
 - **Security:** Where the conditions precedent relating to grant of security are not satisfied by the proposed date of Listing due to inability to obtain required third party consents in time, the borrower will be able to draw on the facility and the obligation to obtain the third party consents will become a reasonable commercial endeavours obligation, as outlined in more detail below).
 - **New intercreditor deed:** It is a condition precedent to the first draw on the facilities that an intercreditor deed be entered into between the new security trustee (Westpac Administration Limited), Stanwell, Wesfarmers, Coronado Australia Holdings Pty Ltd, the Company, Coronado Curragh, Curragh Queensland Mining Pty Ltd and Curragh Coal Sales Co. Pty. Ltd. This is to be on similar terms to the existing intercreditor deed entered into at the time of the Coronado Curragh Acquisition but will include Stanwell as a secured creditor ranking immediately below Syndicated Facility Agreement lenders.

Coronado currently expects to sign the intercreditor deed and to satisfy, by Completion, all of the conditions precedent that are required to be satisfied by that date. Assuming that occurs, Coronado intends to draw down on the Syndicated Facility Agreement to pay out other existing facilities. If, contrary to current expectations, a condition precedent that does not become a condition subsequent cannot be satisfied by Completion, and Coronado does not draw the Syndicated Facility Agreement, the Company would use the proceeds of issue of New CDIs to pay out those existing facilities (other than a New York-law governed US\$150,000,000 Term Loan C Facility (**Existing Term Loan C Facility**)). The Existing Term Loan C Facility is secured in favour of the financiers' nominated representative

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by a security package appropriate for a facility of that type and it contains representations, events of default and undertakings typical for such a facility, including for change of control, and voluntary and mandatory prepayment events. While acceptable in the near term, the Company would propose to refinance the Existing Term Loan C Facility in the near term (if not undertaken at Completion as currently planned).

- **Fees and interest:** Fees usual for facilities of this nature and variable interest based on LIBOR or BBSY Bid (depending upon which currency the facility is drawn) plus the applicable margin.
- **Repayment:** Amounts outstanding under Facility A are intended to roll over at the end of each interest period or be repaid if required. Any amounts outstanding on the facility termination date, being 41 months after 15 September 2018, will be required to be repaid. If a Facility B bank guarantee is drawn upon, it is required to be replaced or cash backed immediately. Bank guarantees still on issue at the termination date are repayable on that date (being 41 months after 15 September 2018) unless cash cover is provided.
- **Representations, warranties and undertakings:** The Syndicated Facility Agreement contains certain representations, warranties and undertakings that are typical for a facility of this nature. Certain secured indebtedness is expressly permitted, such as the secured intercompany loan arrangements described in section 11.5.4.3, provided that they are subordinated (both in terms of security and repayment obligations) to the Syndicated Facility Agreement lenders. This will be effected by entry into a subordination deed as well as the new intercreditor deed described above. There is no restriction on the Company paying dividends, provided dividends are made in compliance with laws and no event of default is subsisting or would not result from paying the relevant dividend.
- **Events of default:** The Syndicated Facility Agreement contains events of default which are usual for facilities of this nature, including failure to pay, breach of financial undertaking, breach of general undertaking, breach of financial covenants, misrepresentation, cross-default, insolvency and related events, unenforceability and material adverse effect. The events of default are subject to materiality thresholds and grace periods where appropriate.
- **Review events:** The Syndicated Facility Agreement contains review events which are usual for facilities of this nature including for a change of control, namely where a third party (other than the EMG Entities) acquires control of the Company, the Company is delisted from the ASX, reserves coverage falls below specified levels (the Company does not expect to fall below the relevant thresholds), certain environmental liabilities arise and would have a material adverse effect on the Company or there is a suspension of the Company's securities on the ASX for 7 consecutive trading days (subject to certain exceptions). Following a review event, there is a 30 day negotiation period during which the borrower can agree with the agent the terms on which the facilities will be maintained. If agreement is not reached within 30 days, the lender may seek repayment of the principal outstanding within 60 days.
- **Guarantors:** The Syndicated Facility Agreement is required to be guaranteed by the Company and certain other wholly owned subsidiaries of the Company.
- **Security:** The Syndicated Facility Agreement will be secured by general and specific securities granted by the Company and certain other wholly owned subsidiaries of the Company, including security over the real property assets and mining tenements held by the Group, subject to limited exceptions for US obligors. It is a condition precedent to drawing on the facilities that the agreed transaction security be granted in favour of the security trustee for the benefit of the lenders and other finance parties. However, to the extent that prior to granting such security a third party consent is contractually or legally required, it will be a condition subsequent (for a period of 120 days period following the first draw on the facilities) for the obligors to obtain those third party consents and grant security over the affected asset (including contracts and real property). To the extent the security consent is still not able to be obtained, at the end of the 120 day period the obligors are required to provide details of the missing security consents to the lenders, but no event of default or review event will occur. From time to time, upon any further request from the agent, the obligors will again be required to use reasonable commercial endeavours to obtain missing security consents and to keep the lenders updated as to progress.

11.5.4.3 Intercompany Loans

Coronado Curragh (as borrower) is also a party to two existing secured intercompany loans (**Intercompany Loans**). Certain material terms of the Intercompany Loans are summarised below:

- **A\$700 million intercompany loan with Coronado Australia Holdings Pty Ltd**
 - **Loan terms:** A single advance A\$700 million, plus quarterly interest, intercompany loan provided by Coronado Australia Holdings Pty Ltd (as secured lender). The A\$700 million principal amount is due as a single bullet repayment in March 2028 and the borrower has an annual right to request an extension to the repayment date. Prepayments of principal are not restricted. The intercompany loan contains undertakings and events of default standard for intercompany loans;

- **Security:** This loan is secured in favour of Coronado Australia Holdings Pty Ltd by an all asset general security agreement from each of the borrower, Curragh Coal Sales Co. Pty. Ltd. and Curragh Queensland Mining Pty Ltd which was registered on the Personal Property Securities Register on 3 April 2018. In addition, there is a mortgage of Queensland mining leases and mineral development licences granted in favour of Coronado Australia Holdings Pty Ltd; and
- **Priority/ranking:** This intercompany debt is subject to an intercreditor deed under which the security and repayment are subordinated as ‘second creditor debt’ such that it ranks second in priority, i.e. behind the external financing arrangements but ahead of the A\$386 million intercompany loan described below and unsecured creditors; and
- **A\$386 million intercompany loan with Coronado Global Resources Inc.**
 - **Loan terms:** A A\$386 million, interest-free, secured intercompany loan provided by Coronado Global Resources Inc. (as secured lender). The A\$386 million principal amount is repayable by a single bullet repayment on 25 January 2068, and the borrower has an annual right to request an extension to the repayment date. Prepayments of principal are not restricted. The intercompany loan contains undertakings and events of default standard for intercompany loans;
 - **Security:** Coronado Global Resources Inc.’s rights in respect of this loan are secured against land assets only. There are two mortgages of Queensland mining leases and mineral development licences granted in favour of Coronado Global Resources Inc.; and
 - **Priority/Ranking:** This intercompany debt is subject to an intercreditor deed under which the security and repayment are subordinated as ‘third creditor debt’ such that it ranks third in priority, i.e. behind both external financing arrangements and the A\$700 million intercompany loan described above, but ahead of unsecured creditors.

11.5.4.4 Agreements with Wesfarmers

On 29 March 2018, Coronado Australia Holdings Pty Ltd completed the acquisition of all of the issued share capital in Coronado Curragh from Wesfarmers (**Coronado Curragh Acquisition**). The consideration paid by Coronado Australia Holdings Pty Ltd at completion was A\$700,000,002 (including the refinancing and assumption of debt owed by Coronado Curragh to Wesfarmers).

The Coronado Curragh Acquisition included a Value Share Mechanism. Under the VSM Deed, Wesfarmers is entitled to receive 25% of Curragh’s met coal revenue generated above a realised met coal price of US\$145 per tonne, paid on a quarterly basis¹. The Value Share Mechanism Deed covers the period of 24 months from 29 March 2018, with the ability for the term to be extended for any month where the total tonnage of met coal sold is less than 500,000 tonnes.

11.5.4.5 MDL 162 Royalty Deed

Coronado is a party to a Royalty Deed with Winged Horse Pty Ltd as trustee for the Pegasus Royalty Unit Trust and B. McDonald (No.2) Pty Ltd as trustee of the B. McDonald Family Trust (No.2) with respect to coal produced from any mine covering some or all of MDL 162. The Royalty Deed was novated to Coronado Curragh when it acquired MDL 162 from Peabody Budgee Pty Ltd in 2014 and, for the avoidance of doubt, the royalty is not payable on coal mined from the tenements already comprising the Curragh East Mining Area and Curragh North Mining Area at the time of the novation.

Coronado Curragh is liable to pay a royalty for coal mined from any mining lease which incorporates all or part of MDL 162 (or any subsequent mineral tenure granted in respect of some or all of the area covered by MDL 162). The royalty is payable quarterly (indexed annually in accordance with CPI) and calculated as:

- A\$0.50 per tonne of coal product sold; and
- an additional A\$0.70 per tonne of SHCC product sold in excess of 2.5 Mt of SHCC product sold per annum.

11.5.4.6 Stanwell agreements

Coronado is party to various contractual arrangements with Stanwell that are summarised in Section 3.3.1.2. Certain key provisions of these agreements (to the extent not already summarised in Sections 3.3.1.2 or 5.1.3) are set out below:

CSA, NCSA and Binding Terms Sheet

- the CSA obligates Coronado Curragh to sell and deliver to Stanwell, and Stanwell to purchase and accept delivery of, thermal coal in the quantities and on the terms and conditions set out in the agreement. In addition to the total ‘Base Contract Tonnage’ required to be supplied, Stanwell is entitled to nominate additional supply of up to one million ‘Tonnes Equivalent’ (based on a nominal GCV of 25.6 GJ) at a fixed contract price which is adjusted for CPI each quarter. Stanwell is also obligated to pay all statutory charges and royalties in respect of coal sold and delivered to it under the CSA. The final delivery date is expected to occur in FY2027 as that is when Coronado expects to have supplied the full ‘Base Contract Tonnage’ of 67.05 million ‘Tonnes Equivalent’ over the life of the contract;

1. The realised sale price reflects a mix of HCC, SCC and PCI coal sales volumes from the Australian Operations.

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- separate to the domestic thermal coal supply obligation, Coronado makes various payments to Stanwell, collectively referred to as the 'Stanwell Rebate', linked to the quantity of coal exported from the Curragh East Mining Area and Curragh North Mining Area and the export contract price of a reference specification coal (less a floor price (escalated at 1% or CPI each year)). Price rebates payable to Stanwell are calculated by reference to the 12-month weighted average Australian dollar price actually received by Coronado from its customers for coking coals of a defined and agreed specification ('Reference Coal');¹ and
- the rebates payable to Stanwell do not apply to coal exported under the 'Option Tonnage Regime', thermal coal sold domestically and the first 150,000 tonnes of domestic met coal sold each year; and

Binding Terms Sheet and formation of NCSA

- the final delivery date under the NCSA will be no later than 31 December 2038. If the total value of the discount received by Stanwell on coal supplied to it up to that date is less than the agreed value of the SRA, Coronado will make a cash payment to Stanwell equal to the difference. After this date, Coronado will not be obligated to make any further coal deliveries unless agreed between the parties;
- for any interruptions to supply under the NCSA that are not due to causes outside the control of Coronado, Coronado will indemnify Stanwell for all of Stanwell's costs and damages resulting from the interruption, including the cost of sourcing alternative coal (subject to reasonable mitigation); and
- Stanwell may elect to either:
 - on a quarterly basis, continue to receive the relevant coal and deal with it as it sees fit; or
 - once per annum, receive a cash payment from Coronado based on the agreed value of the coal price discount that would have been received by Stanwell if the relevant coal had been required.

Transportation arrangements

Under both the CSA and NCSA, delivery of coal to Stanwell occurs at the train loading facility at the Curragh mine, which means that Stanwell is responsible for the transport of this coal and pays for the rail costs.²

Change of control

In addition, each of the CSA and Supply Deed contain a restriction on any change of control of Coronado Curragh that will be triggered where there is a change in the persons who are (individually or together) able to control Coronado Curragh. Upon Completion, the EMG Entities are expected to indirectly hold approximately 69.1% of the Shares and these restrictions will therefore not be triggered by the Offer. In addition, from Completion, the restrictions will not be triggered where the change of control occurs as a result of the purchase of securities in the Company which are of a class that is listed on ASX or another recognised stock exchange.

11.5.4.7 Rail arrangements

Coronado has secured up to 10.0 Mtpa (plus surge capacity) of rail haulage capacity for Curragh under two long-term rail haulage agreements with Aurizon Operations (securing access to RGTCT and WICET respectively). These agreements require Aurizon Operations to:

- provide above rail capacity, being the trains (locomotives and wagons) required to haul coal; and
- secure, on Coronado Curragh's behalf, below-rail capacity, being access to the fixed railway infrastructure (railway tracks, signalling, communications and train control).

The two agreements are Coal Transport Services Agreement – RGTCT and the Rail Transportation Agreement – WIRP. The two agreements are supported by a commercial arrangement with Aurizon Operations which sets out the method of attribution to be applied to train services, cancellations and diversions between the loading facility at the Australian Operations and the unloading facilities at RGTCT or WICET and provides some flexibility for Coronado to utilise train services at either RGTCT or WICET.

Coronado Curragh is also party to a Master Spot Haulage Agreement with Pacific National dated 1 April 2018 and expiring on 31 March 2020. This agreement provides additional haulage to the Port of Gladstone if required.

Curragh's thermal coal is railed 160 kilometres directly to the Stanwell Power Station near Rockhampton. Under the CSA, delivery of Curragh's thermal coal occurs at loading plant at the mine, which means that Stanwell is responsible for the transport of this coal and pays for the rail costs.¹

1. Following a dispute between the parties, the agreement was amended in 2016 to clarify the meaning and specification of 'Reference Coal', which is used for the calculation of the rebates.

2. Curragh may have some responsibility for transportation (and costs) if it supplies Stanwell with 'Substitute Coal' from a source other than Curragh in accordance with the Amended Coal Supply Agreement.

Coal Transport Services Agreement – RGTCT

The Coal Transport Services Agreement – RGTCT with Aurizon Operations commenced on 1 July 2004 and is for 8.5 Mtpa of haulage capacity to RGTCT. Below rail access to the rail network is also managed by Aurizon Operations for Coronado Curragh. Coronado Curragh is obliged to pay 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 (or ‘freight’) charges, a minimum annual tonnage (currently six Mtpa) and other charges. The Coal Transport Services Agreement terminates – RGTCT on 30 June 2025, unless extended at Coronado Curragh’s option.

Rail Transportation Agreement – WIRP

The second Rail Transportation Agreement – WIRP with Aurizon Operations commenced on 1 May 2015 and secures 1.5 Mtpa of capacity to WICET. This contract is effectively 100% take-or-pay (for both rail haulage and capacity access charges). This agreement expires on 30 June 2025.

Certain rights and obligations of the parties are subject to and conditional on the commencement of access rights under an Operator Access Agreement entered into by Aurizon Operations and Aurizon Network on 24 April 2015 (**Operator Access Agreement**). The Operator Access Agreement has a term of 10 years from the ‘Commitment Date’, with an option for renewal or extension to be negotiated in good faith by Aurizon Network and subject to certain conditions (including a requirement for Coronado Curragh to extend this to a total term of 20 years from the date of commencement of the WIRP Deed (defined below)).

The ‘Commitment Date’ is defined by reference to the WIRP Deed and Aurizon Network and the WIRP customers (including Coronado Curragh) have not reached agreement as to whether this date has been reached. As a result, Coronado Curragh is currently operating on ad hoc train paths to support the 1.5 Mtpa Rail Transportation Agreement – WIRP rather than secure paths under the Operator Access Agreement. Notwithstanding that there is a risk of these paths becoming contested paths, Coronado Curragh has (on average) been able to access 1.5 Mtpa of below rail capacity to WICET and Coronado is not aware (to date) of any restrictions imposed on Aurizon Operations’ requests for the grant of ad hoc train services from Curragh to WICET. This capacity is expected to become the subject of a long-term access agreement (running for 20 years) once the dispute regarding the WIRP Deed is resolved.

WIRP Deed

Coronado Curragh is a party to the Wiggins Island Rail Project Deed (**WIRP Deed**), which relates to the expansion of infrastructure necessary to transport coal over part of the CQCN to WICET. Coronado Curragh, and each other founding WIRP customer, entered into a WIRP Deed with Aurizon Network pursuant to which Aurizon Network agreed to fund and undertake construction or expansion of rail infrastructure at various locations on the CQCN between the customers’ coal mines and WICET. Each of the customers agreed to:

- enter into a standard form access agreement to secure access to the relevant below rail segments and pay an access fee in relation to those segments (being, for Curragh, the Operator Access Agreement); and
- subject to various conditions, pay Aurizon Network an additional ‘WIRP Fee’ (based on its proportion of the access rights on the relevant segments) that guaranteed Aurizon Operations a certain return.

Aurizon Network and the WIRP customers (including Curragh) have not reached agreement as to whether final completion of WICET has been achieved and Coronado Curragh is a co-defendant to proceedings in the Queensland Supreme Court brought by Aurizon Network relating to whether the WIRP Fee is currently payable. If Aurizon Network is successful in its claim, Coronado Curragh and the other WIRP customers will be required to pay the WIRP Fee (which, under the WIRP Deed, is payable over a period of 233 months commencing approximately six months after final completion of WICET). Although Coronado intends to continue to strongly content this matter, Coronado has made provision for payment of this fee in the event that Aurizon Network were ultimately successful. Refer to Sections 5.1.5, 5.1.18 and 11.9 for more detail on this dispute and Coronado Curragh’s current contracted below rail capacity in Queensland.

Following Coronado’s acquisition of Coronado Curragh, Aurizon Network has requested the provision of a parent company guarantee and a bank guarantee to support Coronado Curragh’s obligations under the WIRP Deed. Although the parties are in discussions regarding the amount of the bank guarantee, Coronado Curragh has capacity to provide the bank guarantee requested and provision of this guarantee will not have a material impact on Coronado Curragh.

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11.5.4.8 Port arrangements

RGTCT

Coronado Curragh and Gladstone Port Corporation Limited (GPC) are parties to a Coal Handling Agreement that commenced on 1 July 2004 and, subject to earlier termination in accordance with its terms, expires on 30 June 2030. The agreement may be renewed at the request of Coronado Curragh and, subject to certain conditions, GPC is required to agree to the extension of the term if there is sufficient capacity at RGTCT to allow the extension.

Under the Coal Handling Agreement, Coronado Curragh currently has the right to export between 7.67 Mtpa and 8.67 Mtpa. Each year, Coronado Curragh must nominate a 'Minimum Guaranteed Port Allocation' within this band and its take-or-pay liability is then calculated based on this allocation. Under the Coal Handling Agreement, GPC also agrees to provide services which include unloading from rail wagons, and loading on board vessels, coal that is delivered to it by, or on behalf of, Coronado Curragh.

Coronado Curragh is currently involved in the harbour due reform project which involves a reform of the existing contractual arrangements governing each user's access to RGTCT. As part of this reform, Coronado Curragh may, but is not obligated to, enter into a new coal handling agreement and a port services agreement.

WICET

WICET is an industry-owned and privately-funded terminal, operated by shareholders and appointed management. WICET Pty Ltd is the owner, operator, developer and lessee of WICET, which began shipping export tonnages in April 2015. Coronado Curragh is a shipper through WICET and a shareholder of WICET Holdings (the holding company of WICET Pty Ltd). As such, Coronado Curragh is a party to, and has obligations under, various contractual arrangements which underpin the WICET structure, including governance and operating arrangements.

The following key agreements are relevant to Coronado's Australian Operations:

- **WICET Take-or-Pay Agreement:** Coronado Curragh and each other WICET shipper is a party to a take-or-pay agreement with WICET Pty Ltd for a rolling 'evergreen' term of 10 years. Under its WICET Take-or-Pay Agreement, Coronado Curragh has current contracted tonnage of 1.5 Mtpa. Each shipper using WICET is required to pay a Terminal Handling Charge which seeks to ensure that WICET Pty Ltd's expected revenue is sufficient to meet its expected costs. The 'Terminal Handling Charge Calculation Methodology' (which is set out in the Shareholders Agreement) provides that the Terminal Handling Charge is determined by:
 - aggregating the 'Expected Costs' (budgeted operating and financing costs) for the terminal for a period (usually a year);
 - subtracting the carried forward 'Excess Revenue' from the previous year; and
 - then dividing the difference by 95% of the aggregate WICET contracted tonnage for that period.

The Terminal Handling Charge payable by Coronado Curragh can be adjusted by WICET Pty Ltd if Coronado Curragh's share of WICET Pty Ltd's operational and finance costs (subject to a cap set out in the Terminal Handling Charge Methodology) increases, including because of increased operational costs or because another shipper defaults and has its capacity reduced to nil. Subject to the financing cap, which 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). As noted in Section 5.1.4.3 above, Coronado expects the Terminal Handling Charge will increase by approximately US\$3.50 per tonne if the senior debt restructuring is implemented in its proposed form (as a result of the agreed increase in the 'financing cost' component of the Terminal Handling Charge).

Under the WICET Take-or-Pay Agreement, Coronado Curragh is required to provide security (which is provided in the form of a bank guarantee). The amount of the security must cover Coronado Curragh's estimated liabilities as a shipper under the WICET Take-or-Pay Agreement for the following 12-month period. If Coronado Curragh is in default under the WICET Take-or-Pay Agreement, WICET Pty Ltd can draw on the security and apply it to amounts owing by Coronado Curragh.

Since WICET began shipping export tonnages in April 2015, three WICET Holdings shareholders have entered into administration, resulting in the aggregate contracted tonnage of shippers decreasing from 27 Mtpa to 16 Mtpa.

The terms of the take-or-pay agreements also provide that, where a shipper defaults under its take-or-pay agreement, it is obliged to pay a Termination Payment to WICET Pty Ltd (effectively, the shipper's proportion of the total debt owing by WICET Pty Ltd, based on the proportion that its contracted tonnage bears to the total contracted tonnage 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. See Section 5.1.4.5 for information on the WICET Take-or-Pay Agreement and risks to Coronado Curragh. The current WICET shippers and their contracted tonnage are set out below.

Table 109: WICET Shippers

Shippers through WICET		
Source mines	Mtpa	Corporate group
Rolleston	10.9	Rolleston Joint Venture (managed by Glencore Coal Queensland Pty Limited)
Eagle Downs	1.6	Aquila Resources Limited
Yarrabee	1.5	Yancoal Australia Limited
A.3. Curragh	1.5	Coronado
Colton	0.5	New Hope Coal Corporation Limited
Total	16	

- **Shareholders Agreement:** WICET Holdings, each A Class shareholder and each affiliated shipper (who is a party to a take-or-pay agreement) (Coronado Curragh is both an A Class shareholder and an affiliated shipper) are parties to a Shareholders Agreement dated 23 August 2011 that governs the rights and responsibilities between WICET Holdings, its shareholders and their affiliated shippers. Coronado Curragh currently holds 1 of the 5 A Class Shares on issue and is entitled to appoint a nominee director, receive dividends, participate in any capital reduction or repayment of capital, participate in any distribution on winding up and vote at meetings of shareholders. Coronado Curragh's voting entitlement is based on its contracted tonnage and is currently 9.38%. A Class shares are effectively 'stapled' to contracted tonnage such that:
 - each A Class shareholder and its affiliated shipper must remain Related Bodies Corporate; and
 - no A Class shareholder may dispose of its A Class shares without its affiliated shipper also disposing of its contracted tonnage to the same party or a Related Body Corporate.

It is the objective of shareholders to minimise the Terminal Handling Charge rather than receive dividends and therefore there is no policy to pay or expectation that dividends will be paid on A Class shares. (There are rights to be paid dividends on WIPS, subject to legal constraints on payment of dividends by WICET Holdings and availability of cash from WICET Pty Ltd to service the intercompany debt which it owes to WICET Holdings, following prior ranking 'waterfall' payments to senior and junior secured lenders – it is not expected that dividends will be paid on WIPS while the senior secured debt remains in place).

As a shipper using WICET, Coronado Curragh is also required to comply with the WICET Terminal Rules that set out, among other things, rules for terminal use and protocols for nominating vessels and managing train unloading, scheduling and stockpiling.

11.5.4.9 Thiess Long-Term Mining Contract

Coronado Curragh and Thiess are parties to a Long-Term Mining Contract dated 15 February 2010 under which Thiess is engaged to provide services for the Australian Operations relating to:

- overburden removal, general fleet and maintenance (until 30 June 2019) (**Part A Services**); and
- fleet relocation, fleet and tyre maintenance services and the provision of ultra-class truck services (until 31 March 2021) (**Part B Services**).

Although the parties have agreed to extend the provision of the Part A Services until 30 June 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 Coronado Curragh to pay a lump sum termination payment.

At the end of the term of the Part B Services, Coronado Curragh must purchase the ultra-class trucks from Thiess at a price determined in accordance with the contract. Thiess is entitled to performance bonuses if certain key performance indicators are met and, in addition, the contract sum payable to Thiess can be adjusted if agreed utilisation rates of the ultra-class trucks have not been achieved.

11. Additional Information

11.5.4.10 Golding Contractors Pre Strip Overburden Removal Contract

Coronado Curragh and Golding Contractors are parties to a Pre Strip Overburden Removal Contract dated 30 October 2014 under which Golding Contractors is engaged to carry out works relating to overburden removal and mining operations. The contract commenced on 2 July 2014 and expires on 30 September 2021. Golding Contractors is entitled to be paid for its works in accordance with an agreed schedule of rates and may also recover additional costs if abnormal mining conditions affect productivity. Coronado Curragh is entitled to terminate the contract for convenience (subject to the provision of notice) but Golding Contractors may not terminate the contract except if there is a material breach by Coronado Curragh or a force majeure event prevents Coronado Curragh from fulfilling its obligations under the contract.

11.5.5 US material contracts

11.5.5.1 CONSOL Energy Membership Interest and Asset Purchase Agreement

On 26 February 2016, Coronado entered into a Membership Interest and Asset Purchase Agreement to acquire Buchanan and certain other assets that formed part of CONSOL Buchanan Mining Company LLC located in Mavisdale, Virginia, from CONSOL Energy (**CONSOL Purchase Agreement**). Under the CONSOL Purchase Agreement, CONSOL Energy sold to Coronado (i) its interests in CONSOL Buchanan Mining Company LLC, including the Buchanan mining complex, (ii) various assets relating to the Amonate mining complex, (iii) the Russell County development asset and (iv) the Pangburn-Shaner-Fallowfield development asset.

Under the CONSOL Purchase Agreement, Coronado agreed to pay CONSOL Energy a royalty of 20% of the gross sales price on coal mined from the Buchanan mining complex and sold or shipped to a location outside the United States and Canada, where the actual sales price received by Coronado exceeds certain agreed benchmarks. The royalty payments are triggered where the gross sales price per short ton of coal exceeds the following thresholds:

- from 1 April 2016 to 30 March 2017: US\$75.00;
- from 31 March 2017 to 30 March 2018: US\$78.75;
- from 31 March 2018 to 30 March 2019: US\$82.69;
- from 31 March 2019 to 30 March 2020: US\$86.82; and
- from 31 March 2020 to 31 March 2021: US\$91.16.

11.5.5.2 CONSOL Energy Amendment and Restatement of Master Cooperation and Safety Agreement

At the Buchanan mining complex, Coronado's right to commercially mine and recover coal reserves overlaps with the right of an affiliate of CONSOL Energy (referred to as the **Gas Party**) to commercially recover and develop coal gas interests from the Buchanan mining complex (**Mine Area**). Coronado and the Gas Party have entered into an Amendment and Restatement of Master Cooperation and Safety Agreement (**MCSA**) dated 31 March 2016 to regulate the interaction between their respective operations. The parties acknowledge in the MCSA that the safety of each party's operations is a paramount objective as well as maximising both coal and gas production from the Mine Area.

The MCSA includes notice procedures pursuant to which Coronado can advise the Gas Party about the need to mine through, shut in, plug permanently, plug temporarily or mine-by the Gas Party's wells. In addition, the MCSA sets out compensation by Coronado for certain well plugging and abandonment services that the Gas Party is obligated to provide. The MCSA also contains provisions governing losses that the Gas Party may incur due to claims by its lessors. For the Gas Party's benefit, the MCSA also addresses its rights to locate and drill wells in the Mine Area with prior notice to Coronado and written consent from Coronado for well design and location.

The combination of these overlapping interests allows for mutual benefits to the parties, namely the degassing of Coronado's coal mining operations in the Mine Area and commercial capture and sale of the coal gas by the Gas Party. To foster and facilitate the requisite level of communications for the overlapping activities under the MCSA, the agreement includes the establishment of a Coordination Committee which meets at least once every six months to review and discuss the Gas Party's then-current Gas Development Plan and Annual Gas Development Plan and Coronado's then-current Life of Mine Plan and Annual Coal Development Plan. As a practical matter, the parties are free to, and do, meet more frequently than the six-monthly intervals.

The MCSA includes several steps of alternative dispute resolution pertaining to any disputes which may arise between the parties and which are initiated by an appropriate written notice.

In conjunction with the MCSA, Coronado and the Gas Party (or further affiliates of the Gas Party) on 31 March 2016 entered into a Command Center Services Agreement (**Command Center Agreement**), a Drilling and Related Services Agreement (**Related Services Agreement**) and a Subsidence and Relocation Agreement (**Relocation Agreement**). The Command Center Agreement addresses the detailed systems in place to regulate and adjust volumes, flow rates and pressures pertaining to the coal mine's bleeder plans, the Gas Party's commercial capture program and the associated cooperation and communication agreements. The Command Center Agreement has a seven-year term subject to mutual extension. The Gas Party also has an early termination option in the event of the sale by the Gas Party of substantially all of its assets in the Mine Area, with a two year transition commitment in the event of such a 'sale of assets' to allow Coronado the opportunity to replace the Gas Party with the acquiring party or their designee.

The Related Services Agreement contains the Gas Party's agreement to provide certain drilling, operating and plugging services and expenses that Coronado may require the Gas Party to perform for certain wells it has such obligations for under the MCSA. The Related Services Agreement has a four-year term and automatically renews month to month thereafter unless/until either party provides written notice of termination. In the event of termination of the Related Services Agreement, Coronado would have the right to contract with other entities for such services or to perform them itself.

The Relocation Agreement has a 25-year term, subject to extension by mutual agreement. It outlines cooperation and communication obligations to mitigate against damages and allocation of costs to gas operation infrastructure facilities, while expressly acknowledging Coronado's right to mine and cause subsidence in the subject area.

11.5.5.3 CONSOL Gas Purchase Agreement

Operation of the thermal dryer located at the CPP at the Buchanan mining complex is dependent upon the delivery of natural gas. Currently, the only natural gas supplier in that area is an affiliate of CONSOL Energy (**Gas Party**). As a result, and as part of the acquisition of the Buchanan mining complex, Coronado entered into the CONSOL Gas Purchase Agreement on 31 March 2016 with the Gas Party. The parties agreed that Gas Party would supply to Coronado, and Coronado would purchase from the Gas Party, natural gas to operate the thermal dryer at the Buchanan mining complex.

The CONSOL Gas Purchase Agreement does not require the purchase of a set quantity of natural gas and the price of the natural gas is set out at the 'Contract Price' provision on Exhibit A to the CONSOL Gas Purchase Agreement, and determined by agreement between the parties or the spot price that is set in the geographic location closest to the Buchanan mining complex if the parties have not agreed to a price. Either party has the right to terminate the agreement upon 30 days' written notice to the other party. Absent any force majeure event, the parties are required to sell and purchase the amount of natural gas that they have agreed upon (provided that, the Gas Party is not required to provide gas deliveries to Coronado if such deliveries would subject the Gas Party to regulatory action or intervention by any governing regulatory body, including the Virginia State Corporation Commission).

Coronado and the Gas Party have been successfully concluding gas sales in accordance with the agreement since its execution.

11.5.5.4 Kinder Morgan Terminal Services Agreement

Coronado is a party to a terminal services agreement with Kinder Morgan Operating L.P. 'C' (**Kinder Morgan**) dated 30 November 2012 whereby Coronado has rights to receive from Kinder Morgan certain terminal, storage and handling services at a terminal facility owned by Kinder Morgan. Under the agreement, Coronado must nominate a minimum amount of coal per year to be handled through the terminal and is obliged to pay a base rate per tonne of coal handled (**Base Rate**, subject to escalation as set forth in the agreement) through the terminal. If the minimum amount of coal nominated by Coronado is not met for a contracting year, Coronado must pay Kinder Morgan a shortfall payment equal to the difference between the annual amount nominated and the actual volume of coal delivered to the terminal, multiplied by the Base Rate of payment. The initial term of the agreement is for 10 consecutive 12-month periods terminating on 1 April 2024, with an option to extend the contract for two consecutive five-year periods, subject to the right of either party to terminate the contract on 180 days' prior written notice.

11.5.5.5 JEP joint venture

JEP Mining LLC (**JEP**) is a joint venture owned 50% by Greenbrier Minerals LLC (which is wholly owned by Coronado) and 50% by SYR Energy Partners, L.P. (**SYR**). The agreements between Greenbrier Minerals LLC and SYR provide for Greenbrier Minerals LLC to control JEP (by controlling two of the three members of the board of managers of JEP). The primary asset owned by JEP is the Duo Sewell Coal Lease (**JEP Lease**). The JEP Lease contains approximately 1.3 Mt of recoverable coal across approximately 263 ha.

11. Additional Information

11.6 MATERIAL REGULATIONS

11.6.1 Australia

11.6.1.1 Industrial relation and workplace agreements

As noted in Section 3.9.1.1, there are two primary types of employment arrangements currently in force covering Curragh's employees – an enterprise bargaining agreement (for Curragh) and staff salaried contracts.

The current union collective enterprise bargaining agreement, the EBA, was entered into in January 2016 and passed its nominal expiry date in July 2018. The EBA will remain in place until replaced or terminated by the Fair Work Commission. The agreement allows Curragh to use contractors and/or part-time, temporary or casual employees at the discretion of Curragh. The EBA excludes, and replaces in its entirety, the Black Coal Mining Industry Award 2010 and all other agreements that may apply to employees of Curragh.

In addition to Curragh's employees, Curragh uses workers that are employed by or through key contractors (including Thiess, Golding Contractors and Wolff Mining Pty Ltd). Certain of these contractors have negotiated enterprise bargaining agreements with employees and/or unions that relate to contractors at the Australian Operations.

11.6.1.2 Tenements

Curragh currently holds 14 coal and infrastructure mining leases and three MDLs (**Tenements**). Table 110 contains key details of the current mining leases held by Curragh and the total area of the mining leases is approximately 19,658 ha. Renewal of certain mining leases will be required during the mine life of the Australian Operations and the Queensland Government can vary the terms and conditions on renewal.

Table 110: Curragh mining leases

Tenement name	Tenement number	Legal area (approximate)	Grant date	Expiry date
Curragh	ML 1878	4,456 ha	27/05/82	31/05/24
	ML 1990	172 ha	30/07/92	31/05/23
	ML 80010	24 ha	30/07/92	31/05/23
	ML 80011	6 ha	30/07/92	31/05/23
	ML 80012	43 ha	30/07/92	31/05/23
	ML 80112	110 ha	09/09/04	30/09/25
Curragh Extended	ML 700009	797 ha	12/11/15	30/11/40
Curragh East	ML 80086	3,033 ha	19/10/00	31/10/25
Curragh Central	ML 700007	1,123 ha	27/06/16	30/06/41
Curragh Central Extended	ML 700008	2,643 ha	12/11/15	30/11/40
Curragh North	ML 80110	4,860 ha ¹	22/07/04	31/07/44
	ML 80123	5 ha	26/07/07	31/07/44
Curragh West	ML 80171	954 ha	15/07/15	31/07/40
Curragh South	ML 700006	1,432 ha	27/06/16	30/06/41

Table 111 contains key details of the MDLs held by Curragh. The total area of Curragh's MDLs is approximately 5,925 ha.

1. Including the Stanwell Reserve Area.

Table 111: Curragh MDL summary

Tenement name	Tenement number	Approximate legal area	Grant date	Expiry date
Not applicable	MDL 162	3,213 ha	06/02/98	28/02/23
Curragh West No 1	MDL 328	381 ha	02/08/01	31/08/21
Curragh West No 2	MDL 329	2,331 ha	02/08/01	31/08/21

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.

11.6.1.3 Relevant legislation

Curragh must comply with a range of legislation (both state and federal). The material legislation with which Curragh must comply includes those statutes described below.

11.6.1.4 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 utilisation of mineral resources 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 mining lease is the most important tenure as it permits the extraction of minerals, in conjunction with other required authorities. The Act imposes general conditions on a mining lease. The Tenements held by Curragh are discussed in Section 11.6.1.2.

A person who is the holder of a mining lease 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 1 October 2012) is as set out below:

- if the average price per tonne is A\$100 or less: 7%;
- if the average price per tonne 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 tonne; and
- if the average price per tonne 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 tonne.

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.

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11.6.1.5 Environmental Protection Act 1994 (Qld)

The primary legislation regulating environmental management of mining activities in Queensland is the Environmental Protection Act 1994 (Qld) (**Environmental Protection Act**). 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, it is an offence 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 offence 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 their obligations under the Environmental Protection Act and the regulations made under the Act. For example, the holder must comply with the following provisions of the Environmental Protection Act:

- general environmental duty;
- duty to notify of environmental harm;
- offence of causing serious or material environmental harm;
- offence of causing environmental nuisance;
- offence of depositing prescribed water contaminants in waters and related matters; and
- offence to place contaminant where environmental harm or nuisance may be caused.

The environmental authority holder must also be a registered suitable operator under the Environmental Protection Act. Coronado is a registered suitable operator.

Curragh holds environmental authority EPML00643713 which authorises the mining operations for the Curragh East Mining Area and Curragh North Mining Area over the 14 mining leases. The environmental authority authorises the mining of black coal, mineral processing, chemical storage, waste disposal and sewage treatment on certain conditions. Those conditions include requirements in relation to air, water, regulated structures (e.g. dams), noise and vibration, waste, land, rehabilitation and watercourse diversion.

Curragh also holds a range of subsidiary environmental approvals for its existing operations.

Queensland environmental legislation is currently subject to legislative reform and change, in particular with respect to security for environmental performance, rehabilitation and closure. On 27 April 2016, the Environmental Protection (Chain of Responsibility) Amendment Act 2016 (Qld) commenced, which gives the Department of Environment and Science 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.

In addition, the Mineral Resources (Financial Provisioning) Bill 2018 was introduced into Queensland parliament on 15 February 2018. Under this bill, a pooled fund is to be established, removing over time the need to provide financial assurances for entities eligible to participate in the fund. Instead, those entities would be required to pay an annual contribution on the basis of estimated rehabilitation costs and risk category. The bill also proposes to require progressive rehabilitation costs and closure plans and progressive rehabilitation closure schedules to be developed for all mines. If the bill is passed, these changes may be material to the ongoing development of Curragh's development projects as well as the requirements for financial assurances at Curragh.

11.6.1.6 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.

Curragh has obligations relating to Aboriginal cultural heritage with respect to a number of cultural heritage objects located within the area of the Tenements. Curragh works closely with the Aboriginal people to manage the cultural heritage objects within its mining operations. Curragh and the Ghungalu Nation People are parties to a Cultural Heritage Management Plan (and associated Cultural Services Agreement) that applies to all of Curragh's mining leases and MDLs. The Plan establishes a coordinating committee and sets out the steps to be followed to manage activities that may impact on Aboriginal cultural heritage.

11.6.1.7 Native Title Act 1993 (Cth)

The Native Title Act 1993 (Cth) (**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 Australian Indigenous 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.

Mining leases and MDLs granted under the Mineral Resources Act 1989 (Qld) on State land where native title has not been extinguished attract the non-extinguishment principle. Broadly, this principle is that native title rights are suspended while the mining title, as renewed from time to time, is in force. Where the grant (or renewal) of mining tenements is in respect of land where native title may exist, compliance with the NTA is necessary to ensure the validity of the tenure. Registered native title claimants have certain notification, consultation and negotiation rights relating to the grant of mining tenements. Where native title is extinguished (e.g. freehold land), the NTA does not apply.

The area of the Tenements are overlapped by the Gaangalu Nation People-registered native title claim (QUD400/2012). The Gaangalu Nation People-registered native title claim (QUD400/2012) was filed in the National Native Title Tribunal on 20 August 2012.

11.6.1.8 Regional planning interests

In June 2014, the Strategic Cropping Land Act 2011 (Qld) was repealed by the Regional Planning Interests Act 2014 (Qld) (**RPI Act**). The RPI Act manages the impact of resource activities and other regulated activities on 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, a resource activity must not be carried out without a regional interest development approval in an area of regional interest such as a strategic cropping area, unless operating under an exemption. Importantly, pre-existing mining activities being undertaken at the date of the introduction of the legislation are exempt.

Curragh applied for and was 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 Curragh with respect to its 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.

11.6.1.9 Environmental Protection and Biodiversity Conservation Act 1999 (Cth)

The Environment Protection and Biodiversity Conservation Act 1999 (Cth) (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 Act. Any person proposing to carry out an 'action' that may be a 'controlled action' must refer the action to the Commonwealth Minister for a determination as to whether the proposed action is a controlled action.

On 2 November 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 the following four additional mining leases: 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, noise and vibration, land, watercourse diversions, offsets and water.

11.6.1.10 Health and safety

The primary work health and safety legislation that applies to Curragh is the:

- Coal Mining Safety and Health Act 1999 (Qld); and
- Coal Mining Safety and Health Regulation 2001 (Qld),

(together, the **Coal Mining Safety Legislation**).

Additional legislative requirements apply to operations that are carried on off-site or which are not principally in connection with 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. Curragh has been appointed as the 'operator' of the Curragh mining area and Curragh North Mining Area and must, among other things:

- ensure that the risk to coal mine workers while at the operator's mine is at an acceptable level;

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- 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.

Coronado recognises that health and safety are imperative to the ongoing success of the Australian Operations. As outlined in Section 3.8.1.1, Curragh has in place a comprehensive SHMS, that includes an emergency response team, to address these legislative requirements. Following recent amendments to the Coal Mining Safety Legislation to address new cases of black lung disease (or coal workers' pneumoconiosis) in Queensland, Curragh has also established an occupational hygiene baseline for dust exposure.

11.6.1.11 Water

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) (**Water Act**). Allocations under the Water Act can be managed by a water supply scheme operator such as SunWater, which is a Government-owned corporation regulated by the Queensland Competition Authority. Curragh has purchased the required water allocations for its Queensland operations and entered into a suite of related Channel and Pipeline Infrastructure Agreements and River Supply Agreements with SunWater 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.

11.6.2 United States

Coal mining in the US is a heavily-regulated industry and the summary below is a non-exhaustive summary of material legislation that applies to the US Operations. Although this summary focuses on federal laws, most states (including West Virginia and Virginia) have their own regulatory schemes that either mirror federal laws or create additional layers of regulation.

11.6.2.1 Air Pollution Prevention and Control Act (Clean Air Act)

The Clean Air Act of 1970 (**CAA**) regulates airborne pollution that may be potentially hazardous to human health or natural resources. CAA-based regulations affect mining by imposing permitting and emission limitations, including dust emissions that accompany operations or tailings disposal in impoundments, exhaust emissions from heavy equipment on surface mines and emissions from processing facilities.

11.6.2.2 Federal Water Pollution Control Act (Clean Water Act)

The Clean Water Act of 1972 (**CWA**) regulates discharges of toxic and non-toxic pollutants into the surface waters of the United States, primarily by imposing permit requirements and effluent limitations. CWA regulations covering mining include discharge of mining-regulated waters, the pumping or draining of mine water to the surface, storm water runoff in mining operation areas and control of seeps from mine tailings impoundments. Section 404 of the CWA regulates the discharge of dredged or fill material into waters of the United States and affects the construction of valley fills and coal waste impoundments, road crossings, in-stream mining, placement of sediment ponds and similar mining discharges. The CWA also regulates point sources that discharge pollutants into waters of the United States through the National Pollutant Discharge Elimination System (**NPDES**) permit program. Coronado holds NPDES permits associated with each of its United States mining operations.

11.6.2.3 Surface Mining Control and Reclamation Act

Unlike the CCA and the CWA, the Surface Mining Control and Reclamation Act of 1977 (**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 minimise 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 prior condition and contour.

SMCRA implements its environmental standards through 'cooperative federalism.' Under the Act, states may submit a qualifying surface mining regulatory scheme and exert exclusive jurisdiction. If a state does not have an approved program, or if mining on federal lands is involved, the Office of Surface Mining (**OSM**) will impose federal regulations on surface mining in the state. Each of West Virginia and Virginia, where Coronado's Buchanan, Logan and Greenbrier operations are based, has primary jurisdiction, meaning that each state adopted the minimum national standards set forth in the Act and OSM regulations (under SMCRA, those state laws must meet or exceed the surface mining standards defined by the federal act). However, even though a state gains approval for its surface mining regulatory program, OSM retains significant federal oversight, including the ability for OSM to perform inspections of all surface mining sites in order to ensure state program and mine operator compliance. 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);
- bonding (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 Government has approved the release);
- inspection and enforcement (including the issuance of 'notices of violation' or 'NOVs' and the placement of a mining operation, its owners and controllers on the national 'Applicant Violator System' or 'AVS,' meaning that such person or entity is 'permit-blocked' from obtaining future mining permits); and
- land restrictions (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).

11.6.2.4 National Environmental Policy Act

The National Environmental Policy Act of 1969 (**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.

11.6.2.5 Resource Conservation and Recovery Act

The Resources Conservation and Recovery Act of 1976 (**RCRA**) regulates the treatment, storage and disposal of solid and hazardous wastes. While many mining wastes are exempt from RCRA hazardous waste regulations, certain waste chemicals may be subject to RCRA's requirements. RCRA also governs underground storage tanks containing hazardous substances and petroleum products, which are used in coal mining operations. Coronado does not have underground storage tanks associated with its Logan or Greenbrier mining complexes.

11.6.2.6 Toxic Substances Control Act

The Toxic Substances Control Act of 1977 focuses on controlling the development and application of new and existing chemical substances.

11.6.2.7 Comprehensive Environmental Response, Compensation and Liability Act

The Comprehensive Environmental Response, Compensation and Liability Act of 1980 authorises 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. Joint and several and retroactive liability may be imposed on waste generators, owners and operators, regardless of fault or the legality of the original disposal activity. Coronado could face liability for contamination on its current or former properties or at sites to which Coronado sent waste materials for disposal.

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11.6.2.8 Federal Mine Safety and Health Act

The Mine Act, which was amended by the MINER Act, governs federal oversight of mine safety and authorises the 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. 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.

11.6.2.9 National Labor Relations Act

The National Labor Relations Act of 1935 (**NLRA**) governs collective bargaining and private sector labour and management practices. While Coronado does not have a unionised workforce in the US, to the extent that miners want to seek representation or engage in other protected concerted activities, both Coronado and the employees must follow the rules set out in the NLRA and the rules promulgated by the National Labor Relations Board.

11.6.2.10 Other US laws affecting coal mining operations

Safe Drinking Water Act

The Safe Drinking Water Act of 1974 (**SDWA**) is the federal law that protects public drinking water supplies throughout the nation. Under the SDWA, the US Environmental Protection Agency 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 US to the extent that the operations could impact local water supplies.

Solid Waste Disposal Act

The Solid Waste Disposal Act of 1965 (**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

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

Endangered Species Act

The Endangered Species Act of 1973 (**Endangered Species Act**) governs the protection of endangered species in the United States and requires the Fish and Wildlife Service to formally review any federal authorised, funded or administered action that could negatively affect endangered or threatened species. Fish and Wildlife studies projects for possible effects to the species and then can recommend alternatives or mitigation measures. 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 minimise mines' potential effects on species. Certain species are more typically at issue under the Endangered Species Act with respect to mining, including the long-eared bat, which is found in Central Appalachia, including parts of West Virginia and Virginia. Mitigation methods can cause increased costs to coal mining operators.

Migratory Bird Treaty Act

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

Rivers and Harbors Act

Section 10 of the Rivers and Harbors Act of 1899 requires that regulated activities constructed below the Ordinary High Water elevation of navigable waters of the United States be approved/permitted by the US Army Corp of Engineers. Regulated activities include the placement/removal of structures, work involving dredging, disposing of dredged material, filling, excavation or any other disturbance of soils/sediments or modification of a navigable waterway. Certain mining operations can come within the scope of the Rivers and Harbors Act of 1899.

Bureau of Alcohol, Tobacco and Firearms Regulation of Explosives

The Bureau of Alcohol, Tobacco and Firearms and Explosives (ATF) regulates the sale, possession and transportation of explosives in interstate commerce. As most mining operations (including Coronado's) involve the use of explosives, coal mining falls within the scope of ATF regulation.

Dodd-Frank Act

See 5.2.10 for certain Dodd-Frank Act issues impacting on the coal industry.

11.7 RESOURCES AND RESERVES REPORTING – AUSTRALIA AND THE UNITED STATES

In the Australian mining industry, the reporting of exploration results, Resources and Reserves are governed by the JORC Code. Reserves are subdivided, in order of increasing confidence, into Probable Reserves and Proved Reserves. Resources are subdivided, in order of increasing confidence, into Inferred Resources, Indicated Resources and Measured Resources. See Section 2.2.1.1 'Measuring the amount of coal through resources and reserves' for a description of Resources and Reserves and their respective sub-categories under the JORC Code. On 16 June 2016, the SEC proposed new disclosure requirements for companies that are engaged in mining operations and that would replace the its Industry Guide 7 (**SEC Industry Guide 7**). The SEC is aiming to finalise its new mining rules in 2018.

The reporting of Resources and Reserves in Australia under the JORC Code and in the United States under the current requirements adopted by the SEC in its Industry Guide 7 differ. The principal difference is the absence under SEC Industry Guide 7 of any provision for the reporting of estimates other than 'Proven (Measured)' or 'Probable (Indicated)' Reserves and, therefore, under SEC Industry Guide 7 there is no equivalent for 'resources' and such reporting is not generally permitted in SEC filings. When material other than Reserves is reported, SEC staff have informally permitted the reporting of 'mineralised material' or another similar term be used rather than 'resource'. By contrast, under the JORC Code, Resources may be published if they are categorised as Inferred, Indicated or Measured. Accordingly, investors should be aware that if the Company was reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any resources, and the amount of reserves the Company has estimated may be lower.

Under SEC Industry Guide 7, a 'reserve' is defined as 'that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination'. The term 'economically' is not defined but the SEC staff have interpreted it as requiring a 'bankable' final feasibility study. Reporting of reserves under SEC Industry Guide 7 requires current capital and operating cost models and, to the extent possible, the use of a commodity price equal to the historical three-year average price preceding publication of the reserve. For commodities sold under contract, such as coal, the contract price must be used for the duration of the contract. Outside the US, and under the JORC Code, preliminary feasibility studies are sufficient for the reporting of mineral reserves (whereas, the SEC has expressly stated that preliminary feasibility studies are not acceptable as proof that a reserve can be declared) and management's reasonable and supportable forward-looking price estimates can be used for reserve determinations.

'Proven (Measured) Reserves' are defined in SEC Industry Guide 7 as reserves for which (a) the quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes and grade or quality is 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' are defined in SEC Industry Guide 7 as reserves for which quantity and grade 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.

11.7.1 Summary of Resources and Reserves information

The statements of Resources and Reserves presented in this Prospectus for Coronado have been produced in accordance with the ASX Listing Rules Chapter 5 and the JORC Code. As stated in the 'Important Notices':

- the information in this Prospectus relating to the Resources at Coronado's Australian Operations is based on information compiled by Barry Saunders, who is a member of the AusIMM and the Australian Institute of Geoscientists. Mr Saunders, who is a director of QGESS Pty Ltd, has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code;
- the information in this Prospectus relating to the Reserves at Coronado's Australian Operations is based on information compiled by Paul Wood, who is a member of AusIMM. At the time of publicly reporting the Reserves, Mr Wood was an

11. Additional Information

employee of Wesfarmers Resources Ltd, and Mr Wood is currently an employee of Coronado Curragh Pty Ltd. Mr Wood has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code;

- the information in this Prospectus relating to the Resources at Coronado's US Operations is based on information compiled by J Scott Nelson, who is a Registered Member of the SME and the American Institute of Professional Geologists. Mr Nelson, who is employed by Marshall Miller & Associates, Inc., has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code; and
- the information in this Prospectus relating to the Reserves at Coronado's US Operations is based on information compiled by Justin Douthat, who is a Registered Member of SME. Mr Douthat, who is employed by Marshall Miller & Associates, Inc., has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the JORC Code.

Each Competent Person has given, and has not withdrawn their written consent to the:

- inclusion in this Prospectus of the Resources and Reserves information, which they have provided in relation to their respective deposits; and
- references to their name included herein in the form and context in which it appears and has authorised the inclusion of such information in this Prospectus.

Each of the Competent Persons accepts responsibility for the relevant Resources and Reserves information they have provided. To the best of the knowledge of each of the Competent Persons (each of whom has taken all reasonable care to ensure that such is the case), the relevant Resources and Reserves information they have provided and contained in this Prospectus is in accordance with the facts and has no omissions likely to affect the import of such information.

So far as Coronado is aware, none of the Competent Persons, Xstract or MM&A has any interests, including conflicting ones, that would be material to the Offer. However, each of Xstract and MM&A have undertaken a number of past engagements for Coronado (or its subsidiaries) that are not considered by Xstract or MM&A to be material to their reports but which have been disclosed in detail in the Xstract Report (2018) and the MM&A Report (2018) respectively.

It is currently expected that the Resources and Reserves estimates for both the US Operations and Australian Operations will be updated effective 31 December 2018. In addition, following its entry into the Supply Deed with Stanwell, Coronado Curragh will undertake a review of its mine plan and this review will inform the next update of its Resources and Reserves.

11.7.1.1 Australian Operations

All of the Resources and Reserves figures included for the Australian Operations represent estimates as at 30 June 2017, present the Resources in addition to Reserves and do not take depletion of Resources and Reserves since that date into account. However, the Xstract Report (2018) contains Reserve estimates by depletion at 30 June 2018. These estimates are not a re-estimation of the 30 June 2017 estimates of Reserves prepared by the relevant Competent Persons and do not include additional geological, mining, processing or other information. The Resources and Reserves for the Australian Operations have been previously reported in the Wesfarmers 2017 Annual Report available at the ASX website at www.asx.com.au. JORC Table 1 disclosures as required by clause 5 of the JORC Code supporting the Resources and Reserves estimates as at 30 June 2017 are included at Appendix B.

The Xstract Report (2018) is a technical assessment prepared in accordance with both the JORC Code and the VALMIN Code as at 10 August 2018. Xstract has been paid a fee for the preparation of this report (as outlined in Section 6.3.3) and has also provided details in the Xstract Report (2018) of work previously undertaken for Coronado (or its subsidiaries) in relation to the Australian Operations.

11.7.1.2 US Operations

All of the Resources and Reserves figures included for the US Operations represent estimates as at 31 December 2017. All of the Resources information is inclusive of Resources that have been converted into Reserves (i.e. Resources are not additional to Reserves).

The MM&A Report (2018) is a public report prepared in accordance with both the JORC Code and (other than as specifically identified) the VALMIN Code and it includes the Competent Persons' estimation of Resources and Reserves for the US Operations as at 31 December 2017. The JORC Table 1 disclosures as required by clause 5 of the JORC Code supporting the Resources and Reserves estimates as at 31 December 2017 are included as an appendix to the MM&A Report (2018). MM&A has been paid a fee for the preparation of this report (as outlined in Section 6.3.3) and has also provided details in the MM&A Report (2018) of work previously undertaken for Coronado (or its subsidiaries) in relation to the US Operations.

The MM&A Report (2018) does not comply with the following requirements that apply to 'Technical Assessments' (as defined in the VALMIN Code):

- The MM&A Report (2018) does not include a determination of the status of tenure (as required by paragraph 7.2 of the VALMIN Code) on the basis that tenure was separately reviewed by Coronado's legal advisers.
- The MM&A Report (2018) does not include separate commentary on the reasonableness and quality of the Resources and Reserves estimates for the US Operations and the basis on which they have been reported (as required by paragraph 7.3 of the VALMIN Code) because MM&A was engaged for the specific purpose of preparing those estimates. However, MM&A notes in its report that, in accordance with its usual practice, an independent team of MM&A employees undertook a peer review of the report and confirmed that both the process followed by the authors of the report and the estimates prepared by the Competent Persons were reasonable and the estimates comply with the requirements of the JORC Code.

11.8 RESALE RESTRICTIONS, US SECURITIES ACT AND REGULATION S

11.8.1 Introduction

The offer and sale of CDIs and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the CDIs nor the underlying Shares may be offered or sold in the United States or to, or for the account or benefit of, US Persons except in compliance with the registration requirements of the US Securities Act and any other applicable state securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. Except for the Seller (or its successors or permitted assigns or transferees) pursuant to the Registration Rights and Sell-Down Agreement entered into with the Company (as described in Section 11.5.2) no holder of CDIs or Shares will have the right to require the Company to register its CDIs or Shares under the US Securities Act.

The CDIs and the underlying Shares being offered and sold in the Offer will be 'restricted securities' for purposes of Rule 144 under the US Securities Act. Offers and sales of the CDIs and the underlying Shares to investors outside the United States that are not, and are not acting for the account or benefit of, US Persons in the Institutional Offer and Broker Firm Offer are being conducted in a manner exempt from registration under the US Securities Act pursuant to Regulation S and Rule 144A. By virtue of being a Delaware corporation, the Company is a US domestic issuer for purposes of the US Securities Act.

11.8.2 Offer and Secondary Market Procedures under the ASX No Action Letter

Because equity securities in Australia are "uncertificated" and the ASX does not have the ability to strictly implement the certification requirement, stop-transfer requirement and distributor confirmation requirement of Category 3 of Regulation S, the ASX sought and obtained a "no action" letter from the staff of the SEC in January 2000 that sets forth the proposed procedures to be followed for securities offered and sold by U.S. domestic issuers on the ASX that are not registered under the Securities Act (the **ASX No Action Letter**).

The Company intends to implement procedures in connection with the Offer and secondary market transactions during the Distribution Compliance Period (the **Offer and Secondary Market Procedures**) that are consistent with the ASX No Action Letter procedures, other than in respect of the procedures that would allow QIBs in the United States or that are US Persons to purchase CDIs in the secondary market over the ASX in transactions complying with Rule 144A.

The CDIs issued under the Offer will be classified as 'FOR Financial Products' under the ASX Settlement Operating Rules, and will be identified with a tag that prohibits secondary market resales to investors in the United States or that are otherwise US Persons, unless such investor is a QIB, during the Distribution Compliance Period. If a person in the United States or a US Person (or a person acting for the account or benefit of a US Person) that is not a QIB acquires CDIs in the secondary market over the ASX during the Distribution Compliance Period, such CDIs will be divested under the ASX Settlement Operating Rules.

The CDIs issued under the Offer will be classified as 'FOR Financial Products' under the ASX Settlement Operating Rules, and will be identified with a tag that prohibits secondary market resales to investors in the United States or that are otherwise US Persons that are not QIBs during the Distribution Compliance Period. If a person in the United States or a US Person (or a person acting for the account or benefit of a US Person) that is not a QIB acquires CDIs in the secondary market over the ASX during the Distribution Compliance Period, such CDIs will be divested under the ASX Settlement Operating Rules.

11. Additional Information

Further details on the Offer and Secondary Market Procedures are set forth below.

11.8.2.1 ASX Notification to ASX Participants

During the Distribution Compliance Period, ASX Settlement will implement various procedures designed to ensure compliance with the restrictions imposed by US securities laws on the CDIs, including (but not limited to) the following:

- advise ASX participating organizations (**ASX Participants**) that, during the Distribution Compliance Period, no transaction on the ASX involving the CDIs will be effected if such participant has knowledge that the purchaser is in the United States or is a US Person, unless the purchaser is a QIB (an **Excluded US Person**);
- circulate to all ASX Participants via electronic bulletins: (1) details of what constitutes an Excluded US Person; and (2) notification details of the CDIs and the zero percent permitted ownership level of CDIs by Excluded US Persons;
- cause the description of the CDIs on the ASX trading screens and elsewhere (e.g. Bloomberg and IRESS) to include an identifier to indicate the restrictions the CDIs are subject to under US securities laws during the Distribution Compliance Period; and
- include in the holding statement provided by ASX Settlement to investors who hold their CDIs in the CHESS Sponsored Sub-register (as defined below) a description of the fact that the purchaser now holds a restricted security and is subject to the offer and resale restrictions of the CDI during the Distribution Compliance Period, which shall read 'These securities cannot be transferred to or held by US Persons that are not QIBs (each as defined under U.S. law)'.

11.8.2.2 Company Procedures and Restrictions

In addition, consistent with the ASX No Action Letter, the Company will adopt procedures as part of the Offer and Secondary Market Procedures to:

- include disclosure in this prospectus that all purchasers from a distributor in the Offer will be deemed to have made representations regarding their non-US Person or QIB status, as well as agreements regarding restrictions on resale and hedging under Regulation S and, where appropriate, Rule 144A;
- ensure that any certificated securities, including global securities, certificates into which global certificates may be subdivided, and any physical, certificated securities issued to holders of CDIs prior to the expiration of the Distribution Compliance Period, will bear appropriate restrictive legends, and any definitive securities that are issued during the Distribution Compliance Period, other than a transaction in compliance with Rule 144A, will satisfy the requirements of Rule 903(b)(3)(iii)(B) under the US Securities Act, including the legending requirement and Certification Requirement;
- ensure that any information provided by the Company or the Managers to publishers of publicly available databases about the terms of any new issuance of CDIs offered and sold in reliance on Regulation S and, if applicable, Rule 144A will include a statement that neither the CDIs nor the underlying Shares have been registered under the US Securities Act and are subject to restrictions under Regulation S and, if applicable, Rule 144A;
- require that any CDIs or Shares bearing the legend set forth in Rule 903(b)(3)(iii)(B)(3) under the US Securities Act may not be transferred by the Company's Share Registry or other transfer agent during the Distribution Compliance Period without a favorable opinion of counsel or other assurance that the transfer complies fully with the US Securities Act; and
- provide notification of the Regulation S/Rule 144A status of its CDIs and underlying Shares in shareholder communications, such as annual reports, periodic interim reports and its notices of shareholder meetings during the Distribution Compliance Period.

11.8.2.3 Manager and ASX Participation Restrictions

As part of the Offer and Secondary Market Procedures:

- whether in the Offer or in secondary market trading during the Distribution Compliance Period, no ASX Participants may execute a transaction over the ASX in the CDIs if that broker knows, or has reason to know, that the transaction has been pre-arranged with, or that the purchaser is, a person in the United States or a US Person or a person acting for the account or benefit of a US Person, in each case, unless that purchaser is a QIB in transactions complying with Rule 144A;
- in connection with any purchase of CDIs, whether in the Offer or in secondary market trading, each of the Managers and any other ASX Participants must make all reasonable efforts to ascertain whether the purchaser is in the United States or a US Person or acting for the account or benefit of a US Person, or that the purchaser is a QIB, and implement measures designed to assure reasonable compliance with this requirement;

- the confirmation sent to each applicant in the Offer and each purchaser of CDIs in secondary market trading across the ASX prior to the expiration of the Distribution Compliance Period, will include a confirmation or notice to the purchaser of the CDIs that the CDIs are subject to restrictions on offers, sales and resales to comply with Regulation S and Rule 144A; and
- during the Distribution Compliance Period, any information provided by a Manager to publishers of publicly available databases, such as Bloomberg and Reuters, about the terms of the issuance of the CDIs must include a statement that the CDIs have not been registered under the US Securities Act and are subject to restrictions to comply with Regulation S and Rule 144A.

11.8.2.4 Legending

As described further in Section 11.3 of the Prospectus, the Company will operate:

- an uncertificated book-entry US register of Shares (**the Share Register**) maintained by the Share Registry;
- an uncertificated issuer sponsored sub-register of CDIs (**the Issuer Sponsored Sub-register**) maintained by the Share Registry; and
- an uncertificated CHESS sponsored sub-register of CDIs in Australia (**the CHESS Sponsored Sub-register**) maintained by ASX Settlement.

The Share Register will be the register of legal title of Shares. It will reflect legal ownership by CDN, the depositary for the CDIs, of the Shares underlying the CDIs, with the Shares held by CDN recorded on the Share Register in book-entry form.

Although the Shares will be held in uncertificated book-entry form, the legend below (**the Share Legend**) will be included in the holding statement provided to holders of Shares by the Share Registry and will therefore bind the holder of Shares (including CDN) unless the Company determines otherwise in accordance with applicable law:

"THE SECURITIES REPRESENTED HEREBY AND ANY BENEFICIAL INTERESTS THEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE SECURITIES REPRESENTED HEREBY AND ANY BENEFICIAL INTERESTS THEREIN ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144(a)(3) UNDER THE U.S. SECURITIES ACT.

THE HOLDER HEREOF, BY ACQUIRING THESE SECURITIES OR ANY BENEFICIAL INTERESTS THEREIN, AGREES FOR THE BENEFIT OF CORONADO GLOBAL RESOURCES INC. (THE "COMPANY") THAT THESE SECURITIES AND ANY BENEFICIAL INTERESTS THEREIN MAY BE OFFERED, SOLD, REOFFERED, RESOLD, PLEDGED, DELIVERED, DISTRIBUTED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (I) (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, "U.S. PERSONS" (AS DEFINED IN RULE 902(k) UNDER THE U.S. SECURITIES ACT) IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN RULE 902(h) UNDER THE U.S. SECURITIES ACT) COMPLYING WITH REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT THAT IS NOT THE RESULT OF ANY "DIRECTED SELLING EFFORTS" (AS DEFINED IN RULE 903(c) UNDER THE U.S. SECURITIES ACT), (C) IN ACCORDANCE WITH ANOTHER APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, INCLUDING, SO LONG AS THE SECURITIES REPRESENTED HEREBY AND ANY BENEFICIAL INTERESTS THEREIN ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) ("QIB") PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ONE OR MORE OTHER QIBs IN ONE OR MORE TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PURSUANT TO RULE 144A THEREUNDER, OR (D) IN A TRANSACTION REGISTERED UNDER THE U.S. SECURITIES ACT (WHICH IT ACKNOWLEDGES THE COMPANY IS UNDER NO OBLIGATION TO DO EXCEPT AS MAY BE SET FORTH IN ANY REGISTRATION RIGHTS AND SELL-DOWN AGREEMENT THAT HAS BEEN OR MAY BE ENTERED INTO AMONG THE COMPANY AND CORONADO GROUP LLC SOLELY FOR THE BENEFIT OF CORONADO GROUP LLC), AND, IN EACH CASE, IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND (II) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS. THE COMPANY UNDERTAKES NO OBLIGATION TO SATISFY THE REQUIREMENTS FOR ANY EXEMPTION OR SAFE HARBOR FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT TO FACILITATE ANY REALES OF THESE SECURITIES.

BENEFICIAL INTERESTS IN THE SECURITIES REPRESENTED HEREBY MAY BE HELD IN THE FORM OF CHESS DEPOSITARY INTERESTS ("CDIs"). BY ACQUIRING ANY CDIs OR ANY BENEFICIAL INTERESTS THEREIN, THE HOLDER THEREOF AGREES FOR THE BENEFIT OF THE COMPANY THAT ANY SUCH CDIs OR BENEFICIAL INTERESTS THEREIN MAY ONLY BE OFFERED, SOLD, REOFFERED, RESOLD, PLEDGED, DELIVERED, DISTRIBUTED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN ACCORDANCE WITH ANY RESTRICTIONS APPLICABLE TO TRANSFERS OF SUCH CDIs IMPOSED BY THE AUSTRALIAN SECURITIES EXCHANGE OR ANY SUCCESSOR OR REPLACEMENT SECURITIES EXCHANGE ("ASX").

11. Additional Information

PRIOR TO PERMITTING ANY TRANSFER, THE COMPANY MAY REQUEST (X) THAT THE TRANSFEROR AND/OR TRANSFEREE PROVIDE DECLARATIONS AND CERTIFICATIONS TO THE COMPANY AND THE SHARE REGISTRY IN SUCH FORM AS THE COMPANY MAY PRESCRIBE FROM TIME TO TIME, INCLUDING THAT THE TRANSFEREE IS EITHER (I) NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S), IS PURCHASING THESE SECURITIES OR ANY BENEFICIAL INTERESTS THEREIN IN A TRANSACTION COMPLYING WITH REGULATION S AND IS NOT HOLDING THE SECURITIES FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON OR (II) IS A QIB AND IS PURCHASING THESE SECURITIES OR ANY BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT OR THE ACCOUNT OF ONE OR MORE OTHER QIBs IN ONE OR MORE TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PURSUANT TO RULE 144A THEREUNDER (IF AVAILABLE) AND/OR (Y) THAT AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY BE DELIVERED TO THE COMPANY THAT SUCH TRANSFER IS TO BE EFFECTED IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S OR RULE 144A (IF AVAILABLE) UNDER THE U.S. SECURITIES ACT OR IS OTHERWISE EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

HEDGING TRANSACTIONS INVOLVING THE SECURITIES OR ANY BENEFICIAL INTERESTS THEREIN MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

THE HOLDER HEREOF FURTHER AGREES THAT THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES TRANSMUTED TO CDIs WILL BE SUBJECT TO A HOLDING LOCK THAT WILL PREVENT THE HOLDER FROM TRANSFERRING SUCH SECURITIES OR CDIs FOR SO LONG AS ANY RESTRICTIONS APPLICABLE TO TRANSFERS OF THE CDIs IMPOSED BY THE ASX REMAIN IN PLACE AND SUCH SECURITIES (OR THE CDIs FROM WHICH THEY WERE TRANSMUTED) HAVE BEEN HELD FOR AT LEAST ONE YEAR BY NON-AFFILIATES OF THE COMPANY AND ARE SOLD PURSUANT TO RULE 144 UNDER THE U.S. SECURITIES ACT, UNLESS THE COMPANY OTHERWISE DETERMINES TO REMOVE SUCH HOLDING LOCK.

NO AFFILIATE (AS DEFINED IN RULE 405 OF THE U.S. SECURITIES ACT) OF THE COMPANY OR PERSON THAT HAS BEEN, IN THE IMMEDIATELY PRECEDING THREE MONTHS, AN AFFILIATE OF THE COMPANY MAY PURCHASE, OTHERWISE ACQUIRE OR HOLD THE SECURITIES OR A BENEFICIAL INTEREST THEREIN AND ANY ACQUISITION OF THE SECURITIES EVIDENCED HEREBY OR ANY BENEFICIAL INTEREST THEREIN BY SUCH AN AFFILIATE OR PERSON SHALL BE NULL AND VOID AB INITIO, PROVIDED THAT THE SECURITIES OR A BENEFICIAL INTEREST THEREIN MAY BE ACQUIRED BY SUCH AN AFFILIATE OR PERSON SO LONG AS THE ACQUIRER DOES NOT HOLD THE SECURITY OR A BENEFICIAL INTEREST THEREIN IN THE FORM OF CDIs REPRESENTING THE SECURITIES OR, IF SUCH AFFILIATE ACQUIRES ANY CDIs REPRESENTING THE SECURITIES IT IMMEDIATELY TRANSMUTES THOSE CDIs INTO SHARES OF COMMON STOCK OF THE COMPANY.

THE HOLDER WILL AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITIES OR ANY BENEFICIAL INTERESTS THEREIN FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. AS PROVIDED IN THE BYLAWS OF THE COMPANY, THE COMPANY OR THE SHARE REGISTRAR MAY REFUSE TO REGISTER ANY TRANSFER OF THE SECURITIES OR ANY BENEFICIAL INTERESTS THEREIN NOT MADE IN ACCORDANCE WITH THE RESTRICTIONS ABOVE.

THE FOREGOING RESTRICTIONS SHALL REMAIN IN PLACE UNTIL SUCH TIME AS THE COMPANY DETERMINES IT IS APPROPRIATE TO REMOVE THEM.

BY ITS ACQUISITION HEREOF, OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER REPRESENTS THAT IT IS PERMITTED TO ACQUIRE SUCH AN INTEREST AS SET FORTH IN THIS LEGEND AND AGREES TO COMPLY WITH THE FOREGOING RESTRICTIONS."

The Issuer Sponsored Sub-register and the CHESs Sponsored Sub-register combine to make up the register of beneficial ownership of the Shares underlying the CDIs. As CDIs represent beneficial interests in underlying Shares, holders of CDIs will also be bound by the restrictions set forth in the Share Legend during the Distribution Compliance Period to the extent they relate to their beneficial interests until the Company determines to remove the Share Legend, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring such CDIs for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place or such CDIs are 'restricted securities' as defined under Rule 144(a)(3) under the US Securities Act, unless the Company otherwise determines to remove such holding lock. **Investors should note that it is possible that the Distribution Compliance Period could be extended beyond one year, and therefore there can be no assurance that the Share Legend will ever be removed from the Shares.**

Notice of the foregoing restrictions will be provided to investors that hold their CDIs through the Issuer Sponsored Sub-register and the CHESs Sponsored Sub-register through the inclusion of the message 'Transfer of these securities to, and holding of these securities by, US Persons that are not QIBs (each as defined under U.S. law) is prohibited' and in the holding statement they receive from the Share Registry and ASX Settlement, respectively. In addition, the Share Registry will advise each new holder appearing on the Issuer Sponsored Sub-register or the CHESs Sponsored Sub-register during the Distribution Compliance Period that the Shares underlying the CDIs are subject to the restrictions set forth in that Share Legend, and that by virtue of the CDIs representing beneficial interests in those Shares that holders of the CDIs are subject to the restrictions in that Share Legend until such time as the Company determines it is appropriate to remove them.

During the Distribution Compliance Period no transactions in the CDIs can be effected through the ASX if the ASX Participant effecting the transaction knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, an Excluded US Person.

11.8.2.5 Transmutation

If a holder of CDIs wishes to transmute its CDIs into Shares, it can contact the Share Registry and request that such conversion be made. However, investors should be aware that any such Shares will remain 'restricted securities' (as defined in Rule 144 under the US Securities Act) during the Distribution Compliance Period, and that a holder of Shares will be bound by the restrictions contained in the Share Legend until such time as the Company determines it is appropriate to remove it. As indicated above, there can be no assurance that the Distribution Compliance Period will not be extended or, accordingly, that the Share Legend will ever be removed from the Shares.

If a holder of Shares wishes to transmute its Shares into CDIs, it can contact the Share Registry and request that such conversion be made. See Section 11.3 for further information. However, as with the Shares, any such CDIs will remain 'restricted securities' (as defined in Rule 144 under the US Securities Act) during the Distribution Compliance Period. Further, a holder that wishes to transmute its Shares into CDIs during the Distribution Compliance Period must comply with the restrictions set forth in the Share Legend until it is removed by the Company, including the restriction that any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring those CDIs for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place or such CDIs are 'restricted securities' as defined under Rule 144(a)(3) under the US Securities Act, unless the Company otherwise determines to remove that holding lock. As CDIs represent beneficial interests in underlying Shares, holders of CDIs transmuted from Shares will continue to be bound by the restrictions set forth in the Share Legend above to the extent they relate to their beneficial interests until that Share Legend is removed by the Company. As indicated above, there can be no assurance that the Distribution Compliance Period will not be extended or, accordingly, that the Share Legend will ever be removed from the Shares.

11.8.2.6 Restricted Securities and Affiliates

Each affiliate of the Company at the time of Settlement will deliver a letter to the Company acknowledging and agreeing that: (a) it may not acquire any CDIs unless it immediately submits such CDIs to the Share Registry for transmutation into Shares bearing the Share Legend; and (b) any CDIs transmuted from Shares will be subject to a holding lock that will prevent the holder from transferring such CDIs for so long as any restrictions applicable to transfers of the CDIs imposed by the ASX remain in place or such CDIs are 'restricted securities' as defined under Rule 144(a)(3) under the Securities Act, unless the Company otherwise determines to remove such holding lock. In addition, any person who becomes an affiliate during the Distribution Compliance Period must also deliver a letter to the Company acknowledging and agreeing to the same.

Any Shares or CDIs acquired from the Company or its affiliates will be deemed to be 'restricted securities' (as defined in Rule 144 under the US Securities Act) unless and until they cease to be restricted securities under Rule 144. Resales of any such restricted securities must be made in accordance with Regulation S, the registration requirements of the US Securities Act or an exemption from such registration requirements and, in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions. Subject to various conditions, including the availability of current information regarding the Company, applicable holding periods and volume and manner of sale restrictions, Rule 144 may be available for resales of Shares or CDIs by affiliates of the Company. Such resales of Shares or CDIs by affiliates must be conducted in accordance with the Share Legend and any other applicable laws. Such resales of CDIs must be conducted in accordance with the Share Legend and any other applicable laws, and prior to such resale the Company would need to remove the holding lock on such Shares or CDIs, which it may or may not do in its discretion.

11.8.3 On-Market Transfers in the Secondary Market

During the Distribution Compliance Period, CDIs may be reoffered and resold in standard (regular) way brokered transactions on the ASX where neither the seller nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the United States or is, or is acting for the account or benefit of, a US Person in accordance with Regulation S, unless, in either case, that person is a QIB acquiring CDIs in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder (if available). Such reoffers and resales must also otherwise be conducted in compliance with the applicable Offer and Secondary Market Procedures.

11. Additional Information

11.8.4. Off-Market Transfers in the Secondary Market

11.8.4.1 CDIs

It is possible to transfer CDIs in off-market transactions outside of the ASX through the Issuer Sponsored Sub-register or the CHESS Sponsored Sub-register, as well as between those two sub-registers. CDIs transferred in off-market transactions outside of the ASX may only be reoffered and resold in accordance with Regulation S or Rule 144A. Off-market transfers involving the CHESS Sponsored Sub-register are performed by ASX Participants rather than the Share Registry, and are subject to the Offer and Secondary Market Procedures applicable to ASX Participants described above. Before settling an off-market transfer that occurs on the Issuer Sponsored Sub-register, the Share Registry will require certification from the transferee of the following:

- it will be the sole registered and beneficial owner of the CDIs that it intends to acquire;
- if it is outside the United States, it is not a US Person and is not acting for the account or benefit of, a US Person, and it is purchasing the CDIs in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the US Securities Act and it is not purchasing the CDIs as a result of any 'directed selling efforts' (as defined in Rule 903(c) under the US Securities Act);
- if it is in the United States or is, or is acting for the account of, a US Person, it is a QIB that is purchasing the CDIs in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder;
- if it is, or has been in the preceding three months, an 'affiliate' (as defined in Rule 405 of the US Securities Act) of the Company it has not and will not acquire any CDIs unless it has submitted, or immediately will submit, such CDIs to the Share Registry for transmutation into Shares;
- it understands and acknowledges that the CDIs it wishes to acquire have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and are 'restricted securities' (as defined in Rule 144 under the US Securities Act) and the Company undertakes no obligation to satisfy the requirements for any exemption or safe harbor from the registration requirements of the US Securities Act to facilitate any resales of the CDIs, and the CDIs may not be offered, sold, pledged or otherwise transferred by such purchaser except: (i) to the Company; (ii) in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the US Securities Act; (iii) pursuant to an effective registration statement under the US Securities Act (which the Company has no obligation to prepare or file, except pursuant to the Registration Rights and Sell-Down Agreement); or (iv) pursuant to an exemption from the registration requirements of the US Securities Act, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;
- notwithstanding the foregoing bullet, it understands and acknowledges that during the Distribution Compliance Period, the CDIs may only be reoffered and resold either (i) in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the US Securities Act; or (ii) in a transaction exempt from registration under the US Securities Act pursuant to Rule 144A thereunder, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;
- the Company may refuse to register any transfer of the CDIs not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration and, in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;
- that during the Distribution Compliance Period it will not enter into any hedging transactions involving the CDIs, directly or indirectly, unless in compliance with the US Securities Act;
- it agrees to, and each subsequent holder is required to, notify any transferee of the CDIs from it of the resale restrictions referred to above, if then applicable (recognising that the Offer Procedures provide for this to be done automatically for CDIs transferred over the ASX);
- it acknowledges that, prior to any proposed transfer of CDIs other than pursuant to an effective registration statement, it will be required to provide certifications and other documentation relating to its ability to transfer CDIs in compliance with the restrictions set forth above, including (if applicable) that the transferee is not in the United States and is not a US Person or acting for the account or benefit of a US Person, unless, in each case, it is a QIB that is purchasing the CDIs in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder (if available);
- it understands and acknowledges that during the Distribution Compliance Period the Company is not obligated to file (except as may be set forth in the Registration Rights and Sell-Down Agreement) and has no present intention of filing with the SEC or with any state securities regulatory authority any registration statement in respect of registering any offers, sales, reoffers or resales of the CDIs under the US Securities Act;

- it acknowledges that during the Distribution Compliance Period the Shares underlying the CDIs will bear the Share Legend unless the Company determines otherwise in compliance with applicable law; and
- it acknowledges that the Company, the Seller and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of CDIs is no longer accurate, it will promptly notify the Company and the Seller.

11.8.4.2 Shares

Currently, there is no market for the Shares. However, it is possible to transfer Shares through the Share Register. See Section 11.3 for further information. Shares transferred through the Share Register may only be reoffered and resold where neither the seller nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a person in the United States or is, or is acting for the account or benefit of, a US Person, in accordance with Regulation S, unless, in either case, that person is a QIB that is purchasing the Shares in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder. Before settling such a transfer, the Share Registry will require certification from the transferee of the following:

- it will be the sole registered and beneficial owner of the Shares that it intends to acquire;
- if it is outside the United States, it is not a US Person and is not acting for the account or benefit of a US Person, and it is purchasing the Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the Securities Act and it is not purchasing the Shares as a result of any 'directed selling efforts' as defined in Rule 903(c) under the US Securities Act;
- if it is in the United States or is, or is acting for the account of, a US Person, it is a QIB and is purchasing the Shares in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder;
- if it is, or has been in the preceding three months, an 'affiliate' (as defined in Rule 405 of the US Securities Act) of the Company it has not and will not acquire any CDIs unless it has submitted, or immediately will submit, such CDIs to the Share Registry for transmutation into Shares;
- it understands and acknowledges that the Shares that it wishes to acquire have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and are 'restricted securities' within the meaning of Rule 144 under the US Securities Act and the Company undertakes no obligation to satisfy the requirements for any exemption or safe harbor from the registration requirements of the US Securities Act to facilitate any resales of the Shares, and the Shares may not be offered, sold, pledged or otherwise transferred by such purchaser except: (i) to the Company; (ii) in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the US Securities Act; (iii) pursuant to an effective registration statement under the US Securities Act (which the Company has no obligation to prepare or file, except pursuant to the Registration Rights and Sell-Down Agreement); or (iv) pursuant to an exemption from the registration requirements of the US Securities Act, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;
- the Company may refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration and, in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;
- that during the Distribution Compliance Period it will not enter into any hedging transactions involving the Shares, directly or indirectly, unless in compliance with the US Securities Act;
- it agrees to, and each subsequent holder is required to, notify any purchaser of the Shares from it of the resale restrictions referred to above, if then applicable;
- it acknowledges that, prior to any proposed transfer of Shares other than pursuant to an effective registration statement, the transferee of Shares will be required to provide certifications and other documentation relating to its ability to transfer Shares in compliance with the restrictions set forth above, including (if applicable) that the transferee is not in the United States and is not a US Person or acting for the account or benefit of a US Person, unless, in either case, it is a QIB that is purchasing the Shares in one or more transactions exempt from registration under the US Securities Act pursuant to Rule 144A thereunder (if available);
- it understands and acknowledges that during the Distribution Compliance Period the Company is not obligated to file (except as may be set forth in the Registration Rights and Sell-Down Agreement) and has no present intention of filing with the SEC or with any state securities regulatory authority any registration statement in respect of registering any offers, sales, reoffers or resales of the Shares under the US Securities Act;

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- it acknowledges that during the Distribution Compliance Period the Shares will bear the Share Legend unless the Company determines otherwise in compliance with applicable law; and
- it acknowledges that the Company, the Seller and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and warranties and agrees that if any such acknowledgement, representation or warranty deemed to have been made by virtue of its purchase of Shares is no longer accurate, it shall promptly notify the Company and the Seller.

11.8.5 Possible Extension of Distribution Compliance Period

Due to the nature of the ASX trading system, the restricted stock identifier and associated transfer restrictions will remain on the CDIs during the Distribution Compliance Period, which is expected to last until one year after Settlement. The CDIs will no longer bear such restricted stock identifier and associated transfer restrictions after the Distribution Compliance Period ends, subject to approval by the ASX and delivery of certain opinions and unless required by applicable law. The Company can provide no assurance that the ASX will approve such removal or that the Company will be able to deliver or obtain any required certificates or opinion to effectuate such removal. If that is the case, the restrictions imposed during the Distribution Compliance Period will continue indefinitely.

In addition, the Distribution Compliance Period may restart if, among other reasons, the Company determines to issue additional CDIs, or following the Offer an affiliate of the Company sells CDIs pursuant to Regulation S. If this were to occur, the Distribution Compliance Period would restart as at the date of such offer and sale of CDIs. **Any such extension or continuation of the Distribution Compliance Period could have an adverse effect on your ability to resell the CDIs or the liquidity of, or trading price for, the CDIs on the ASX.**

As discussed in Section 1.1.7, although the Company is currently not registered under the US Exchange Act, the Company expects that it may be required to register its Shares under the US Exchange Act in the future. See Section 11.8.7 for a discussion of the circumstances under which the Company will be required to register its Shares under the US Exchange Act. In the event that the Company is required to register its Shares under the US Exchange Act prior to the expiration of the Distribution Compliance Period, investors should note that the CDIs issued under the Offer will still be subject to the transfer restrictions applicable during the Distribution Compliance Period. Accordingly, the CDIs may not, at such time, be freely tradeable on the ASX. In addition, if the Company were to list its CDIs or Shares on a national securities exchange in the United States (such as the New York Stock Exchange) prior to the termination of the Distribution Compliance Period, purchases by QIBs on the ASX pursuant to Rule 144A would no longer be permitted for certain resales of CDIs or Shares sold after such a listing on a national securities exchange in the United States. While US Persons, including QIBs, could purchase CDIs or Shares on the New York Stock Exchange at such time, there is no assurance that a liquid market for such CDIs or Shares will exist at such time, or at all.

Once the Distribution Compliance Period has expired and the restricted stock identifier has been removed, the CDIs and the underlying Shares could be offered, sold and resold to investors in the United States in transactions registered under the US Securities Act or pursuant to certain exemptions from the registration requirements of the US Securities Act.

11.8.6 Representations of Applicants Acquiring CDIs under the Offer

Each applicant acquiring CDIs under the Offer will be deemed to have represented, warranted and agreed as follows:

1. if you are outside the United States, you are not, nor are you acting for the account or benefit of, a US Person, and you have received, read and reviewed the Prospectus;
2. if you are in the United States, or are acting for the account or benefit of, or are a US Person, you represent that (a) you are either: (i) a QIB and you are purchasing the CDIs for your own account or for the account of one or more other QIBs as to which you have and are exercising investment discretion and not with a view to any resale or distribution thereof, and you are aware that the Managers may be relying on the exemption from the registration requirements of the US Securities Act provided by Rule 144A and you understand that the CDIs are subject to restrictions on resale (described in the Share Legend above); or (ii) an Eligible US Fund Manager, and you are subscribing for or purchasing the CDIs in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act); and (b) you have received, read and reviewed the US Offering Memorandum, and you agree that you have held and will hold the US Offering Memorandum in confidence, it being understood that any information you receive is intended solely for you and you shall not redistribute or duplicate it. You consent to delivery of the US Offering Memorandum by means of electronic delivery;

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3. if you are a QIB or are, or are acting for the account or benefit of, a US Person, you have not purchased the CDIs as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, and if you are an Eligible US Fund Manager or are outside the United States and are not, and are not acting for the account or benefit of, a US Person, you have not purchased the CDIs as a result of any “directed selling efforts” (within the meaning of Rule 902(c) of Regulation S);
 4. you are entitled to participate in the Offer under the laws of the jurisdiction in which you receive the Prospectus or US Offering Memorandum, as applicable, or any other applicable laws;
 5. if you are acquiring the CDIs for one or more investor accounts for which you are acting as fiduciary or agent, you represent that you have sole investment discretion with respect to each such account and you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
 6. you acknowledge that you have received or have been provided with access to such information concerning the Company, the CDIs and Shares, including, without limitation, the Prospectus or US Offering Memorandum, as applicable, and have been given the opportunity to ask such questions of, and receive answers from, the Company’s representatives, as you deem sufficient to make an informed investment decision with respect to an investment in the CDIs. You further acknowledge that you have not relied on any of the Managers or any person affiliated with any of the Managers in connection with your investigation of the accuracy of that information or your investment decision and that, in making an investment decision, you have relied on your own examination of the Company and the terms of the Prospectus or US Offering Memorandum, as applicable, including the merits and risks involved;
 7. you and each other investor, if any, for whose account you are acquiring any CDIs, understand that it may be necessary to hold the CDIs indefinitely and you must continue to bear the economic risk of the investment in the CDIs unless and until the CDIs are registered under the US Securities Act (which you acknowledge that neither the Company nor the Seller have any obligation to do, except pursuant to the Registration Rights and Sell-Down Agreement) or an exemption from registration under the US Securities Act is available. You and each other investor, if any, for whose account you are acquiring any CDIs, have (a) the financial ability to bear the economic risk of the investment in the CDIs, (b) adequate means to provide for your or their current needs and other contingencies and to withstand the loss of the entire investment in the CDIs and (c) no need for liquidity with respect to the investment in the CDI;
 8. you have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a purchase of the CDIs and the underlying Shares for yourself and each investor, if any, for whose account you are acquiring any CDIs, and you have determined that the CDIs are a suitable investment for yourself and each investor, if any, for whose account you are acquiring any CDIs, both in the nature and the number of the CDIs being acquired;
 9. you consent to the Company making a notation on its records and/or giving instructions to the Share Registry for the CDIs or the underlying Shares in order to implement and enforce the restrictions on transfer set forth and described in this Prospectus and in the Share Legend;
 10. you have made and relied upon your own investigation and assessment of the Offer, the CDIs, the Shares and the Company, including, without limitation, the United States federal income tax consequences to you of the Offer and the purchase, ownership and disposition of the CDIs and the Shares, in light of your particular situation as well as any other relevant taxing jurisdiction;
 11. you understand that the offer and sale of CDIs and the underlying Shares has not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, and, accordingly, neither the CDIs nor the underlying Shares may be offered, sold, resold, transferred or otherwise disposed of, directly or indirectly, in the United States or to, or for the account or benefit of, US Persons unless they are registered under the US Securities Act (which you acknowledge that neither the Company nor the Seller have any obligation to do, except pursuant to the Registration Rights and Sell-Down Agreement) and applicable US state securities laws, or offered and sold pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws.
 12. notwithstanding paragraph (11) above, you understand and acknowledge that for so long as the CDIs are subject to the restrictions on reoffers and resales of the CDIs imposed by the ASX, the CDIs may only be reoffered and resold either (a) in an ‘offshore transaction’ (as defined in Rule 902(h) under the US Securities Act) complying with Regulation S under the US Securities Act; or (b) in a transaction exempt from registration under the US Securities Act pursuant to Rule 144A thereunder, and in each case, in accordance with all applicable securities laws of the states of the United States and any other applicable jurisdictions;

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13. you understand and acknowledge that the Company is not obligated to file (except as may be set forth in the Registration Rights and Sell-Down Agreement) and has no present intention of filing with the SEC or with any state securities regulatory authority any registration statement under the Securities Act in respect of resales of the CDIs or the Shares;
14. you have not engaged, and will not engage, in any hedging transactions involving the CDIs or the Shares unless in compliance with the US Securities Act;
15. you are not, and have not been in the preceding three months, an 'affiliate' (as defined in Rule 405 of the US Securities Act) of the Company and you agree that no affiliate of the Company or person that has been, in the preceding three months, an affiliate of the Company may purchase, otherwise acquire or hold the CDIs or a beneficial interest therein and any acquisition of CDIs by such an affiliate or person shall be null and void ab initio, provided that the CDIs may be acquired by such an affiliate or person so long as the acquirer immediately submits them for transmutation into Shares;
16. you covenant and agree that if in the future you or any other person for whose account you are acquiring the CDIs decides to offer, resell, pledge or otherwise transfer any CDIs or Shares, you will do so solely, and you will inform such other person that it may only do so, only in accordance with the offer and resale restrictions contained herein, including the applicable Offer and Secondary Market Procedures, and in the Share Legend. You agree that the Company, in its sole discretion, may require the delivery of such documents or other evidence, in form and substance satisfactory to it in its absolute discretion, that the Company deems necessary or appropriate to evidence satisfactory compliance with this paragraph (16);
17. except for the sale of CDIs in standard (regular) way brokered transactions on the ASX, you agree that you will (or, in the case of an investor for whose account you are purchasing the CDIs, you will inform such investor that it must) obtain an agreement for the benefit of the Company of any person to whom any CDIs or Shares are sold or otherwise transferred, prior to any such transfer, that such person will be bound by these acknowledgements, representations and warranties, including those set forth in paragraph (16) above;
18. you acknowledge and understand that the Company is required to refuse to register any transfer of the CDIs or Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act or pursuant to another applicable exemption from the registration requirements under the US Securities Act;
19. you acknowledge and understand that the Distribution Compliance Period may be extended beyond one year, including in the event that the Company issues CDIs or Shares, or an affiliate of the Company sells CDIs or Shares, in either case pursuant to Regulation S, during the Distribution Compliance Period, and that, accordingly, such Distribution Compliance Period may continue indefinitely;
20. if you, any of your affiliates or any person acting on your or their behalf sell CDIs to any distributor, dealer or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the Distribution Compliance Period, you will send a confirmation or notice to the purchaser of CDIs stating that the purchaser is subject to the same restrictions on offers and sales that apply to you, including those set forth in this Section 11.8 and a confirmation or notice substantially to the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be offered and sold within the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) that is not a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) (i) as part of their distribution at any time or (ii) until at least the expiry of one year after the later of (a) the time when the securities are first offered to persons other than distributors in reliance upon Regulation S and (b) the date of closing of the relevant offer of the securities, or such longer period as may be required under applicable law, except pursuant to an effective registration statement under the U.S. Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. In addition, any hedging transactions involving the securities covered hereby may not be conducted unless in compliance with the U.S. Securities Act. Terms used above have the meaning given to them by Regulation S under the U.S. Securities Act".
21. you acknowledge, and you will inform each investor, if any, for whose account you are acquiring CDIs, that the Company and the Seller will rely on the truth and accuracy of the foregoing acknowledgements, representations and warranties and agree that if any such acknowledgement, representation or warranty deemed to have been made by virtue of your purchase of the CDIs is no longer accurate, you will promptly notify the Company and the Seller.

11.8.7 US periodic reporting requirements

Under applicable federal securities laws in the US, even if the Company's CDIs or Shares are not listed for trading on a US securities exchange, the Company may at some point in the future be required to:

- file a registration statement registering its Shares under the US Exchange Act on Form 10 with the SEC; and
- become subject to regulation under the US Exchange Act, including the requirement to file with the SEC annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K, respectively.

Under Section 12(g)(1) of the US Exchange Act, the Company will be required to register its Shares within 120 days after the last day of its fiscal year ended on which it has (i) assets of more than US\$10 million and (ii) either (a) 2,000 or more holders of any class of equity securities or (b) 500 or more holders of any class of equity securities who are not 'accredited investors' as defined in Rule 501 of Regulation D of the US Securities Act. Although the first threshold will be satisfied immediately following Completion, the Company can give no assurance as to the time (if at all) the second threshold will be satisfied, and therefore the time (if at all) that it will become subject to the US periodic reporting requirements set out above. Further, any ongoing periodic reporting and other requirements under the US Exchange Act may be subject to legislative change from time to time.

At the time Coronado becomes subject to the reporting requirements of the US Exchange Act, Coronado will also become subject to applicable requirements of the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act, which will impose additional governance and reporting obligations upon Coronado. For example, the Dodd-Frank Act requires publically traded companies in the United States to disclose the receipt of certain shutdown orders and notices of patterns or potential patterns of violations under the Mine Act by filing a Form 8-K (and also including such disclosures in Form 10-K annual filings) with the SEC following receipt of any of the following orders or notices from the MSHA of any of the following: an imminent danger order issued under Section 107(a) of the Mine Act; written notice from the MSHA of a pattern of violations of mandatory health or safety standards under Section 104(e) of the Mine Act; or written notice from the MSHA that any of Coronado's coal mines has the potential to have a pattern of such mandatory health or safety standards violations. The Company's US periodic reporting requirements will be in addition to its periodic disclosure requirements under the ASX Listing Rules, unless appropriate waivers can be obtained from ASX.

If the Company is required to register under the US Exchange Act, the CDIs issued under the Offer, at such time, may still be 'restricted securities' under Rule 144 under the US Securities Act and may still be subject to the Distribution Compliance Period restrictions. Accordingly, the CDIs may not, at such time, be freely tradeable in the US. See Section 11.8 for further information on these restrictions.

11.9 LITIGATION AND CLAIMS

The Company is from time to time party to various disputes and legal proceedings incidental to the conduct of its business.

As outlined in Sections 5.1.5, 5.1.18 and 11.5.4.7, a subsidiary of Coronado, 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. Coronado 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 Coronado Curragh. While it is not possible to precisely quantify Coronado's potential exposure as a result of this litigation, it is currently expected that, were Aurizon Network successful in proving the relevant elements of its claim, Coronado Curragh Pty would be required to pay approximately \$2.25 million per annum for the term of the WIRP Deed (which is 233 months). Resolution of this dispute would also result in Coronado's below rail access to WICET (of 1.5 Mtpa) becoming a guaranteed capacity entitlement (and the subject of a 20-year take-or-pay access agreement) instead of an ad hoc entitlement.

Unrelated to the proceedings on the WIRP Deed, Aurizon Network has also commenced judicial review proceedings seeking review of the QCA's December draft decision on the Aurizon Network undertaking. If the draft decision is set aside, the QCA will be required to release a new draft decision on the draft undertaking proposed by Aurizon Network. Given the significance of the undertaking to coal miners using the CQCN, a number of users (including Coronado) have applied to join the judicial review proceedings. The QCA has announced that it will defer its final decision on the draft undertaking until after the hearing of Aurizon Network's judicial review application, which is due to commence in the Queensland Supreme Court on 22 October 2018.

11. Additional Information

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 Coronado is 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 Coronado) whether through increased Terminal Handling Charges or otherwise.

There are also other litigation and arbitration proceedings to which Coronado is exposed, but which are not regarded as material by Coronado.

11.10 CONSENTS TO BE NAMED AND DISCLAIMERS OF RESPONSIBILITY

Each of the parties listed below in this Section 11.10 (each, a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Goldman Sachs Australia Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Sole Global Coordinator and Joint Lead Manager to the Offer in the form and context in which it is named. Goldman Sachs Australia Pty Ltd has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Goldman Sachs Australia Pty Ltd has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- each of UBS AG, Australia Branch, Credit Suisse (Australia) Limited and Bell Potter Securities Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer in the form and context it is named. None of UBS AG, Australia Branch, Credit Suisse (Australia) Limited or Bell Potter Securities Limited has made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. None of UBS AG, Australia Branch, Credit Suisse (Australia) Limited or Bell Potter Securities Limited has authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- each of Morgans Financial Limited and Clarksons Platou Securities, Inc. has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Co-Lead Manager to the Offer in the form and context it is named. None of the Co-Lead Managers has made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. The Co-Lead Managers have not authorised or caused the issue of this Prospectus and expressly disclaim and take no responsibility for any statements in or omissions from this Prospectus;
- each of Baillieu Holst Ltd, Crestone Wealth Management Limited and JB Were Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Co-Manager to the Offer in the form and context it is named. None of the Co-Managers has made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. The Co-Managers have not authorised or caused the issue of this Prospectus and expressly disclaim and take no responsibility for any statements in or omissions from this Prospectus;
- Herbert Smith Freehills has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation and stamp duty matters) to the Company and the Seller in relation to the Offer in the form and context in which it is named. Herbert Smith Freehills has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Herbert Smith Freehills has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- Sullivan & Cromwell LLP has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as US legal adviser to the Company and the Seller in relation to the Offer in the form and context in which it is named. Sullivan & Cromwell LLP has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Sullivan & Cromwell LLP has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- KPMG Transaction Services has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion in this Prospectus of its Investigating Accountant's Report

in Section 8 in the form and context in which it is included. Except for its Investigating Accountant's Report, KPMG Transaction Services has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. KPMG Transaction Services has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than its Investigating Accountant's Report;

- KPMG LLP has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the auditor of the Company and the US tax adviser to the Company and the Seller in the form and context in which it is named. KPMG LLP has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. KPMG LLP has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- Ernst & Young has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the auditor of Coronado Curragh Pty Ltd (formerly Wesfarmers Curragh Pty Ltd) in the form and context in which it is named. Ernst & Young has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Ernst & Young has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus;
- each of Gadens and PricewaterhouseCoopers has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as an Australian tax adviser to the Company and the Seller in the form and context in which it is named. Neither Gadens nor PricewaterhouseCoopers has made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Gadens and PricewaterhouseCoopers have not authorised or caused the issue of this Prospectus and expressly disclaim and take no responsibility for any statements in or omissions from this Prospectus;
- AME Consulting Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to the inclusion in this Prospectus of (i) the graphical and statistical information supplied by it as set forth in this Prospectus, (ii) the statements in this Prospectus based on that information and (iii) the references to it in this Prospectus (together, **AME Information**), in the form and context in which each appears. Except for the AME Information, AME Consulting Limited has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. AME Consulting Limited has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than the AME Information;
- Wood Mackenzie, Inc. has given, and has not withdrawn prior to the Prospectus Date, its written consent to the inclusion in this Prospectus of (i) the graphical and statistical information supplied by it as set forth in this Prospectus, (ii) the statements in this Prospectus based on that information and (iii) the references to it in this Prospectus (together, **Wood Mackenzie Information**), in the form and context in which each appears. Except for the Wood Mackenzie Information, Wood Mackenzie, Inc. has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Wood Mackenzie, Inc. has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than the Wood Mackenzie Information;
- Marshall Miller & Associates, Inc. has given, and not withdrawn prior to the Prospectus Date, its written consent to (i) be named in this Prospectus in the form and context it is so named and (ii) the inclusion in this Prospectus of its MM&A Report (2018) in the form and context in which it is included. Except for its MM&A Report (2018), Marshall Miller & Associates, Inc. has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Marshall Miller & Associates, Inc. has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than its MM&A Report (2018);
- Xstract Mining Consultants Pty Ltd has given, and not withdrawn prior to the Prospectus Date, its written consent to (i) be named in this Prospectus in the form and context it is so named and (ii) the inclusion in this Prospectus of its Xstract Report (2018) in the form and context in which it is included. Except for its Xstract Report (2018), Xstract Mining Consultants Pty Ltd has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Xstract Mining Consultants Pty Ltd has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus other than its Xstract Report (2018);
- each of Barry Saunders, Paul Wood, J Scott Nelson and Justin Douthat has given, and has not withdrawn prior to the Prospectus Date, their written consent to be named in this Prospectus in the form and context in which they are named. None of Barry Saunders, Paul Wood, J Scott Nelson or Justin Douthat has made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Barry Saunders, Paul Wood, J Scott Nelson and Justin Douthat have not authorised or caused the issue of this Prospectus and expressly disclaim and take no responsibility for any statements in or omissions from this Prospectus; and

11. Additional Information

- Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Share Registry to the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based. Computershare Investor Services Pty Limited has not authorised or caused the issue of this Prospectus and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus.

11.11 DESCRIPTION OF THE SYNDICATE

Goldman Sachs Australia Pty Ltd, UBS AG, Australia Branch, Credit Suisse (Australia) Limited and Bell Potter Securities Limited are Joint Lead Managers to the Offer. Morgans Financial Limited and Clarksons Platou Securities, Inc. are acting as Co-Lead Managers to the Offer and Baillieu Holst Ltd, Crestone Wealth Management Limited and JB Were Limited are the Co-Managers to the Offer.

11.12 ASIC RELIEF AND ASX WAIVERS AND CONFIRMATIONS

11.12.1 ASIC relief

The Company has obtained an exemption from compliance with Section 1020B(2) of the Corporations Act relating to the prohibition of certain short sales of securities on behalf of all persons who sell or offer to sell CDIs during the period of conditional trading on ASX.

11.12.2 ASX waivers and confirmations

The Company has applied to ASX for the following Listing Rule waivers and confirmations:

- waivers from Listing Rules 10.14 and 10.15A in connection with the proposed issue of securities to the CEO who is a Director of the Company under the Company's employee incentive scheme;
- waivers from Listing Rules 10.14 and 10.15A in connection with the proposed issue of securities to Non-Executive Directors under the Company's Non-Executive Director scheme;
- confirmation that the terms of the Series A Share are appropriate and equitable for the purpose of Listing Rule 6.1 and an approval under Listing Rule 6.2 in connection with the Series A Share;
- a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in the proxy form for meetings, an option for CDI holders to vote against a resolution to appoint a Director;
- a waiver from Listing Rule 15.12 to permit the Company's Certificate of Incorporation and Bylaws not to contain the provisions required by Listing Rules 15.12.1 to 15.12.3; and
- confirmation that the Company may undertake conditional and deferred settlement trading of the CDIs, subject to certain conditions to be approved by ASX.

Details of any securities issued to the Directors under the Company's employee incentive scheme and Non-Executive Director scheme will be published in each annual report of the Company relating to the period in which securities have been issued.

An application to the ASX on behalf of the Company to request ASX Settlement include the CDIs in Schedule 1 of the ASX Settlement Operating Rules as 'FOR financial products' has been made by the Company. See Section 11.8 for further information on the restrictions which will be placed on the Company's CDIs.

11.13 TAXATION IMPLICATIONS OF INVESTING UNDER THE OFFER

11.13.1 Australian taxation implications for certain Australian tax resident holders

The following comments are a general summary of the Australian tax implications for Australian tax resident investors who acquire CDIs under this Prospectus. Australian tax resident holders should also consider Section 11.13.2 (Material United States Federal Income Tax consequences to non-US holders) in relation to US tax implications of acquiring CDIs under this Prospectus.

The categories of investors considered in this summary are limited to individuals, certain companies and complying superannuation funds, each of whom holds their CDIs on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, trusts, partnerships or investors that hold their CDIs on revenue account or carry on a business of trading in CDIs or investors who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the Income Tax Assessment Act 1997 (Cth) (the Taxation of Financial Arrangements or TOFA regime).

This summary is only based on the laws of Queensland and the Commonwealth of Australia in force in Australia as of the Prospectus Date. These laws and practices are subject to change periodically as is their interpretation by the courts.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. Holders should obtain their own independent professional advice on the tax implications of acquiring and disposing of CDIs based on their own specific circumstances.

To the maximum extent permitted by law, the Company, its officers, the Directors, and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs issued or transferred under this Prospectus.

11.13.1.1 Australian tax resident individuals

Disposal/transfer of CDIs

The disposal/transfer of CDIs by a CDI holder will be a capital gains tax event in respect of the CDIs. A capital gain will arise where the capital proceeds (generally, the market value of the consideration) received pursuant to the transfer of CDIs exceeds the cost base. The cost base of the CDIs in an arm's length transaction is generally the value of the consideration paid to acquire the CDIs (plus transaction costs).

In preparing their Australian income tax return, CDI holders will need to total their individual capital gains and capital losses in a year of income to ascertain whether they have a net capital gain or loss for the year of income.

Any net capital gain is included in their assessable income and is subject to income tax at their personal marginal tax rate. In this case, CDI holders may be eligible for the capital gains discount concession where they have held their CDIs for at least 12 months prior to disposal and certain other requirements are met. If the capital gains discount concession applies, only half of any capital gain arising from the transfer of the CDIs is included in the CDI holder's assessable income.

A net capital loss may be carried forward to offset against capital gains derived in future income years. However, a capital loss may not be offset against other income for income tax purposes.

Receipt of future dividends

If any dividend is paid, the Company may be required to withhold and remit a percentage of the gross dividend to the US taxation authorities (referred to as withholding tax). See Section 11.13.3 'Material United States federal income tax consequences to non-US holders'. Generally, the US/Australia Tax Treaty should reduce the withholding rate to 15% of the gross amount of the dividends where the CDI holder holds less than 10% of the voting interests of the Company. This rate may be further reduced if other requirements of the treaty are met.

CDI holders will receive the dividend net of the withholding tax (if applicable). However, CDI holders will need to include the gross amount of the dividend in their Australian assessable income (i.e. the dividend plus any withholding tax that has been deducted) as foreign sourced dividend income. The Australian tax payable on the dividend can generally be reduced by the amount of the withholding tax deducted and remitted in the US. This is referred to as the 'foreign income tax offset' which is calculated as the greater of:

- A\$1,000; or
- the Australian tax payable on the net income on which foreign tax is paid.

11. Additional Information

To the extent that the amount of withholding tax deducted from the foreign income (for example, dividends) exceeds the foreign income tax offset that the CDI holder can claim in an income year applying the above principles, the excess is lost and cannot be carried forward.

The Company may also attach franking credits to any dividend paid. If the Company franks its dividends, each Australian tax resident CDI holder must also include the franking credits in their assessable income and may be entitled to a tax offset for the amount of the credits subject to satisfying certain holding period requirements. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income in an income year, such investors should be entitled to a tax refund.

11.13.1.2 Australian tax resident companies

Disposal or transfer of CDIs

The Australian tax implications of the transfer of CDIs are largely the same as for an Australian tax resident individual (outlined at Section 11.13.1.1), except that:

- a company's assessable income is subject to income tax at the company tax rate; and
- the capital gains discount concession is not available to a company.

Receipt of future dividends

The Australian tax implications of the transfer of CDIs are largely the same as for an Australian resident individual (outlined at Section 11.13.1.1), except that:

- an Australian tax resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends;
- excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses; and
- to the extent some or all of a dividend paid by the Company is declared to be conduit foreign income (CFI) in accordance with the Australian CFI regime, Australian tax resident companies may be able to use those funds to pay a dividend to a non tax resident shareholder that is exempt from Australian withholding tax (subject to meeting specific requirements).

11.13.1.3 Australian tax resident complying superannuation fund

The Australian tax implications are generally the same as for an Australian tax resident individual outlined at Section 11.13.1.1 above. However, the capital gains discount concession will be 33⅓% (not 50%).

11.13.1.4 Stamp duty and goods and services tax (GST) consequences

CDI holders should not be liable for stamp duty in respect of their acquisition of CDIs, unless they acquire, either alone with an associated/related person, an interest of 90% or more in the Company.

The transfer, cancellation, or issue of CDIs should not be subject to GST. However, CDI holders may incur GST on their costs associated with these events (e.g. brokerage). CDI holders may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the CDIs. Holders should seek independent tax advice in this respect.

11.13.2 Australian taxation implications for non-Australian tax resident holders

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia.

This summary is only based on the laws of Queensland and the Commonwealth of Australia in force in Australia as of the date of this Prospectus. These laws and practices are subject to change periodically as is their interpretation by the courts.

Holders should obtain their own independent professional advice on the tax implications of acquiring and disposing of CDIs based on their own specific circumstances.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of CDIs issued or transferred under this Prospectus.

Australian income tax

Investors who are not residents of Australia for tax purposes and who purchase the CDIs may be subject to Australian withholding tax on dividends (or other distributions paid) in respect of the CDIs and may be subject to Australian capital gains tax in relation to a future disposal of the CDIs in certain circumstances.

11.13.2.1 Stamp duty

CDI holders should not be liable for stamp duty in respect of their acquisition of CDIs, unless they acquire, either alone with an associated/related person, an interest of 90% or more in the Company.

11.13.3 Material United States federal income tax consequences to non-US holders

This Section 11.13.3 summarises certain United States federal income tax consequences of the ownership and disposition of CDIs by a non-US holder, and is relevant to Australian resident holders (among others). The tax consequences for CDI holders in respect of CDIs are generally the same as for Shares. Accordingly, references to Shares should also be read in this Section 11.13.3 as a reference to CDIs in respect of the Shares.

This Section 11.3.3 applies to you only if you acquire your Shares in this offering and you hold your Shares as capital assets for tax purposes. You are a non-US holder if you are, for United States federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain from Shares.

This Section 11.3.3 does not consider the specific facts and circumstances that may be relevant to a particular non-US holder and does not address the treatment of a non-US holder under the laws of any state, local or foreign taxing jurisdiction. This Section 11.3.3 also does not address any estate or gift tax consequences of ownership or disposition of CDIs. This Section 11.3.3 is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, existing and proposed regulations, and administrative and judicial interpretations, all as at the Prospectus Date. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement that is treated as a partnership for United States federal income tax purposes holds Shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Shares should consult its tax adviser with regard to the United States federal income tax treatment of an investment in Shares.

You should consult a tax adviser regarding the United States federal income tax consequences of acquiring, holding and disposing of Shares in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

11.13.3.1 Dividends

If the Company makes a distribution of cash or other property (other than certain distributions of its stock) in respect of Shares, the distribution generally will be treated as a dividend to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Any portion of a distribution that exceeds the Company's current and accumulated earnings and profits will generally be treated first as a tax-free return of capital, on a share-by-share basis, to the extent of your tax basis in the Shares (and will reduce your basis in such Shares), and, to the extent such portion exceeds your tax basis in the Shares, the excess will be treated as gain from the taxable disposition of Shares, the tax treatment of which is discussed below under 'Gain on disposal of Shares'.

Except as described below, if you are a non-US holder of Shares, dividends paid to you are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to the Company or another payor:

- a valid US Internal Revenue Service (**IRS**) Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a non-United States person and your entitlement to the lower treaty rate with respect to such payments; or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with US Treasury regulations.

11. Additional Information

If you are eligible for a reduced rate of United States withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the IRS.

If dividends paid to you are 'effectively connected' with your conduct of a trade or business within the United States, and, if required by a tax treaty, the dividends are attributable to a permanent establishment that you maintain in the United States, the Company and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to the Company or another payor a valid IRS Form W-8ECI or an acceptable substitute form upon which you represent, under penalties of perjury, that:

- you are a non-United States person; and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

'Effectively connected' dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations.

If you are a corporate non-US holder, 'effectively connected' dividends that you receive may, under certain circumstances, be subject to an additional 'branch profits tax' at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

11.13.3.2 Gain on disposal of Shares

If you are a non-US holder, you generally will not be subject to United States federal income tax on any gain that you recognise on a disposition of Shares unless:

- the gain is 'effectively connected' with your conduct of a trade or business within the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition for subjecting you to United States taxation on a net income basis;
- you are an individual, you hold Shares as a capital asset, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist; or
- the Company is or has been a 'United States real property holding corporation' (as described below), at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter, you are not eligible for a treaty exemption, and either (i) the Shares are not regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs or (ii) you owned or are deemed to have owned, at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter, more than 5% of the Shares.

If you are a non-US holder and the gain from the taxable disposition of Shares is effectively connected with your conduct of a trade or business within the United States (and, if required by a tax treaty, the gain is attributable to a permanent establishment that you maintain in the United States), you will be subject to tax on the net gain derived from the sale at rates applicable to United States citizens, resident aliens and domestic United States corporations. If you are a corporate non-US holder, 'effectively connected' gains that you recognise may also, under certain circumstances, be subject to an additional 'branch profits tax' at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. If you are an individual non-US holder described in the second bullet point immediately above, you will be subject to a flat 30% tax, or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate, on the gain derived from the sale, which may be offset by United States source capital losses, even though you are not considered a resident of the United States.

The Company will be a United States real property holding corporation at any time that the fair market value of Coronado's 'United States real property interests', as defined in the Code (as defined below) and applicable Treasury Regulations, equals or exceeds 50% of the aggregate fair market value of the Company's worldwide real property interests and other assets used or held for use in a trade or business (all as determined for the US federal income tax purposes). While there can be no assurances, Coronado does not believe that it is a United States real property holding corporation.

11.13.3.3 FATCA withholding

Pursuant to Sections 1471 through 1474 of the Code, commonly known as the Foreign Account Tax Compliance Act (**FATCA**), a 30% withholding tax (**FATCA withholding**) may be imposed on certain payments to you or to certain foreign financial institutions, investment funds and other non-US persons receiving payments on your behalf if you or such persons fail to comply with certain information reporting requirements. Payments of dividends that you receive in respect of Shares could be affected by this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold Shares through a non-US person (e.g. a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding). Payments of gross

proceeds from a sale or other disposition of Shares could also be subject to FATCA withholding unless such disposition occurs before 1 January 2019. You should consult your own tax advisers regarding the relevant US law and other official guidance on FATCA withholding.

11.13.3.4 Backup withholding and information reporting

If you are a non-US holder, the Company and other payors are required to report payments of dividends on IRS Form 1042-S even if the payments are exempt from withholding. You are otherwise generally exempt from backup withholding and information reporting requirements with respect to dividend payments and the payment of the proceeds from the sale of Shares effected at a United States office of a broker provided that either (i) the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of Shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States. In addition, certain foreign brokers may be required to report the amount of gross proceeds from the sale or other disposition of Shares under FATCA if you are presumed to be a United States person.

11.14 SELLING RESTRICTIONS

11.14.1 International Offer restrictions

This Prospectus does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person and CDIs may not be offered or sold in any country outside Australia or New Zealand except as provided below.

Bermuda

The Company is not making any invitation to persons resident in Bermuda for exchange control purposes to subscribe for CDIs.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of CDIs only in the Provinces of British Columbia, Ontario and Quebec (the 'Provinces') and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such CDIs. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are 'accredited investors' within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the CDIs or the offering of CDIs and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of CDIs or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the CDIs in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the CDIs outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the CDIs.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgement against the Company or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

11. Additional Information

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the CDIs purchased pursuant to this document (other than (a) a 'Canadian financial institution' or a 'Schedule III bank' (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the CDIs during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the CDIs with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the CDIs as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the CDIs were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the CDIs should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the CDIs as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the CDIs (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

China

The information in this document does not constitute a public offer of the CDIs, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The CDIs may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to 'qualified domestic institutional investors', sovereign wealth funds and quasi-government investment funds.

European Economic Area – Belgium, Denmark, Finland, Germany, Luxembourg and Netherlands

This document has been prepared on the basis that all offers of CDIs will be made pursuant to an exemption under the Directive 2003/71/EC ('Prospectus Directive'), as amended and implemented in Member States of the European Economic Area (each, a 'Relevant Member State'), from the requirement to publish a prospectus for offers of securities.

An offer to the public of CDIs has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, 'MiFID II') and the MiFID II Delegated Regulation (EU) 2017/565;

- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ('AMF'). The CDIs have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the CDIs have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the CDIs cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the 'SFO'). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to 'professional investors' (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purposes of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the 'Prospectus Regulations'). The CDIs have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to 'qualified investors' as defined in Regulation 2(l) of the Prospectus Regulations.

Italy

The offering of the CDIs in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, 'CONSOB') pursuant to the Italian securities legislation and, accordingly, no offering material relating to the CDIs may be distributed in Italy and the CDIs may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ('Decree No. 58'), other than:

- to qualified investors ('Qualified Investors'), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ('Regulation No. 11971'); and

11. Additional Information

- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.
- Any offer, sale or delivery of the CDIs or distribution of any offer document relating to the CDIs in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:
- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws;
- in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Investors should also note that, in any subsequent distribution of CDIs in Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, when CDIs are placed solely with Qualified Investors and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of CDIs who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the CDIs were purchased, unless an exemption under Decree No. 58 applies.

Japan

The CDIs have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the 'FIEL') pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the CDIs may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires CDIs may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of CDIs is conditional upon the execution of an agreement to that effect.

Korea

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the CDIs under the laws of Korea, including, without limitation, the Foreign Exchange Transaction Act and regulations thereunder. The CDIs have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of Korea ('FSCMA') and therefore may not be offered or sold (directly or indirectly) in Korea or to any resident of Korea or to any persons for re-offering or resale in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its enforcement decree), except as permitted under the applicable laws and regulations of Korea.

Accordingly, the CDIs may not be offered or sold in Korea other than to 'accredited investors' (as defined in the FSCMA).

Kuwait

Unless all necessary approvals from the Kuwait Capital Markets Authority (the 'CMA') under applicable law have been given in relation to the marketing, offer and sale of the CDIs, they may not be offered for sale, nor sold in the State of Kuwait, and then only by a person licensed by the CMA to carry out such activities. No such approvals have been received in respect of the CDIs. This document is not intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of CDIs. The CDIs may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

New Zealand

The Offer is being extended to New Zealand investors under the New Zealand Mutual Recognition Regime. Investors in New Zealand should refer to the Important Notice Section under the heading 'Important information for New Zealand Investors'.

A copy of this Prospectus, other documents relating to the Offer and a copy of the Certificate of Incorporation and Bylaws have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available at www.business.govt.nz/disclose (offer number, OFR12484). While the Offer is being extended to New Zealand investors under the New Zealand Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

The Offer to investors in New Zealand will only comprise an offer of CDIs by the Company. No CDIs will be offered by the Seller to New Zealand investors under the Offer.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The CDIs may not be offered or sold, directly or indirectly, in Norway except to 'professional clients' (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Qatar

This document is provided on an exclusive basis to the specifically intended recipient thereof upon that person's request and initiative, and for the recipient's personal use only.

Nothing in this document constitutes, is intended to constitute, or shall be treated as constituting, any offer or sale of the securities in the State of Qatar or in the Qatar Financial Centre or any attempt to do business as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre.

This document and any related document have not been reviewed, approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar.

Recourse against the Company or others involved with the Offer may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and the Qatar Financial Centre.

Any distribution of this document by the recipient to third parties in State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Singapore

This document and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's equity interests, (ii) an 'institutional investor' (as defined in the SFA) or (iii) an 'accredited investor' (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

11. Additional Information

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or institution resident in South Africa may not implement participation in the offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the CDIs be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (*Sw. lag (1991:980) om handel med finansiella instrument*). Any offering of CDIs in Sweden is limited to persons who are 'qualified investors' (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The CDIs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the CDIs (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of CDIs will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the CDIs may be publicly distributed or otherwise made publicly available in Switzerland. The CDIs will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the CDIs have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates, nor has the Company received authorisation or licensing from the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or any other governmental authority in the United Arab Emirates to market or sell the CDIs within the United Arab Emirates. No marketing of any financial products or services may be made from within the United Arab Emirates and no subscription to any financial products or services may be consummated within the United Arab Emirates. This document does not constitute and may not be used for the purposes of an offer or invitation. No services relating to the CDIs, including the receipt of applications and/or the allotment or redemption of CDIs, may be rendered within the United Arab Emirates by the Company.

No offer or invitation to subscribe for CDIs is valid in, or permitted from any person in, the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ('FSMA')) has been published or is intended to be published in respect of the CDIs.

This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the CDIs may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ('FPO'), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

11.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia with respect to such matters.

11.16 STATEMENT OF DIRECTORS AND SELLER DIRECTORS

This Prospectus has been authorised by each Director and each Seller Director. Each Director and Seller Director has consented to lodgement of this Prospectus with ASIC and issue of this Prospectus and has not withdrawn that consent.



APPENDIX A

Significant and critical
accounting policies

SUMMARY OF SIGNIFICANT US GAAP ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Information in Section 4.

PRINCIPLES OF CONSOLIDATION – THE FINANCIAL INFORMATION HAS BEEN PRESENTED ON A CONSOLIDATED BASIS

The Financial Information has been presented on a consolidated basis. All significant intercompany balances and transactions have been eliminated on consolidation.

CASH AND CASH EQUIVALENTS

Coronado considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE – TRADE

Coronado grants credit in the form of unsecured accounts receivable to its customers. 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 considered to be past due when they are outstanding beyond their contractual terms and are charged off to the allowance for doubtful accounts when determined uncollectible.

COAL INVENTORIES

Coal inventories are stated at the lower of average cost and net realisable 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.

LONG-LIVED ASSETS

Long-lived assets, such as property, plant and equipment and purchased intangible assets subject to amortisation, 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, Coronado first compares undiscounted cash flows 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 recognised 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.

PROPERTY, PLANT AND EQUIPMENT

Costs for mine development incurred to expand capacity of operating mines or to develop new mines are capitalised 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 three to 10 years for machinery, mining equipment and transportation vehicles, five 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 profit or loss on disposal is recognised in operations.

Appendix A: Significant and critical accounting policies

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 recognised.

Goodwill is not amortised but is reviewed for impairment annually or when circumstances or other events indicate that impairment may have occurred. Coronado follows the guidance in ASU 2011-08 *Testing Goodwill for Impairment* 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 judgement; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; and a significant restructuring charge within a reporting unit. Coronado defines reporting units at the business segment level. For the purpose 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

Minimum standards for mine reclamation have been established by various regulatory agencies and dictate the reclamation requirements at Coronado's operations. Coronado records these asset retirement obligations for mine reclamation and closure costs at estimated fair value in the period in which the legal obligation associated with the retirement of the long-lived asset is incurred. When the liability is initially recorded, the offset is capitalised by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalised cost is depreciated over the useful life of the related asset. 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. Coronado annually reviews its estimated future cash flows for its asset retirement obligations.

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.

LEASES – OPERATING LEASES

Operating lease payments are recognised as an expense in the statement of operations on a straight line basis for the period to 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 CPI and other similar increases, are recognised on a straight line basis over the term of the lease. Where it is applicable, 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.

ROYALTIES

Lease rights to coal lands are often acquired in exchange for royalty payments. Advance mining royalties are advance payments made to lessors under the terms of mineral lease agreements that are recoupable against future production.

The Stanwell rebate relates to a contractual arrangement entered into by Coronado with Stanwell, a State of Queensland-owned electricity generator, which requires payment of a rebate for export coal sold from some of the Coronado's mining tenements. The rebate obligation is accounted for as an executory contract. Accordingly, the expense is recognised as incurred.

REVENUE RECOGNITION

Prior to the adoption of ASU 2014-09 *Revenue from Contracts with Customers* (ASC 606), coal sales were recognised 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 cost of coal revenues and other revenues, respectively.

Revenue from contracts with customers

Coronado accounts for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which Coronado adopted on 1 January 2018, using the modified retrospective method. There was no quantitative impact of adopting ASC 606 to the financial statements.

Coronado 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.

Coronado recognises revenue when control is transferred to the customer. For the contracts, in order to determine the point in time when control transfers to customers, Coronado uses standard shipping terms to determine the timing of transfer of legal title and the significant risks and rewards of ownership. Coronado also considers other indicators including timing of when Coronado has a present right to payment and when physical possession of products is transferred to customers. The amount of revenue recognised 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 Coronado'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. However, Coronado has some long-term contracts which can span several years. Contracts are often modified to account for changes in contract specifications and requirements. Coronado considers contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Some of Coronado's contract modifications are for goods that are distinct from the existing contract and include considerations that reflect standalone selling prices for the additional goods. Such modification is accounted for as a separate contract. Contract modifications for goods that are not distinct from the existing contract are accounted for as if they were part of that existing contract. The remaining goods are distinct from the goods transferred before the modification. The effect of such contract modification on the transaction price and measurement of fulfilment of the performance obligation to which it relates, is recognised as an adjustment to revenue prospectively.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by Coronado from a customer, are excluded from revenue.

Appendix A: Significant and critical accounting policies

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 Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied.

Coronado'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. For contracts with multiple performance obligations, Coronado allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price is estimated at contract inception using an adjusted market assessment approach. This approach focuses on the amount that Coronado believes the market is willing to pay for a good or service, considering market conditions, such as competitor pricing, market awareness of the product, current market trends that affect the pricing, etc.

Performance obligations, as described above, primarily relate to Coronado's promise to deliver a designated quantity and type of coal within the quality specifications stated in the contract.

Warranties provided to customers are assurance-type warranties on the fitness of purpose and merchantability of Coronado's goods and services. Coronado does not provide service-type warranties to customers.

Revenue is recognised at a point in time and therefore there will not be unsatisfied and/or partially satisfied performance obligations for at period end.

Coronado applies the practical expedient in paragraph 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, Coronado would 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 will be recorded as freight expenses and other revenues, respectively.

DISAGGREGATION OF REVENUE

Coronado disaggregates revenue from contracts with customers by major product group for each of Coronado's segments, as the Company believes it best depicts the nature, amount, timing and uncertainty of Coronado's revenue and cash flows. All revenue is recognised at a point in time.

INCOME TAXES

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where Coronado operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

FAIR VALUE MEASUREMENTS

Coronado utilises valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs to the extent possible. Coronado 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 categorised 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; and
- 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.

COMMODITY PRICE RISK

Coronado has commodity price risk related to diesel fuel purchases. To manage this risk, Coronado periodically enters into contracts with a fuel supplier to purchase a portion of future estimated fuel usage. As of 30 June 2018, Coronado had not contracted for fuel purchases.

COMPREHENSIVE INCOME

Comprehensive income for the six-month period ended 30 June 2018 is not equal to net income, as foreign currency translation flows through other comprehensive income. This is in contrast to the six-month period ended 30 June 2017, where comprehensive income equals net income as there were no other components of comprehensive income/(loss).

DERIVATIVE ACCOUNTING

Coronado has interest rate swaps. The purpose of the swaps are to economically convert a portion of Coronado's future floating rate interest payments to fixed rate interest payments. Coronado has elected not to formally designate the swaps as cash flow hedges. As such, Coronado accounts for the swaps as an economic hedge and records at fair value at the end of each reporting period. Pursuant to ASC 815, the swaps were initially recorded at fair value and all subsequent changes are recorded to 'Other, net' within the consolidated statements of operations.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include asset retirement obligations; useful lives for depreciation, depletion and amortisation; purchase price allocation associated with business combinations; and other contingencies.

As discussed below, under the 'Newly adopted accounting standards' ASC 606 is newly adopted, which required the use of accounting estimates. The nature of the contracts gives rise to several types of variable consideration, including variation in quantity of coal delivered, and discounts and penalties related to the delivery of coal that is out-of-specification. Coronado estimates variable consideration at the most likely amount to which it is expected to be entitled. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current, and forecasted) that is reasonably available.

Appendix A: Significant and critical accounting policies

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 recognising revenue from contracts with customers.

The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognised at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognised at the date of initial application. Effective 1 January 2018 (date of initial application), Coronado elected to adopt the requirements of ASC 606 using the modified retrospective method by recognising the cumulative effect of initially applying ASC 606 as an adjustment to the opening balance of equity at 1 January 2018. Coronado notes that after the assessment of applicable revenue streams, there is no quantitative impact to the adoption of ASC 606.

RECENTLY ISSUED ACCOUNTING STANDARDS

In February 2016, the FASB issued Update 2016-02 – Leases (Topic 842), which increases transparency and comparability among organisations by recognising lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Update 2016-02 does retain a distinction between finance leases and operating leases, which is substantially similar to the classification criteria for distinguishing between capital leases and operating leases in the previous lease guidance. Retaining this distinction allows the recognition, measurement and presentation of expenses and cash flows arising from a lease to not significantly change from previous Generally Accepted Accounting Principles (GAAP). For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognise lease assets and lease liabilities, but to recognise lease expense on a straight line basis over the lease term. For both financing and operating leases, the right-to-use asset and lease liability are initially measured at the present value of the lease payments in the statement of financial position. The accounting applied by a lessor is largely unchanged from that applied under previous GAAP. ASU 2016-02 is effective for non-public companies for annual reporting periods beginning after 15 December 2019, and for public companies on 1 January 2019, with early adoption permitted. In transition, lessees and lessors are required to recognise and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

APPENDIX B

Selected
reconciliations



Appendix B: Selected reconciliations

Table 112 sets out a reconciliation of the Statutory Results to Pro Forma Historical Results for FY2016.

Table 112: Statutory to Pro Forma Historical Results reconciliation for FY2016

\$m	Coronado Curragh reported - AAS (AUD millions)	1	Coronado Curragh reported - AAS (USD millions)	2	Accounting policy adjustments and Purchase accounting (USD millions)	3	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	4	Coronado Group LLC - Statutory US GAAP (USD millions)	5	Buchanan Pre-Acquisition - US GAAP (USD millions)	6	Buchanan pro forma adjustments and reclassifications (USD millions)	7	Refinancing (USD millions)	8	Impact of the restructure (USD millions)	9	Corporate costs (USD millions)	10	Combined Group - US GAAP (USD) (USD millions)
Notes:																					
Revenues:																					
Coal revenues		1,009.4		749.7		-		749.7		434.0		50.8		-		-	-	-	-	-	1,234.5
Other revenues		-		-		30.5		30.5		3.3		1.0		-		-	-	-	-	-	34.8
Total revenues		1,009.4		749.7		30.5		780.2		437.3		51.8		-		-	-	-	-	-	1,269.3
Costs and expenses:																					
Cost of coal revenues (exclusive of items shown separately below)		752.3		558.7		(49.8)		508.9		290.7		42.6		1.9		-	-	-	-	-	844.1
Freight expenses		-		-		108.5		108.5		5.4		-		-		-	-	-	-	-	113.9
Depreciation, depletion and amortisation		-		-		80.6		80.6		59.7		14.4		(2.7)		-	-	-	-	-	152.0
Impairment		800.0		594.2		(594.2)		-		-		-		-		-	-	-	-	-	-
Selling, general and administrative expenses		153.4		113.9		(111.2)		2.7		12.9		2.9		(2.9)		-	-	-	-	5.4	21.0
Stanwell rebate		-		-		43.9		43.9		-		-		-		-	-	-	-	-	43.9
Other royalties		131.3		97.5		(43.9)		53.6		32.4		-		-		-	-	-	-	-	86.0
Total costs and expenses		1,837.0		1,364.3		(566.1)		798.2		401.1		59.9		(3.7)		-	-	-	-	5.4	1,260.9
Operating income (loss)		(827.6)		(614.6)		596.6		(18.0)		36.2		(8.1)		3.7		-	-	-	-	(5.4)	8.4
Other income (expenses):																					
Interest expense, net		(5.0)		(3.7)		4.2		0.5		(0.1)		-		-		(14.0)		-	-	-	(13.6)
Other, net		(1.9)		(1.4)		-		(1.4)		0.4		-		-		-		-	-	-	(1.0)
Total other income (expenses), net		(6.9)		(5.1)		4.2		(0.9)		0.3		-		-		(14.0)		-	-	-	(14.6)
Net income (loss) before tax		(834.5)		(619.7)		600.8		(18.9)		36.5		(8.1)		3.7		(14.0)		-	-	(5.4)	(6.2)
Income tax benefit (expense)		249.4		185.2		(180.1)		5.1		-		3.3		(3.3)		4.2		(10.7)		1.6	0.1
Net income (loss)		(585.0)		(434.5)		420.7		(13.8)		36.5		(4.8)		0.3		(9.8)		(10.7)		(3.7)	(6.1)
Less: Net loss attributable to non-controlling interest		-		-		-		-		(0.1)		-		-		-		-	-	-	(0.1)
Net income (loss) attributable to Coronado		(585.0)		(434.5)		420.7		(13.8)		36.6		(4.8)		0.3		(9.8)		(10.7)		(3.7)	(6.0)

Notes:

1. Curragh historical income statement derived from Curragh's general purpose financial statements for the year ended 31 December 2016.
2. Conversion to USD at the USD/AUD of 0.7427 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments. The adjustment to impairment includes the removal of the AAS impairment charge of \$579.6 million (A\$780.4 million), as part of pushing back the 29 March 2018 US GAAP acquisition fair values for property, plant and equipment and other assets to 1 January 2016, as well as a reclassification of \$14.5 million (A\$19.6 million) to Cost of coal revenues relating to a doubtful debt expense.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Derived from the Statutory Historical Statements of the Seller.
6. Buchanan's historical statement of operations derived from Buchanan's financial statements for the three months ended 31 March 2016.
7. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and accounting for the acquisition.
8. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
9. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
10. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 113 sets out a reconciliation of the Statutory Cash Flow Information to the Pro Forma Historical Cash Flow Information for FY2016.

Table 113: Statutory to Pro Forma Historical Cash Flow Information reconciliation for FY2016

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Buchanan Pre-Acquisition - US GAAP (USD millions)	Buchanan pro forma adjustments and reclassifications (USD millions)	Refinancing (USD millions)	Impact of the restructure (USD millions)	Corporate costs (USD millions)	Combined Group - US GAAP (USD)
Notes:	1	2	3	4	5	6	7	8	9	10	
Net income (loss)	(585.0)	(434.4)	600.6	166.2	36.5	(4.3)	-	(14.0)	(185.1)	(5.4)	(6.1)
Depreciation, depletion and amortisation	90.1	66.9	13.7	80.6	59.7	11.7	-	-	-	-	152.0
Amortisation of Stanwell below market CSA	-	-	(30.5)	(30.5)	-	-	-	-	-	-	(30.5)
Impairment	780.4	579.6	(579.6)	-	-	-	-	-	-	-	-
Other non-cash items	6.0	4.5	10.7	15.2	4.9	-	-	3.5	-	-	23.6
Reclamation of asset retirement obligations	-	-	(4.1)	(4.1)	(2.3)	-	-	-	-	-	(6.4)
Non-cash income tax	(249.4)	(185.3)	7.5	(177.7)	-	-	-	-	250.8	-	73.0
Changes in operating assets and liabilities	(134.8)	(100.1)	(10.9)	(111.0)	(78.4)	-	-	-	-	-	(189.4)
Net cash provided by operating activities	(92.7)	(68.8)	7.3	(61.3)	20.4	7.4	-	(10.5)	65.6	(5.4)	16.2
Capital expenditure	(87.7)	(65.1)	-	(65.1)	(37.6)	-	-	-	-	-	(102.7)
Net redemption/(purchase) of deposits and reclamation bonds	-	-	-	-	(1.3)	-	-	-	-	-	(1.3)
Proceeds from disposal of property, plant and equipment	0.2	0.2	-	0.2	0.3	-	-	-	-	-	0.5
Acquisitions	-	-	-	-	(425.8)	-	425.8	-	-	-	-
Net cash provided by (used in) investing activities	(87.5)	(64.9)	-	(64.9)	(464.4)	-	425.8	-	-	-	(103.5)
Receipts under tax funding arrangement	10.1	7.5	(7.5)	-	-	-	-	-	-	-	-
Proceeds from borrowings	169.4	125.8	(125.8)	-	3.3	-	-	-	-	-	3.3
Repayment of borrowings	-	-	-	-	(4.8)	-	-	-	-	-	(4.8)
Members' contributions (distributions) including non-controlling interest	-	-	-	-	500.1	-	(500.0)	-	-	-	0.1
Net cash provided by (used in) financing activities	179.5	133.3	(133.3)	-	498.6	-	(500.0)	-	-	-	(1.4)
Net cash flow movement	(0.7)	(0.4)	(126.0)	(126.2)	54.6	7.4	(74.2)	(10.5)	65.6	(5.4)	(88.7)

Notes:

1. Curragh historical cash flow information derived from Curragh's general purpose financial statements for the year ended 31 December 2016.
2. Conversion to USD of Curragh results at the USD/AUD of 0.7427 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Historical results extracted from the financial statements of the Seller for FY 2016.
6. Historical results extracted from the financial statements of Buchanan Mining Company LLC for FY 2016.
7. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and the purchase price allocation adjustments.
8. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
9. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
10. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 114 sets out a reconciliation of the Statutory Results to the Pro Forma Historical Results for 1H2017.

Table 114: Statutory to Pro Forma Historical Results reconciliation for 1H2017

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate costs (USD millions)	Combined Group - US GAAP (USD)
Notes:	1	2	3	4	5	6	7	8	9	
Revenues:										
Coal revenues	893.7	674.6	–	674.6	391.0	–	–	–	–	1,065.6
Other revenues	–	–	15.5	15.5	5.1	–	–	–	–	20.6
Total revenues	893.7	674.6	15.5	690.1	396.1	–	–	–	–	1,086.2
Costs and expenses:										
Cost of coal revenues (exclusive of items shown separately below)	385.7	291.2	(10.6)	280.6	229.3	–	–	–	–	509.9
Freight expenses	–	–	68.2	68.2	6.7	–	–	–	–	74.9
Depreciation, depletion and amortisation	–	–	43.2	43.2	41.3	–	–	–	–	84.5
Selling, general and administrative expenses	96.9	73.2	(71.5)	1.7	8.6	–	–	–	2.7	13.0
Stanwell rebate	–	–	52.0	52.0	–	–	–	–	–	52.0
Other royalties	159.6	120.5	(52.0)	68.5	18.2	–	–	–	–	86.7
Total costs and expenses	642.2	484.9	29.3	514.2	304.1	–	–	–	2.7	821.0
Operating income (loss)	251.5	189.7	(13.8)	175.9	92.0	–	–	–	(2.7)	265.2
Other income (expenses):										
Interest expense, net	(25.6)	(19.4)	19.6	0.2	(1.2)	(7.0)	1.1	–	–	(6.9)
Other, net	3.0	2.2	–	2.2	0.1	–	–	–	–	2.3
Total other income (expenses), net	(22.6)	(17.2)	19.6	2.4	(1.1)	(7.0)	1.1	–	–	(4.6)
Net income (loss) before tax	228.8	172.5	5.8	178.3	90.9	(7.0)	1.1	–	(2.7)	260.6
Income tax benefit (expense)	(75.4)	(56.9)	3.4	(53.5)	–	2.1	–	(29.2)	0.8	(79.8)
Net income (loss)	153.3	115.6	9.2	124.9	90.9	(5.0)	1.1	(29.2)	(1.9)	180.8
Less: Net loss attributable to non-controlling interest	–	–	–	–	–	–	–	–	–	–
Net income (loss) attributable to Coronado	153.3	115.6	9.2	124.9	90.9	(5.0)	1.1	(29.2)	(1.9)	180.8

Notes:

1. Curragh historical income statement derived from Curragh's interim financial statements for the six months ended 30 June 2017.
2. Conversion to USD at the USD/AUD of 0.7549 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and accounting for the acquisition.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Derived from the Statutory Historical Statements of the Seller.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 115 sets out a reconciliation of the Statutory Cash Flow Information to Pro Forma Historical Cash Flow Information for 1H2017.

Table 115: Statutory to Pro Forma Cash Flow Information reconciliation for 1H2017

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate Costs (USD millions)	Combined Group - US GAAP (USD)
Notes:	1	2	3	4	5	6	7	8	9	
Net income (loss)	153.4	115.6	5.7	121.3	90.9	(7.0)	1.1	(22.8)	(2.7)	180.8
Depreciation, depletion and amortisation	18.4	13.9	29.3	43.2	41.3	-	-	-	-	84.5
Amortisation of Stanwell below market CSA	-	-	(15.5)	(15.5)	-	-	-	-	-	(15.5)
Impairment	-	-	-	-	-	-	-	-	-	-
Other non-cash items	25.1	19.0	(17.6)	1.4	(6.3)	1.8	(0.1)	-	-	(3.2)
Reclamation of asset retirement obligations	-	-	(0.1)	(0.1)	(0.3)	-	-	-	-	(0.4)
Non-cash income tax	75.4	56.9	54.8	111.7	-	-	-	(82.0)	-	29.7
Changes in operating assets and liabilities	56.1	42.4	(2.0)	40.4	52.9	-	(0.1)	-	-	93.2
Net cash provided by operating activities	328.4	247.8	54.6	302.6	178.5	(5.3)	0.9	(104.9)	(2.7)	369.1
Capital expenditure	(32.6)	(24.6)	-	(24.6)	(32.1)	-	-	-	-	(56.7)
Net redemption/(purchase) of deposits and reclamation bonds	-	-	-	-	3.7	-	-	-	-	3.7
Proceeds from disposal of property, plant and equipment	1.6	1.2	-	1.2	0.1	-	-	-	-	1.3
Net cash provided by (used in) investing activities	(31.0)	(23.4)	-	(23.4)	(28.3)	-	-	-	-	(51.7)
Receipts under tax funding arrangement	72.6	54.8	(54.8)	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	175.6	-	(169.7)	-	-	5.9
Repayment of borrowings	(103.5)	(78.1)	78.1	-	(3.1)	-	-	-	-	(3.1)
Debt issuance costs and other financing costs	-	-	-	-	(5.8)	-	5.8	-	-	-
Intercompany transfers	(264.7)	(199.8)	199.8	-	-	-	-	-	-	-
Members' contributions (distributions) including non-controlling interest	-	-	-	-	(358.1)	-	-	-	-	(358.1)
Net cash provided by (used in) financing activities	(295.6)	(223.1)	223.1	-	(191.3)	-	(163.9)	-	-	(355.3)
Net cash flow movement	1.8	1.3	277.7	279.2	(41.1)	(5.3)	(163.0)	(104.9)	(2.7)	(37.9)

Notes:

1. Curragh historical cash flow information derived from Curragh's interim financial statements for the six months ended 30 June 2017.
2. Conversion to USD of Curragh results at the USD/AUD of 0.7549 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Historical results extracted from the financial statements of the Seller for 1H 2017.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense and other cash flows that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 116 sets out a reconciliation of the Statutory Results to the Pro Forma Historical Results for FY2017.

Table 116: Statutory to Pro Forma Historical Results reconciliation for FY2017

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate costs (USD millions)	Combined Group - US GAAP (USD) (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	
Revenues:										
Coal revenues	1,792.5	1,374.4	–	1,374.4	756.4	–	–	–	–	2,130.8
Other revenues	–	–	31.5	31.5	11.8	–	–	–	–	43.3
Total revenues	1,792.5	1,374.4	31.5	1,405.9	768.2	–	–	–	–	2,174.1
Costs and expenses:										
Cost of coal revenues (exclusive of items shown separately below)	829.7	636.8	(26.7)	610.1	463.6	–	–	–	–	1,073.7
Freight expenses	–	–	145.1	145.1	15.9	–	–	–	–	161.0
Depreciation, depletion and amortisation	–	–	90.0	90.0	75.5	–	–	–	–	165.5
Selling, general and administrative expenses	200.3	153.6	(150.8)	2.8	21.8	–	–	–	5.4	30.0
Stanwell rebate	–	–	147.7	147.7	–	–	–	–	–	147.7
Other royalties	364.0	279.6	(147.7)	131.9	39.5	–	–	–	–	171.4
Total costs and expenses	1,393.9	1,070.0	57.6	1,127.6	616.3	–	–	–	5.4	1,749.3
Operating income (loss)	398.6	304.4	(26.1)	278.3	151.9	–	–	–	(5.4)	424.8
Other income (expenses):										
Interest expense, net	(243.6)	(189.1)	189.3	0.2	(10.0)	(14.1)	9.3	–	–	(14.6)
Other, net	2.4	1.8	–	1.8	0.5	–	–	–	–	2.3
Total other income (expenses), net	241.2	(187.3)	189.3	2.0	(9.5)	(14.1)	9.3	–	–	(12.3)
Net income (loss) before tax	157.3	117.1	163.2	280.3	142.4	14.1	9.3	–	(5.4)	412.5
Income tax benefit (expense)	(120.0)	(91.6)	6.5	(85.1)	–	4.2	–	(46.9)	1.6	(126.2)
Net income (loss)	37.3	25.5	169.7	195.2	142.4	(9.9)	9.3	(46.9)	(3.8)	286.3
Less: Net loss attributable to non-controlling interest	–	–	–	–	(0.1)	–	–	–	–	(0.1)
Net income (loss) attributable to Coronado	37.3	25.5	169.7	195.2	142.5	(9.9)	9.3	(46.9)	(3.8)	286.4

Notes:

1. Curragh historical income statement derived from Curragh's general purpose financial statements for the year ended 31 December 2017.
2. Conversion to USD at the USD/AUD of 0.7667 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and accounting for the acquisition.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Derived from the Statutory Historical Statements of the Seller.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 117 sets out a reconciliation of the Statutory Cash Flow Information to the Pro Forma Historical Cash Flow Information for FY2017.

Table 117: Statutory to Pro Forma Historical Cash Flow Information reconciliation for FY2017

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate costs (USD millions)	Combined Group - US GAAP (USD) (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	
Net income (loss)	37.2	25.5	163.1	188.6	142.4	(14.1)	9.3	(34.5)	(5.4)	286.3
Depreciation, depletion and amortisation	42.2	32.4	57.6	90.0	75.5	-	-	-	-	165.5
Amortisation of Stanwell below market CSA	-	-	(31.5)	(31.5)	-	-	-	-	-	(31.5)
Other non-cash items	245.0	190.2	(184.6)	5.6	(5.2)	3.6	(0.9)	-	-	3.1
Reclamation of asset retirement obligations	-	-	(0.2)	(0.2)	(1.2)	-	-	-	-	(1.4)
Non-cash income tax	120.0	91.6	45.3	136.9	-	-	-	(84.2)	-	52.7
Changes in operating assets and liabilities	38.4	28.5	(4.8)	23.7	44.2	-	(0.3)	-	-	67.6
Net cash provided by operating activities	482.8	388.2	44.9	413.5	255.7	(10.7)	8.1	(118.9)	(5.4)	542.3
Capital expenditure	(59.3)	(45.4)	-	(45.4)	(63.9)	-	-	-	-	(109.3)
Net redemption/(purchase) of deposits and reclamation bonds	-	-	-	-	3.7	-	-	-	-	3.7
Proceeds from disposal of property, plant and equipment	1.8	1.3	-	1.3	0.9	-	-	-	-	2.2
Net cash provided by (used in) investing activities	(57.5)	(44.1)	-	(44.1)	(59.3)	-	-	-	-	(103.4)
Receipts under tax funding arrangement	60.4	45.3	(45.3)	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	175.6	-	(169.7)	-	-	5.9
Repayment of borrowings	(403.5)	(311.7)	311.7	-	(44.9)	-	34.7	-	-	(10.2)
Debt issuance costs and other financing costs	-	-	-	-	(5.8)	-	5.8	-	-	-
Intercompany transfers	(77.2)	(53.9)	53.9	-	-	-	-	-	-	-
Members' contributions (distributions) including non-controlling interest	-	-	-	-	(383.1)	-	-	-	-	(383.1)
Net cash provided by (used in) financing activities	(420.3)	(320.3)	320.3	-	(258.2)	-	(129.2)	-	-	(387.4)
Net cash flow movement	5.0	3.8	365.2	369.4	(61.8)	(10.7)	(121.1)	(118.9)	(5.4)	51.5

Notes:

1. Curragh historical cash flow information derived from Curragh's general purpose financial statements for the year ended 31 December 2017.
2. Conversion to USD of Curragh results at the USD/AUD of 0.7667 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Historical results extracted from the financial statements of the Seller for FY 2017.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company.

Appendix B: Selected reconciliations

Table 118 sets out a reconciliation of the Statutory Results to the Pro Forma Historical Results for 1H2018.

Table 118: Statutory to Pro Forma Historical Results reconciliation for 1H2018

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate and Transaction costs (USD millions)	Combined Group - US GAAP (USD) (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	
Revenues:										
Coal revenues	406.7	313.0	–	313.0	784.3	–	–	–	–	1,097.3
Other revenues	–	–	3.2	3.2	15.3	–	–	–	–	18.5
Total revenues	406.7	313.0	3.2	316.2	799.6	–	–	–	–	1,115.8
Costs and expenses:										
Cost of coal revenues (exclusive of items shown separately below)	204.1	157.1	(11.8)	145.3	424.6	–	–	–	–	569.9
Freight expenses	–	–	36.7	36.7	45.2	–	–	–	–	81.9
Depreciation, depletion and amortisation	–	–	22.5	22.5	64.4	–	–	–	–	86.9
Impairment	(263.1)	(202.5)	202.5	–	–	–	–	–	–	–
Selling, general and administrative expenses	50.1	38.6	(37.3)	1.3	52.3	–	–	(1.6)	(33.6)	18.4
Stanwell rebate	–	–	43.1	43.1	32.8	–	–	–	–	75.9
Other royalties	93.9	72.3	(43.1)	29.2	83.0	–	–	–	–	112.2
Total costs and expenses	85.0	65.5	212.6	278.1	702.3	–	–	(1.6)	(33.6)	945.2
Operating income (loss)	321.7	247.5	(209.4)	38.1	97.3	–	–	1.6	33.6	170.6
Other income (expenses):										
Interest expense, net	(444.9)	(342.4)	342.4	–	(25.5)	(7.1)	23.8	–	–	(8.8)
Loss on debt extinguishment	–	–	–	–	(3.9)	–	3.9	–	–	–
Other, net	10.1	7.7	–	7.7	(26.8)	–	–	–	15.7	(3.4)
Total other income (expenses), net	(434.8)	(334.7)	342.4	7.7	(56.2)	(7.1)	27.7	–	15.7	(12.2)
Net income (loss) before tax	(113.1)	(87.2)	133.0	45.8	41.1	(7.1)	27.7	1.6	49.3	158.4
Income tax benefit (expense)	(102.4)	(78.8)	62.6	(16.2)	(5.5)	2.1	(7.6)	(12.9)	(5.2)	(45.3)
Net income (loss)	(215.6)	(166.0)	195.6	29.6	35.6	(5.0)	20.1	(11.3)	44.1	113.1
Less: Net loss attributable to non-controlling interest	–	–	–	–	–	–	–	–	–	–
Net income (loss) attributable to Coronado	(215.6)	(166.0)	195.6	29.6	35.6	(5.0)	20.1	(11.3)	44.1	113.1

Notes:

1. Curragh historical income statement derived from Curragh's interim financial statements for the three months ended 29 March 2018.
2. Conversion to USD at the USD/AUD of 0.7695 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments. This includes the removal of the reversal of an AAS impairment charge of \$202.5 million (A\$263.1 million), as the FY2016 AAS impairment has been reversed in FY2016.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Derived from the Statutory Historical Statements of the Seller.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right. Additionally, this adjustment removes cost for Management Incentive Units that are held by Coronado Group LLC and will remain in Coronado Group LLC after restructure.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company. Additionally, this includes one-off costs associated with the acquisition of Curragh in 1H2018 have been removed from the historical trading results.

Appendix B: Selected reconciliations

Table 119 sets out a reconciliation of the Statutory Cash Flow Information to Pro Forma Historical Cash Flow Information for 1H2018.

Table 119: Statutory to Pro Forma Historical Cash Flow Information reconciliation for 1H2018

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate and Transaction costs (USD millions)	Combined Group - US GAAP (USD) (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	
Net income (loss)	(215.6)	(166.0)	132.9	(33.0)	35.6	(7.1)	27.7	40.6	49.3	113.1
Depreciation, depletion and amortisation	15.4	11.8	10.7	22.5	64.4	-	-	-	-	86.9
Amortisation of Stanwell below market CSA	-	-	(3.2)	(3.2)	(12.6)	-	-	-	-	(15.8)
Impairment	(263.1)	(202.5)	202.5	-	-	-	-	-	-	-
Other non-cash items	445.4	342.7	(339.1)	3.6	18.3	1.8	(6.3)	-	-	17.4
Reclamation of asset retirement obligations	-	-	(0.4)	(0.4)	(1.4)	-	-	-	-	(1.8)
Non-cash income tax	102.4	78.9	(51.3)	27.5	5.4	-	-	12.8	-	45.7
Changes in operating assets and liabilities	(11.3)	(8.6)	(3.4)	(12.0)	31.8	-	-	-	(32.1)	(12.3)
Net cash provided by operating activities	73.2	56.3	(51.3)	5.1	141.5	(5.3)	21.4	53.3	17.2	233.2
Capital expenditure	(16.5)	(12.6)	-	(12.6)	(46.8)	-	-	-	-	(59.4)
Net redemption/(purchase) of deposits and reclamation bonds	-	-	-	-	(0.3)	-	-	-	-	(0.3)
Proceeds from disposal of property, plant and equipment	(1.1)	(0.9)	-	(0.9)	-	-	-	-	-	(0.9)
Acquisitions	-	-	-	-	(537.2)	-	-	-	537.2	-
Net cash provided by (used in) investing activities	(17.6)	(13.5)	-	(13.5)	(584.3)	-	-	-	537.2	(60.6)
Receipts under tax funding arrangement	(66.7)	(51.3)	51.3	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	748.3	-	(720.0)	-	-	28.3
Repayment of borrowings	-	-	-	-	(156.7)	-	151.7	-	-	(5.0)
Debt issuance costs and other financing costs	-	-	-	-	(42.0)	-	42.0	-	-	-
Intercompany transfers	77.3	59.5	(59.5)	-	-	-	-	-	-	-
Members' contributions (distributions) including non-controlling interest	(77.3)	(59.5)	59.5	-	151.4	-	-	-	-	151.4
Net cash provided by (used in) financing activities	(66.7)	(51.3)	51.3	-	701.0	-	(526.3)	-	-	174.7
Net cash flow movement	(11.1)	(8.5)	-	(8.4)	258.2	(5.3)	(504.9)	53.3	554.4	347.3

Notes:

1. Curragh historical cash flow information derived from Curragh's interim financial statements for the three months ended 29 March 2018.
2. Conversion to USD of Curragh results at the USD/AUD of 0.7695 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Historical results extracted from the financial statements of the Seller for 1H 2018.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense and other cash flows that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right. Additionally, this adjustment removes cash flows associated with Management Incentive Units that are held by Coronado Group LLC and will remain in Coronado Group LLC after restructure.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company. Additionally, this includes one-off costs and cash flows associated with the acquisition of Curragh in 1H2018 have been removed from the historical trading results.

Appendix B: Selected reconciliations

Table 120 sets out a reconciliation of the Statutory Forecast Results to Pro Forma Forecast Results for FY2018.

Table 120: Statutory to Pro Forma Forecast Results reconciliation for FY2018

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Pre-Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate and Transaction costs (USD millions)	Combined Group - US GAAP (USD) (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	
Revenues:										
Coal revenues	406.7	312.9	-	312.9	1,929.6	-	-	-	-	2,242.5
Other revenues	-	-	3.3	3.3	33.3	-	-	-	-	36.6
Total revenues	406.7	312.9	3.3	316.2	1,962.9	-	-	-	-	2,279.1
Costs and expenses:										
Cost of coal revenues (exclusive of items shown separately below)	204.1	157.1	(11.8)	145.3	995.9	-	-	-	-	1,141.2
Freight expenses	-	-	36.8	36.8	122.9	-	-	-	-	159.7
Depreciation, depletion and amortisation	-	-	22.5	22.5	145.5	-	-	-	-	168.0
Impairment	(263.1)	(202.5)	202.5	-	-	-	-	-	-	-
Selling, general and administrative expenses	50.1	38.6	(37.3)	1.3	70.2	-	-	(1.6)	(32.8)	37.1
Stanwell rebate	-	-	43.1	43.1	122.6	-	-	-	-	165.7
Other royalties	93.9	72.3	(43.1)	29.2	167.7	-	-	-	-	196.9
Total costs and expenses	85.0	65.5	212.7	278.2	1,624.8	-	-	(1.6)	(32.8)	1,868.6
Operating income (loss)	321.7	247.4	(209.4)	38.0	338.1	-	-	1.6	32.8	410.5
Other income (expenses):										
Interest expense, net	(444.9)	(342.4)	342.4	-	(111.5)	(11.7)	99.3	-	-	(23.9)
Loss on debt extinguishment	-	-	-	-	(3.9)	-	3.9	-	-	-
Other, net	10.1	7.7	-	7.7	(24.2)	-	-	-	15.7	(0.8)
Total other income (expenses), net	(434.8)	(334.7)	342.4	7.7	(139.6)	(11.7)	103.2	-	15.7	(24.7)
Net income (loss) before tax	(113.1)	(87.3)	133.0	45.7	198.5	(11.7)	103.2	1.6	48.5	385.8
Income tax benefit (expense)	(102.4)	(78.8)	62.6	(16.2)	(32.4)	3.5	(33.7)	(26.4)	(5.0)	(110.2)
Net income (loss)	(215.6)	(166.1)	195.5	29.7	166.1	(8.2)	69.5	(25.1)	43.6	275.6
Less: Net loss attributable to non-controlling interest	-	-	-	-	-	-	-	-	-	-
Net income (loss) attributable to Coronado	(215.6)	(166.1)	195.5	29.7	166.1	(8.2)	69.5	(25.1)	43.6	275.6

Notes:

1. Curragh historical income statement derived from Curragh's interim financial statements for the three months ended 29 March 2018.
2. Conversion to USD at the USD/AUD of 0.7695 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and accounting for the acquisition. This includes the removal of the reversal of an AAS impairment charge of \$202.5 million (A\$263.1 million), as the FY2016 AAS impairment has been reversed in FY2016.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Derived from the Statutory Historical Statements of the Seller.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right. Additionally, this adjustment removes cost for Management Incentive Units that are held by Coronado Group LLC and will remain in Coronado Group LLC after restructure.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company. Additionally, this includes one-off costs associated with the acquisition of Curragh in 1H2018 have been removed from the historical trading results.
10. Proceeds from the Offer are shown net of associated costs.

Appendix B: Selected reconciliations

Table 121 sets out a reconciliation of the Statutory Forecast Cash Flow Information to Pro Forma Forecast Cash Flow Information for FY2018.

Table 121: Statutory to Pro Forma Forecast Cash Flow Information reconciliation for FY2018

\$m	Coronado Curragh reported - AAS (AUD millions)	Coronado Curragh reported - AAS (USD millions)	Accounting policy adjustments and Purchase accounting (USD millions)	Coronado Curragh Acquisition - US GAAP (USD millions)	Coronado Group LLC - Statutory US GAAP (USD millions)	Refinancing (USD millions)	Reversal of historical debt facilities (USD millions)	Impact of the restructure (USD millions)	Corporate and Transaction costs (USD millions)	Proceeds from the Offer, net (USD millions)	Combined Group - US GAAP (USD millions)
Notes:	1	2	3	4	5	6	7	8	9	10	
Net income (loss)	(215.6)	(166.1)	132.9	(33.2)	166.1	(11.6)	103.2	2.6	48.5	-	275.6
Depreciation, depletion and amortisation	15.4	11.8	10.7	22.5	145.5	-	-	-	-	-	168.0
Amortisation of Stanwell below market CSA	-	-	(3.2)	(3.2)	(27.6)	-	-	-	-	-	(30.8)
Impairment	(263.1)	(202.5)	202.5	-	-	-	-	-	-	-	-
Other non-cash items	445.4	342.7	(339.1)	3.6	75.5	3.0	(54.1)	-	-	-	28.0
Reclamation of asset retirement obligations	-	-	(0.4)	(0.4)	(4.3)	-	-	-	-	-	(4.7)
Non-cash income tax	102.4	78.9	(51.3)	27.6	6.3	-	-	33.3	-	-	67.2
Changes in operating assets and liabilities	(11.3)	(8.6)	(3.4)	(12.0)	(8.5)	-	-	-	(0.1)	-	(20.6)
Net cash provided by operating activities	73.2	56.2	(51.3)	5.1	353.0	(8.8)	49.2	35.8	48.4	-	482.7
Capital expenditure	(16.5)	(12.5)	-	(12.5)	(127.0)	-	-	-	-	-	(139.6)
Net redemption/(purchase) of deposits and reclamation bonds	-	-	-	-	(0.3)	-	-	-	-	-	(0.3)
Proceeds from disposal of property, plant and equipment	(1.1)	(0.9)	-	(0.9)	-	-	-	-	-	-	(0.9)
Acquisitions	-	-	-	-	(537.2)	-	-	-	537.2	-	-
Net cash provided by (used in) investing activities	(17.6)	(13.4)	-	(13.5)	(664.5)	-	-	-	537.2	-	(140.8)
Receipts under tax funding arrangement	(66.7)	(51.3)	51.3	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	748.3	-	(720.0)	-	-	-	28.3
Repayment of borrowings	-	-	-	-	(896.2)	-	850.4	-	-	-	(45.8)
Debt issuance costs and other financing costs	-	-	-	-	(56.0)	14.0	42.0	-	-	-	-
Intercompany transfers	77.3	59.5	(59.5)	-	-	-	-	-	-	-	-
Members' contributions (distributions) including non-controlling interest	(77.3)	(59.5)	59.5	-	113.4	-	-	-	-	-	113.4
Proceeds from the Offer, net	-	-	-	-	503.4	-	-	-	-	(503.4)	-
Net cash provided by (used in) financing activities	(66.7)	(51.3)	51.3	-	412.9	14.0	172.3	-	-	-	95.9
Net cash flow movement	(11.1)	(8.5)	-	(8.4)	101.4	5.2	221.5	35.8	585.6	(503.4)	437.8

Notes:

1. Curragh historical cash flow information derived from Curragh's interim financial statements for the three months ended 29 March 2018.
2. Conversion to USD of Curragh results at the USD/AUD of 0.7695 based on the average rate for the period.
3. Accounting policy alignment including reclassifications to reflect Coronado's US GAAP accounting policies and purchase price allocation adjustments.
4. Coronado Curragh Pre-Acquisition sub total, which is in accordance with Coronado's US GAAP accounting policies and presented in USD.
5. Historical results extracted from the financial statements of the Seller for FY 2018.
6. Represents the interest charges related to the new Syndicated Facility Agreement entered into in connection with the Refinancing (as described in Section 4.7.4) as if it had existed from 1 January 2016.
7. Adjustment removes the interest expense that relate to the historical term loan facilities so that the financial results reflect the new Syndicated Facility Agreement (as described in Section 4.7.4) as if it had existed from 1 January 2016 (refer to footnote 6 above).
8. The US Group is treated as a partnership for US income tax purposes and accordingly no taxes were paid by the US group, instead taxes were paid by members of the partnership. As such an adjustment is required in respect of the restructuring to reflect the deferred tax balances which would have arisen had the US group been a tax paying group in its own right. Additionally, this adjustment removes cost for Management Incentive Units that are held by Coronado Group LLC and will remain in Coronado Group LLC after restructure.
9. This adjustment incorporates additional estimated compliance costs, annual listing fees and incremental executive remuneration costs associated with being a listed company. Additionally, this includes one-off costs and cash flows associated with the acquisition of Curragh in 1H2018 have been removed from the historical trading results.



APPENDIX C

JORC Table 1 –
Australian Operations

TABLE 1 FOR CURRAGH PROJECT RESOURCES AND RESERVES AT 30 JUNE 2017

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code 2012 explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Either 63 or 100mm diameter core samples are taken of the coal by a qualified geologist who measures, logs, photographs and samples the core in the field. Standard measuring tapes are used. These are not calibrated. Samples are either full seam or part seam with sample lengths varying from 0.3m to 3m. Roof, floor and parting samples may also be taken and are either sampled separately or included within a seam/ply. Sample interval and unique sample numbers are included on the field log. There is a sampling procedure developed by Coronado Curragh Pty Ltd ("CCPL") which is followed by the field geologist however procedures have varied over the 30+ year life of the mine. There is a bore core treatment procedure developed by CCPL which is followed by the laboratory. No attempt is made to ascertain in situ moisture from coal samples. Sampling is undertaken in accordance with AS2519. Both 150mm and 200mm diameter core samples have also been taken from all areas.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Core samples used in the resource estimation are taken using a kelly drive rotary drill rig and conventional (non-wireline) triple tube coring techniques and air circulation. Either a 3m or 4.5m long core barrel was used regardless of the core diameter. Coring depths are measured at the beginning and end of each core run. The depth is then verified by a qualified geologist.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	90% linear recovery is the minimum required before a re-drill is mandated due to the intense tectonic activity affecting some coal seams. The driller used to recover the core has over 10 years' experience coring at the Curragh project. He has developed proven techniques to maximise the core recovery. 100mm diameter core enhances the recovery opportunity. No relationship has been established between sample recovery and grade. Sample bias may occur if fine coal and vitrinite is lost. Such loss will result in a downgrading of the metallurgical properties of the coal. Consistent results over the past ten years of resource estimation and processing indicate that any sample bias in the coal quality database is not material. Core loss is recorded in the field log and sample register. Comparison checks are made between the drillers and geologists recorded depths. Seam depth picks are reconciled against the geophysical logs.

Note 1. At the time the estimates of Resources and Reserves were prepared the mine was owned by Wesfarmers which results in some references to WCPL and Wesfarmers in this table.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	The entire cored section of each hole is logged by a qualified geologist trained in identifying lithological and coal brightness changes. Since 1995, the chip samples from all open holes are logged by a qualified geologist. Those holes used in the geological model are all geophysically logged using gamma, density and calliper logs as the minimum log suite. Geological logging is quantitative and is based on visual field measurements. All core is photographed and the photographs are uploaded onto the CCPL server. Geotechnical logging is not usually performed on resource estimation core samples. Where geotechnical data is required, specific core holes are drilled. Geological logging is undertaken in accordance with AS2519.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	Core is not dried and is sampled as received from the core barrel. Core is measured in the exposed triple tube at the surface before being rolled into a receptacle for logging. Core is not sawn. The entire sampled interval is placed into appropriate sized plastic bags and sealed using staples or zip ties usually within 30 minutes of the core being presented at the surface. Care is taken to ensure fine coal is included and the field geologist is provided with tools to recover the fine coal. The coal sample is then delivered to the laboratory in poly woven bags for additional protection. Individual coal core samples do not usually exceed 25kg in weight. Core is despatched to the laboratory using commercial road transport carriers and arrives within 14 days of recovery. At the laboratory the core is stored in cold rooms awaiting instructions. An attempt is made to reduce oxidation from core recovered by removing as much air as possible from each plastic bag before sealing. Duplicate sampling is not undertaken as historic coal processing results support the laboratory results from single samples. The sample size (not less than 10kg) is appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	A NATA certified laboratory is used. The same coal analysis company has been used since operations commenced in 1983. The Resources Competent Person, Mr Saunders has inspected the laboratories where testing has taken place and is in regular communication with the laboratory staff regarding the testing progress and results. Historic coal processing results support the laboratory results.

Criteria	JORC Code 2012 explanation	Commentary
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	Geophysical log data is used to assist with determining core loss and sample treatment instruction preparation. A trained qualified geologist reviews the results and validates both the coal quality database and lithological database. The reconciliation process confirms the validity of the data. Unreliable data is removed from the database. The coring interval is determined from a geophysically logged pilot hole drilled within 10m of the Point of Observation cored hole. All borehole survey and lithological data including sample numbers are recorded in the field onto hard copy coding sheets. The borehole data is transferred to a VULCAN database for validation and uploading into the primary database. Analytical data is presented to CCPL in spreadsheet, pdf and VULCAN input format. The data is loaded and validated into the primary quality database by a qualified geologist. Checks are made to ensure that the quality and lithological database intervals match.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Borehole collars are surveyed by surveyors using RTK GPS equipment. The Curragh grid system is used which very closely approximates AGD84. The borehole collar elevation is checked against the approximate hole position using a handheld GPS and aerial topographic data used for mine development and planning. This topographic data is adequate for Resource estimation. Downhole surveys are not conducted because most of the holes are less than 300m deep and the coal seam dip is less than 45 degrees. In recent years verticality logs have been used to ascertain that holes haven't deviated to a point that would be material to the coal estimation process.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	For all areas the spacing between the Points of Observation used was: Measured Resource – 1000 metres; Indicated Resource – 2000 metres; Inferred Resource – 4000 metres. Limiting distances used for circle of influence polygons were: Measured Resource – 500 metres; Indicated Resource – 1000 metres; Inferred Resource – 2000 metres but not more than 1000 metres past the outermost open hole intersecting the seam. Geostatistical analysis supports the use of the above Point of Observation spacing. Mining over the past 30 years has demonstrated the resource estimations previously undertaken are well supported. Sampling compositing was not applied.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	All holes are assumed to be vertical because of the tabular nature of the deposit and the coal seam dip is less than 45 degrees. The orientation of the sampling achieves unbiased sampling of the deposit.
Sample security	The measures taken to ensure sample security.	Samples are bagged in plastic and labelled using two alloy tags with identical sample numbers. Each bag is sealed with 3 heavy duty staples or cable ties. Individual bagged coal samples are combined into a poly woven sack which is labelled for transport to the laboratory. Each poly woven bag is sealed with 3 or more heavy duty staples or cable ties. Poly woven sacks are placed on pallets and secured using plastic wrap before despatch. Consignment notes are prepared at the site warehouse and commercial transport companies are engaged to deliver the samples to the laboratory in Brisbane. Communication in the form of emailed spreadsheets between the laboratory and the responsible person confirm the arrival of samples to the testing facility. No testing takes place until both parties can confirm the samples are satisfactorily accounted for.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	The sampling techniques and data have not been audited. Historic coal processing results support the laboratory results obtained from the samples collected using the current sampling technique. There has been little change to the sampling technique over the past 30 years. Any changes that have occurred have not resulted in changes to the fact that historic coal processing results support the laboratory results.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code 2012 explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	No exploration results are reported in this release. The Coal resources reported herewith are wholly contained within mining leases and mineral development licences. The current Curragh project Mining Leases are 1878, 1990, 80010, 80011, 80012, 80086, 80110, 80112, 80123, 80171, 700006, 700007, 700008 and 700009. The leases lie 3 to 25 kilometres north of the town of Blackwater in a south to north orientation from the Capricorn highway in the south to the Mackenzie river in the north. The mining leases are currently held by CCPL (100% interest) and expire between 2023 and 2044. The earliest granted lease, ML1878 was originally granted in 1982. A Plan of Operations is current for the Curragh project for the period July 2018 – June 2019. The Curragh project Environmental Authority EPML00643713 covers all WCPL Mining Leases. Environmental Authority EPVX00635313 is in place for activities within MDL162 whilst M5888 and M5889 cover MDL328 and MDL329 respectively. Land tenure underlying the leases is a mix of freehold farmland, state leases and roads. CCPL holds leasehold tenure over several parcels of land around its operating mining leases. CCPL has an agreement with Stanwell, which restricts development of ML80110 resources by CCPL to the west of the “SCL Development Limit” line shown on Diagram 1. A BHP Mining Lease (ML1759) used for pipeline infrastructure forms the western boundary of ML700006 and ML80171.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	No exploration results are reported in this release. Various drilling programmes were conducted by the Queensland Department of Minerals and Energy (previously known as Mines Department) during the period 1966-82 over a large area between the Capricorn Highway and the MacKenzie River. The area was within the Department of Mines reserved area 56D.
Geology	Deposit type, geological setting and style of mineralisation.	No exploration results are reported in this release. The coal occurs within the Permian aged Rangal Coal Measures of the Bowen Basin. The coal occurs in a stratiform deposit. Coal seams of varying thickness occur between non-coal sediments consisting primarily of sandstone and siltstone cemented with clay cement.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No exploration results are reported in this release. Systematic drilling programs, conducted since the mine was commissioned, have resulted in over 12,600 holes being drilled in the Curragh project area. Due to the number of holes in the database a summary for each hole is not included herein. The majority of these are open holes with geophysical logs which facilitates the identification of the various seams. Coal seam intercepts were corrected to geophysical log depths in the majority of the boreholes. The lithological data is compiled in validated databases used in the VULCAN software package. The drilling data is maintained in VULCAN databases at the mine site. Prediction of mining conditions relies heavily on the information contained in the database and the information obtained from detailed high wall mapping conducted by the site geologists. In-pit survey information on roof and floor positions of the seams is critical to the mapping process. The VULCAN integrated mine planning software is used to store and retrieve geological, survey and engineering data. Partially cored holes from which coal samples are recovered are regularly spaced over the mining leases areas. During the early phase of the development of the mine, partially cored holes were drilled on a 250 metre or 400 metre grid. More recently, 63mm partially cored holes were drilled at not more than 400 metre intervals along strike every second strip (i.e. approximately 140 metres). Cored hole spacing in the ML80086 area is wider however, drilling is ongoing to define resource extents and refine reserve volumes. Both 63mm and 100mm core sizes are used to obtain sufficient coal sample for detailed washability testing and analysis. In total, the dataset is comprised of 12,638 vertical boreholes at an average depth of 77m, including 28 holes drilled to greater than 200m depth to a maximum depth of 459m. Approximately 11,000 holes were drilled since 1980. The location of the boreholes is shown on JORC Resource Diagram 2. The source of the data used in the resource estimation was borehole data collected by Mr B J Saunders and other qualified geologists during a number of exploration programmes spanning almost 50 years. Coal seam intercepts were corrected to geophysical log depths in the majority of the boreholes.

Criteria	JORC Code 2012 explanation	Commentary
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	No exploration results are reported in this release. This section is not relevant to this release on Coal resources and Coal reserves. Comment relating to drill hole information relating to Coal Reserve and Coal Resource estimation can be found in Sections 1 and 3 of this Table.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	No exploration results are reported in this release. This section is not relevant to this release on Coal resources and Coal reserves. Comment relating to drill hole information relating to Coal Reserve and Coal Resource estimation can be found in Sections 1 and 3 of this Table. Vertical drill holes intercept low angle dip coal seams so therefore approximate true coal thickness.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	No exploration results are reported in this release. Diagram 2, below, shows drilling and Points of Observation in the Resource areas.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	No exploration results are reported in this release. This section is not relevant to this release on Coal resources and Coal reserves. Comment relating to drill hole information relating to Coal reserve and Coal resource estimation can be found in Sections 1 and 3 of this Table.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No exploration results are reported in this release. This section is not relevant to this release on Coal resources and Coal reserves. Comment relating to drill hole information relating to Coal Reserve and Coal Resource estimation can be found in Sections 1 and 3 of this Table.
Further work	- The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	No exploration results are reported in this release. The identified Coal resources which are the subject of this report have been drilled to a density necessary to generate Coal reserves sufficient to support a long term mine operation to economic limits under current conditions. Pre-development drilling has been an integral part of the current operation since inception and there are plans and budget to continually update the geological data set.

Appendix C: JORC Table 1 — Australian Operations

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code 2012 explanation	Commentary
Database integrity	- Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. - Data validation procedures used.	The databases (geological and coal quality) are maintained by CCPL. The Resources Competent Person has had input into the maintenance of these databases. The databases are secured under Information Technology protocols implemented by Curragh. The geological team at Curragh have access to the databases and reviews are carried out as mining progresses and new data is added. Backups of the database are stored on site and off site. Mine software (VULCAN) load processes includes data validation.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	The Resources Competent Person has made site visits to the operation since 1990 and oversees the collection, documentation, validation & storage of geological and quality data. The Resources Competent Person has actively participated in all of these processes during the preparation of the Resource estimate.
Geological interpretation	- Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. - Nature of the data used and of any assumptions made. - The effect, if any, of alternative interpretations on Mineral Resource estimation. - The use of geology in guiding and controlling Mineral Resource estimation. - The factors affecting continuity both of grade and geology.	The Resources Competent Person's confidence in the geological interpretation of the deposit in the operations areas is high and is supported by the fact that the coal deposits reported herein are part of the Rangal Coal Measures which have been successfully mined at the Curragh project since 1983, and in the area since early in the 20th century. Up to six coal seams occurring in flat lying (~3 deg dip to east) sediments are mined or have been mined since mining commenced. The coal seams occur between sandstone, siltstone and tuffaceous claystone sedimentary units, and have a maximum cumulative thickness of 13 metres at Curragh North. Thicker intercepts can occur as a result of faulting. Coal seam continuity is disrupted by post-Permian erosion and faulting which is predominantly thrust faulting from the north-east resulting in seam repetition and absenting. The stratiform deposit is simple to model. The modelling technique (gridding) has not changed since 1983. Past mining and reconciliation of mined tonnes has demonstrated the model reflects the seam disposition with a high degree of certainty in the Mining Lease areas. The geological interpretation assumes coal seam continuity between boreholes where the coal seam intercepts are found in the relevant boreholes.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The report covers the area included in the WCPL Mining Leases and Mineral Development Licences. The area covered by the tenements is approximately 26,000 hectares. The coal occurs in seams with a depth of cover of between approximately 10 to 400 metres.

Criteria	JORC Code 2012 explanation	Commentary
Estimation and modelling techniques	- The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. - The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. - The assumptions made regarding recovery of by-products. - Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). - In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. - Any assumptions behind modelling of selective mining units. - Any assumptions about correlation between variables. - Description of how the geological interpretation was used to control the resource estimates. - Discussion of basis for using or not using grade cutting or capping. - The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Approximately 75% of the holes used in the geological model were geophysically logged using gamma, density and calliper logs as the minimum log suite. Partially cored boreholes were not routinely geophysically logged until circa 2005. The use of triangulation and inverse distance modelling are proven techniques at the Curragh project, based on 30 years of mining using these techniques. The grid size is either 50x50 metres or 100x100 metres depending on the grid type (structure or assay). The smallest grid size is used where the data density is greatest (eg. coal seam intercept data). The largest grid size is used where the data density is less (eg. analytical or assay data). Maptek's VULCAN software was used and has been used by the Resources Competent Person since 1990. Past mining and reconciliation of mined tonnes and grade has demonstrated the model reflects the seam disposition with a high degree of reliability. From the analytical data it is concluded that the level of deleterious elements is not greater than those currently managed at Curragh. Block modelling was not used as it is considered unnecessary for a stratiform tabular deposit by the Resources Competent Person. No by-products were assumed to be produced from the mineral processing. Grade cutting or capping was not used because the estimation refers to a coal deposit.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	In situ tonnages are estimated with derived natural moisture assuming an in situ moisture of 5.3%. The relative density used is derived by using a regression equation derived from Curragh data and applied to the modelled ash value. The Preston Sanders equation is used to derive the in situ density.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied	Areas where coal seam thickness was less than 0.30m were excluded from the estimate. Internal seam parting thickness not greater than 20cm were included as coal. Seam sub-crop is assessed at the full fresh coal limit, so oxidised coal is not included. Areas where the raw coal ash is greater than 50% are excluded from the estimation. Except for some small areas of Pollux repeat, coal contained in the repeat of any seam was not included in the estimation.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	The coal resource estimation assumes the use of current Curragh mine methods and equipment. The Curragh mine utilises large draglines, truck and shovel fleet and bulk dozer push for stripping and excavators and trucks for coal extraction. The mining operation is supported by detailed design, planning and monitoring to maintain control of coal quality. Open cut mining methods are assumed to be suitable for the Measured and Indicated resources where the Pisces or Orion seam is no more than 200m below the surface for Curragh and MDL162 mining areas. Curragh North is not limited to 200m of pit depth due to economic limits not being reached at that depth. Underground mining may be required to recover resources deeper than open cut mining capabilities. Underground mining occurred within the leases subject to this report early in the 1900's and this is the basis for the assumption that the deeper coal resources may be recovered if proven economic.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	The Coal Resource estimation is based on the coal being beneficiated using the Curragh beneficiating facilities which employ crushing, dense medium cyclones, spirals and froth flotation. There are no assumptions regarding yield recovery in the Coal Resource estimation. Such matters are normally considered in the Coal Reserve estimation. Since 1983 the coal from Curragh has been successfully beneficiated in the site wash plants with acceptable yields to maintain acceptable returns on product.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Waste from mining and processing is stored at Curragh using conventional waste and tailings dump techniques. Environmental Authorities are in place and are being complied with.

Criteria	JORC Code 2012 explanation	Commentary
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Within the Mining Lease areas the density of coal is derived using mathematical relationships established from the correlation of ash and relative density results gathered over the past 30+ years of operation. The Relative Density (air dried; ad) value is estimated from a regression relationship of laboratory derived relative density (RD) and ash (ad) for all seams. This relationship is more reliable than using a single laboratory RD (ad) value. The equations are slightly different at Curragh and Curragh North. Within the Mineral Development Licence areas laboratory derived density values are used. The Preston-Sanders equation is used to adjust the air dried density to in situ density.
Classification	- The basis for the classification of the Mineral Resources into varying confidence categories. - Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). - Whether the result appropriately reflects the Competent Person's view of the deposit.	The estimations have been classified into Measured, Indicated and Inferred Coal resources according to the JORC Code 2012 taking into account relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geological values, quality, quantity and distribution of the data. The results appropriately reflect the Resources Competent Person's view of the deposit which is based on a 25 year close association with the data collection, collation, resource estimation and mining. The results appropriately reflect the Resources Competent Person's understanding of the geology of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	CCPL conducts an internal audit of the coal resource estimation process on a two yearly basis. Audits have been carried out by Xenith Consulting in 2012 and December 2014. Recommendations made in the 2012 and 2014 audits were considered in the preparation of the later estimations. This estimate, by consolidating the reporting, establishes the JORC Code 2012 standard of reporting for the Curragh project, including Curragh, Curragh North and MDL162.
Discussion of relative accuracy/ confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Geostatistical study conducted by J B Mining Services in 2015 confirmed the assumptions regarding data density used in this report. The latest geostatistical study supported the earlier (2011) work by Tenzing. Post-mining coal reconciliations conducted at Curragh in the past have also confirmed that the assumptions are supported by operational experience. The geostatistical study considered the Curragh project data set which included Mining Leases and MDL162 data. Mining reconciliation studies carried out from time to time at Curragh Mine support the accuracy of the estimation and the calculated recovery of run-of-mine coal does not depart from the estimation for any coal seam by more than 10%.

Appendix C: JORC Table 1 — Australian Operations

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code 2012 explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	- Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. - Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Coal resources have been estimated by Barry Saunders of QGESS Pty Ltd who is a Competent Person as defined by the JORC Code 2012. The estimation of Coal resources is based on data in the report entitled “2015 JORC Report Curragh Mining Leases and Mineral Development Licenses Resource Statement” issued June 2015. The Resource at 30 June 2017 was derived by updating the 2015 estimate for actual mining in the 2 years as well as changes to the reserve footprint. Measured resource 305 Mt Indicated Resource 251 Mt Inferred Resource 140 Mt The reported Coal resources are in addition to the reported Coal reserves as estimated by Mr Paul Wood. Mr Wood is a Competent Person, as defined by the JORC Code 2012, for the estimation of Coal reserves.
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	The Competent Person, Mr Paul Wood has had numerous site visits since joining the company in September 2016. Other personnel involved in the preparation of the estimate have also visited the Curragh project.
Study status	- The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. - The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The mine plan for the Curragh project takes the form of a life of mine plan for an operating mine which is supported by rigorous annual budgeting and strategic planning processes. The testing of the internal plans is of a standard equal to or exceeding the relevant requirements of the JORC Code 2012. It establishes technical feasibility, economic viability and takes into account all relevant Modifying Factors. The Coal reserves have been estimated on the basis of this process.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The cut-off quality parameters have been applied consistent with those used in the estimation of Coal resources. A minimum practical mining thickness of 0.5m has been applied to all coal seams and partings. A raw ash cut off of 45% was also used.

Criteria	JORC Code 2012 explanation	Commentary
Mining factors or assumptions	- The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). - The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. - The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. - The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). - The mining dilution factors used. - The mining recovery factors used. - Any minimum mining widths used. - The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. - The infrastructure requirements of the selected mining methods.	The classification of Coal reserves into Proved and Probable categories has been based on the JORC Code 2012. The Resource model (geological model) used for the estimation of Coal reserves is the same model used for the estimation of Coal resources. The mining methods used in the mine plans are consistent with those currently employed in the Curragh project and include conventional open-cut dragline, dozer push and truck-shovel methods. All assumptions used are materially consistent with current practice at the Curragh project. Major design parameter assumptions are in line with Curragh design standards as applied over many years of operation. Mining dilution has been applied where appropriate, 0.05m roof, 0.08m floor and 0.15m roof loss has been applied. An overall loss factor of 2.5% has also been applied. The existing infrastructure has been maintained and upgraded where required to support the operation. The necessary infrastructure is in place to support the current mining methods. No Coal reserves have been reported in areas of Inferred Coal resources.
Metallurgical factors or assumptions	- The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. - Whether the metallurgical process is well-tested technology or novel in nature. - The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. - Any assumptions or allowances made for deleterious elements. - The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. - For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	Raw coal will be washed in one of the two onsite coal preparation plants (CPP) at Curragh. The newer CPP was commissioned on 30 June 2012, and the older CPP has been in operation since commissioning of the mine. Both plants utilise conventional washing circuits based on dense medium separation techniques, and are consistent with plants used elsewhere in the Bowen Basin in the same coal measures. The technology has been thoroughly tested at the Curragh project. Detailed washability simulation work has been performed by AB Mylec Pty Ltd on the whole of area Curragh cored hole quality database. Simulation results have been gridded and used to predict washability for the various coal products currently being produced at the operation. The overall average total wet yield for the operation has been estimated at approximately 77%. Ore reserve estimation has been based on a consistent approach to geological modelling, product selection mix and a more than 30-year operating history at Curragh. The estimate has therefore been based on the appropriate mineralogy to achieve the stated coal quality specifications of each product.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	The Curragh project operates on 14 mining leases and under a site specific Environmental Management Plan (EMP), which is regularly maintained and last updated in July 2015. The Curragh project is working under a Plan of Operations July 2018-June 2019 and an Environmental Authority EPML00643713 effective from 20 March 2015. Spoil characterisation studies carried out at the Curragh project indicated that the spoil has low acid forming potential. Tailings from the coal washing plants are stored in registered structures which are certified on an annual basis. Coarse rejects are placed in waste dumps, and appropriately covered in line with the site EMP.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	Infrastructure requirements necessary for the operation of the Curragh project have been progressively developed since inception in 1983. There has been an ongoing process of capital investment in maintaining and adding to Curragh's production capacity, notably with the most recent expansion completed in 2012 which included a second CHPP, stockpile upgrades, accommodation upgrades and additions. Additional work to upgrade Curragh's ROM crushing plant and electrical substation was completed in 2015.

Criteria	JORC Code 2012 explanation	Commentary
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	Capital estimates are based initially on annual budget forecasts. Beyond the two year timeframe, capital spend is based on scheduled equipment replacement, detailed estimates for additional equipment or infrastructure and sustaining capital relative to current operating requirements. CCPL carries out detailed five yearly forecasts which are updated annually. Cost estimates and commodity pricing for processing materials are based on historical onsite performance and forward estimates derived from internal analysis of market indices provided by market analysts including AME and Wood Mackenzie. The AUD/USD exchange rate assumption follows CCPL's internal long term outlook. Supply contracts are in place at Curragh for all major input cost items e.g. electricity, drilling, blasting, dozer bulk push, rail freight and port handling and the majority of the truck-shovel pre-strip waste removal. Internal accounting measures allow detailed analysis of fixed and variable costs for all cost centres to provide a sound basis for estimating varying levels of production. No allowances for deleterious elements are necessary or have been made. Coal product specifications include limits for these, and coal is produced and sold within specifications. Estimates for transportation charges, Government royalties and private royalties have been obtained from Government legislation or from long-term agreements with the relevant parties.
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	Export metallurgical coal sale prices are inherently uncertain and vary over time, with most contract prices being reset quarterly at the present time. Long term prices for internal forecasting purposes are determined at least once annually as part of the Corporate Planning process. The forecast pricing is adjusted on an annual basis based upon internal aggregation of market forecasts drawn from a number of market analysts including CRU, AME and Wood MacKenzie plus internal estimates. Prices used are specific to each major product where products are differentiated by specific quality indicators. Coal product qualities have been forecast based on the previously described modelling techniques and further informed by operating history. Long-term AUD/USD exchange rate assumptions are also set annually as part of the Corporate Planning process with reference to long-term forward curves and other considerations.

Appendix C: JORC Table 1 — Australian Operations

Criteria	JORC Code 2012 explanation	Commentary
Market assessment	- The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. - A customer and competitor analysis along with the identification of likely market windows for the product. - Price and volume forecasts and the basis for these forecasts. - For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Product tonnage forecasts are primarily driven by forward contract requirements and internal analysis of market trends as described by market analysts including consideration of data Wood MacKenzie, AME and CRU. Curragh product coals have been sold by Curragh continuously under contract to leading steel mills globally for over 30 years. This has been assumed to continue for the purposes of estimating Coal reserves. For export thermal coal the pricing has been based on guidance obtained from the market analysts relative to a Newcastle thermal coal price index.
Economic	- The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. - NPV ranges and sensitivity to variations in the significant assumptions and inputs.	The reserves were scheduled in Spry, the production physicals including activity based waste and coal were evaluated in a DCF model incorporating capital expenditure estimates. The inflation rate discount rate and sensitivity analysis were aligned to Wesfarmers Resources Corporate plan and AASB136 testing at the time the estimation was done.
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	Agreements are currently in place for all key stakeholders relating to the Curragh project mining leases. There are no outstanding impediments, and the mine is in operation. Until 2017 this is reported in the Wesfarmers Corporate Sustainability Report annually. Additional agreements, under similar conditions to the existing Curragh mining leases, are in advanced stages or complete for the mining lease applications on the Curragh MDLs.
Other	- To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: - Any identified material naturally occurring risks. - The status of material legal agreements and marketing arrangements. - The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	The material naturally-occurring risks which may affect the Curragh Mine operation are: 1. Floods – resulting from particularly high-rainfall events. Levees are in place to protect the mine from flood levels up to a “1 in 1000 year” event. 2. Water shortage from droughts – Curragh has not yet been affected by this risk, due to water supply agreements (from the Bedford Weir), onsite water storage capacity and the availability of groundwater. All material legal agreements and marketing arrangements are in place for Curragh. Supplier agreements are in place for critical items including fuel, explosives, tyres, railing, port handling, accommodation and electricity.

Criteria	JORC Code 2012 explanation	Commentary
Classification	- The basis for the classification of the Ore Reserves into varying confidence categories. - Whether the result appropriately reflects the Competent Person's view of the deposit. - The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	The Coal reserves are classified as Proven or Probable Coal reserves based on the JORC Code 2012. The basis for classification of Coal reserves is the Coal Resource category polygons for each seam, in conjunction with the calculated cash margin and other modifying factors. Some small areas of the Measured Resource have been included in the Probable rather than Proved reserves category due to the potential presence of land with higher environmental values. The result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	No external audits have been carried out on the Coal reserves estimate, although MEC have peer reviewed the underlying assumptions and report. CCPL carries out an internal audit of the coal reserves estimation process.
Discussion of relative accuracy/confidence	- Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. - The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. - Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. - It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No statistical or geostatistical procedures have been used in the estimation of the Coal reserves. The Curragh deposit is well understood, with a long operating history. The area has been mined since 1983. Coal yields and qualities, in particular, are monitored on a continual basis as coal washing occurs through the onsite plants. In addition, coal product qualities are monitored as a normal part of coal sales. This historical experience is used to inform coal modelling activities whenever the geological model is updated and also to inform stripping, mining and washing assumptions. The estimate of Coal reserves relates to the Rangal formation coal seams and excludes coal seams of the Burngrove formation. There are no remaining areas of material uncertainty relating to modifying factors that could have an impact on Coal Reserve viability. A reconciliation was carried out on a subset of the annual depletion, this confirmed the estimated depletion was within +/-5% of the reported statutory coal mined tonnes.

Appendix C: JORC Table 1 — Australian Operations

Diagrams

Diagram 1 – Location of Curragh Tenements

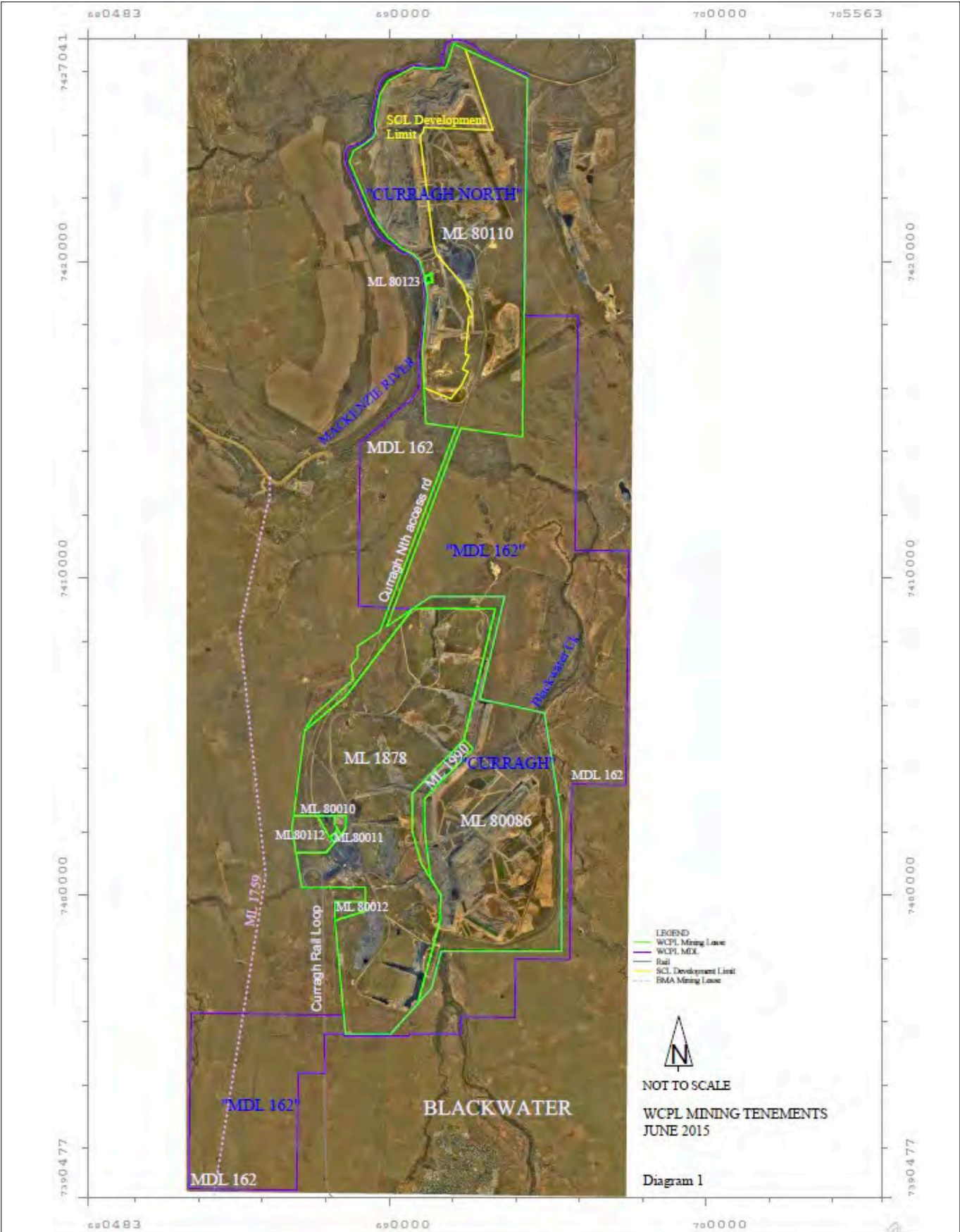
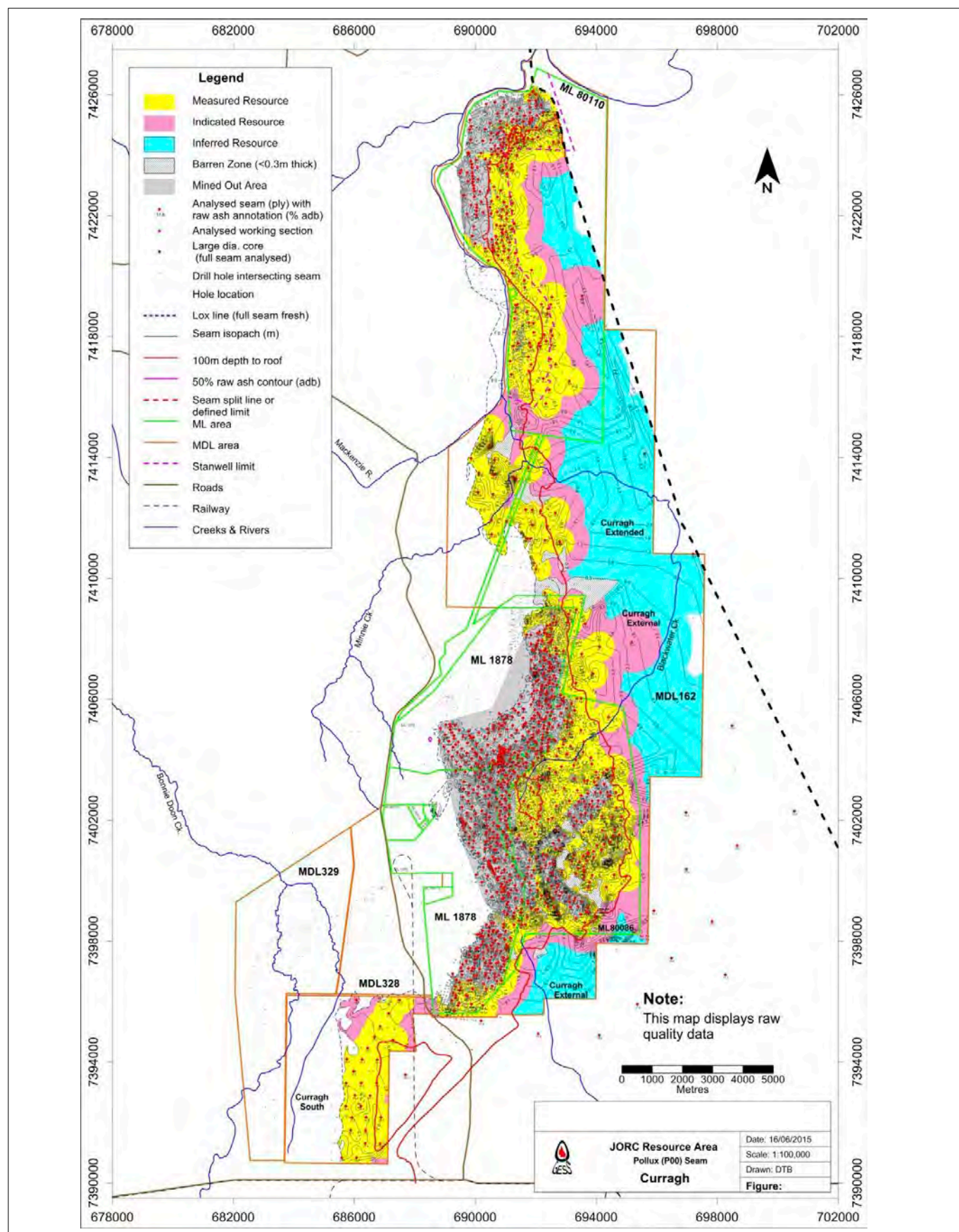


Diagram 2 – Pollux Lower Seam Resource Area – showing extent and distribution of drilling





APPENDIX D

Glossary

Term	Meaning
1H2017	six months ended 30 June 2017.
1H2018	six months ended 30 June 2018.
2H2017	six months ended 31 December 2017.
2H2018	six months ending 31 December 2018.
AAS or Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the AASB.
AASB	Australian Accounting Standards Board.
Affiliate	an affiliate of, or a person affiliated with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.
AMWU	Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.
Appendix	an appendix to this Prospectus.
Applicant	a person who submits an Application.
Application	an application made to subscribe for CDIs offered under this Prospectus.
Application Form	an application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Application Monies	the amount of money submitted or made available by an Applicant in connection with an Application.
AME	AME Consulting Limited; Coal Industry Report (2018) prepared by AME.
ARO	asset retirement obligation.
ASIC	Australian Securities and Investments Commission.
ASIC Act	Australian Securities and Investments Commission Act 2001 (Cth).
ASX	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange that it operates, as the context requires.
ASX Listing Rules or Listing Rules	the rules of ASX that govern the admission, quotation and removal of securities from the Official List.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	the settlement operating rules of ASX Settlement.
AUD, A\$ or Australian dollar	the Australian dollar, being the lawful currency of Australia.
Aurizon Network	Aurizon Network Pty Ltd (ACN 132 181 116).
Aurizon Operations	Aurizon Operations Ltd (ACN 124 649 967).
AusIMM	The Australian Institute of Mining and Metallurgy.
Australian Operations	Coronado's portfolio of operating mines and development projects in Queensland, Australia, comprised of Curragh and MDL 162, a development-stage project.
Average Realised Price	has the meaning given at Section 4.3.
Base Rate	has the meaning given at Section 11.5.5.4.
Bell Potter	Bell Potter Securities Limited (ACN 006 390 772).
Binding Terms Sheet	the binding terms sheet agreed between Coronado Curragh and Stanwell and contained in the Supply Deed.

Appendix D: Glossary

Term	Meaning
Board or Board of Directors	the board of directors of the Company.
Broker	any ASX participating organisation selected by the Joint Lead Managers and Coronado to act as a broker to the Offer.
Broker Firm Offer	has the meaning given at Section 7.3.
Broker Firm Offer Application Form	an application form attached to or accompanying this Prospectus (including any electronic form provided by an online application facility) in respect of the Broker Firm Offer.
Buchanan	the Buchanan mine complex, as described at Section 3.1.2.
Bylaws	the amended and restated bylaws of the Company which were adopted on 20 September 2018.
CAA	Clean Air Act of 1970.
CAGR	Compound Annual Growth Rate.
CAPP	Central Appalachian region of the US.
CDI	a CHESS Depositary Interest, representing a beneficial interest in one tenth of a Share. See Section 11.3 for further information.
CDN	CHESS Depositary Nominees Pty Limited (ACN 071 346 506), an entity registered in Australia (Financial services licence number 254514).
CEO	Chief Executive Officer.
CEPU	Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia.
Certificate of Incorporation	the amended and restated certificate of incorporation of the Company which were adopted on 20 September 2018.
CFMMEU	Construction, Forestry, Maritime, Mining and Energy Union.
CFO	Chief Financial Officer.
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act.
Clarksons	Clarksons Platou Securities, Inc.
Closing Date	the date on which the Offer closes, expected to be 15 October 2018.
CNX	CNX Marine Terminal, a transshipping terminal at the Port of Baltimore in the US owned by CONSOL Energy.
Co-Lead Managers	Morgans and Clarksons.
Co-Managers	Baillieu Holst Ltd (ACN 006 519 393), Crestone Wealth Management Limited (ACN 005 311 937) and JBWere Limited (ACN 137 978 360).
Coal Handling Agreement	has the meaning given at Section 11.5.4.8.
Coal Mining Safety Legislation	Coal Mining Safety and Health Act 1999 (Qld) and Coal Mining Safety and Health Regulation 2001 (Qld).
Coal Transport Services Agreement – RGTCT	has the meaning given at Section 11.5.4.7.
Command Center Agreement	has the meaning given at Section 11.5.5.2.
Company or Coronado	Coronado Global Resources Inc. (ARBN 628 199 468).

Term	Meaning
Completion	the date on which CDIs are issued or transferred to Successful Applicants in accordance with the terms of the Offer.
Computershare	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
CONSOL Energy	CONSOL Energy Inc.
CONSOL Gas Purchase Agreement	has the meaning given at Section 5.1.2.1.
CONSOL Purchase Agreement	has the meaning given at Section 11.5.5.1.
Coronado Curragh	Coronado Curragh Pty Ltd (ACN 009 362 565).
Coronado Curragh Acquisition	the acquisition of Coronado Curragh from Wesfarmers on 29 March 2018.
Coronado Finance	Coronado Finance Pty Ltd (ACN 628 668 235)
Coronado Offer Information Line	1300 161 487 (within Australia) or +61 3 9415 4014 (outside Australia) from 8.30am to 5.00pm (Sydney Time), Monday to Friday during the Offer Period.
Corporations Act	Corporations Act 2001 (Cth).
CPI	Consumer Price Index.
CQCN	Central Queensland Coal Network.
Credit Suisse	Credit Suisse (Australia) Limited (ACN 007 016 300).
CSA	the Coal Supply Agreement (as amended from time to time) between Stanwell and Coronado Curragh.
CSX	CSX Corporation, as described at Section 2.3.3.1.
Curragh	the Curragh mine complex, as described at Section 3.1.
Curragh East Mining Area	has the meaning given at Section 3.1.1.
Curragh North Mining Area	has the meaning given at Section 3.1.1.
Curragh Queensland Mining	Curragh Queensland Mining Pty Ltd.
Curragh West	has the meaning given at Section 3.7.3.
CWA	Clean Water Act of 1972.
DBCT	Dalrymple Bay Coal Terminal.
Delaware General Corporation Law	Chapter 1 of Title 8 of the Delaware Code, which governs corporations incorporated in Delaware, United States.
Director	a member of the Board.
Director Agreement	has the meaning given at Section 6.3.1.4.
Distribution Compliance Period	means an initial one year period beginning on the date of Completion during which period the CDIs cannot be resold to any US Person or for the account or benefit of a US Person, unless pursuant to Rule 144A, which period may be extended under the circumstances described in Section 11.8.5.
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
DTA	Dominion Terminal Associates, a coal export terminal in the Port of Hampton Roads at Newport News, Virginia.
EBA	the Curragh Mine Operations Enterprise Bargaining Agreement.

Appendix D: Glossary

Term	Meaning
EBIT	earnings before interest and tax.
EBIT Margin	has the meaning given at Section 4.3.
EBITDA	earnings before interest, tax, depreciation, depletion and amortisation.
EBITDA Margin	has the meaning given at Section 4.3.
Eligible US Fund Manager	a dealer or other professional fiduciary organised or incorporated in the United States that is acting for an account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.
EMG	The Energy & Minerals Group and its Affiliates.
EMG Entities	• EMG CC HC, LLC; • EMG Coronado II HC, LLC; • EMG Coronado IV Holdings LLC; and • EMG Coronado Strategic LP. References to the rights of the EMG Entities includes any Affiliate of the above entities, other than the Company and any entity it controls.
EMS	Curragh Environmental Management System.
Endangered Species Act	Endangered Species Act of 1973.
Environmental Protection Act	Environmental Protection Act 1994 (Qld).
Expiry Date	13 months after the Prospectus Date.
Exposure Period	the seven day period commencing after lodgement of this Prospectus with ASIC during which no Applications may be accepted, which may be extended by ASIC for up to an additional seven days.
Fair Work Commission	the Fair Work Commission, Australia's national workplace relations tribunal.
FASB	Financial Accounting Standards Board.
Final Price	the price per CDI that that all Successful Applicants will pay for CDIs under the Offer as determined by the bookbuild and the process set out in Section 7.2, denominated in Australian dollars.
Financial Information	the Pro Forma Historical Financial Information, Statutory Historical Financial Information, Pro Forma Forecast Financial Information and Statutory Forecast Financial Information.
Forecast Financial Information	the Statutory Forecast Financial Information together with the Pro Forma Forecast Financial Information.
Free Cash Flow	has the meaning given at Section 4.3.
FX	foreign exchange.
FY2016	financial year ended 31 December 2016.
FY2017	financial year ended 31 December 2017.
FY2018	financial year ending 31 December 2018.
FY2019	financial year ending 31 December 2019.
FY2020	financial year ending 31 December 2020.
Gadens	Gadens (ABN 29 991 935 627).

Term	Meaning
Gas Party	an affiliate of CONSOL Energy, as described at Sections 11.5.5.2 and 11.5.5.3, as applicable.
Golding Contractors	Golding Contractors Pty Ltd (ABN 88 009 734 794).
Goldman Sachs	Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897).
GPC	Gladstone Ports Corporation Limited (ABN 96 263 788 242).
Greenbrier	the Greenbrier mine complex, as described at Section 3.1.2.
Group	the Company and the Company's controlled entities.
GST	goods and services tax imposed in Australia.
Historical Financial Information	the Pro Forma Historical Financial Information together with the Statutory Historical Financial Information.
HIN	Holder Identification Number.
IFRS	International Financial Reporting Standards.
Incentive Plan	the Coronado Global Resources Inc. Equity Incentive Plan, as described at Section 6.3.2.1.
Indicative Price Range	the indicative price range for the Offer of A\$4.00 – A\$4.80 per CDI.
Industry Data	data relating to the industries, segments and end-markets in which the Company operates.
Industry Experts	AME and Wood Mackenzie.
Institutional Investor	investors who are persons: • in Australia who are either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; • in New Zealand who are a wholesale investor within the meaning of clause 3(2) of schedule 1 of the Financial Markets Conduct Act 2013 of New Zealand; • in the United States that are (a) reasonably believed to be QIBs or (b) Eligible US Fund Managers; • outside the United States who are US Persons that are reasonably believed to be QIBs; or • in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of CDIs may lawfully be made without the need for any lodged or registered disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply).
Institutional Offer	the invitation to Institutional Investors under this Prospectus or the US Offering Memorandum, as applicable, to acquire CDIs, as described in Section 7.4.
Intercompany Loans	has the meaning given at Section 11.5.4.3.
Investigating Accountant	KPMG Transaction Services.
Investigating Accountant's Report	the Investigating Accountant's Report and financial services guide prepared by the Investigating Accountant and set out in Section 8.
IPO	initial public offering.
JEP	JEP Mining LLC.
JEP Lease	has the meaning given at Section 11.5.5.5.
Joint Lead Managers	Goldman Sachs, UBS, Credit Suisse and Bell Potter.

Appendix D: Glossary

Term	Meaning
Kanawha	Kanawha River Terminal, an NS/CSXT-serviced coal terminal located on the Ohio River at Mile Maker 314.5 Cerdo, West Virginia.
Kinder Morgan	Kinder Morgan Operating L.P. 'C'.
KPMG LLP	KPMG LLP, the US member firm of KPMG.
KPMG Transaction Services	KPMG Transaction Services, a division of KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007 363 215).
Listing	admission of the Company to the Official List and quotation of the CDIs.
Logan	the Logan mine complex, as described at Section 3.1.2.
Long Term Mining Contract	has the meaning given at Section 11.5.4.9.
LTI and LTI Plan	have the meaning given at Section 6.3.2.4.
Management	the senior management team of the Company.
Management Shareholders	current members of Management and staff and their closely related parties that hold or will hold an indirect interest in Shares on the day before Completion.
Managers	the Joint Lead Managers and the Co-Lead Managers
MAR	maximum allowable revenue.
MCSA	has the meaning given at Section 11.5.5.2.
MDL	a mineral development licence issued under the Mineral Resources Act 1989 (Qld).
Mine Act	Federal Mine Safety and Health Act of 1977.
Mine Area	has the meaning given at Section 11.5.5.2.
MINER Act	Mine Improvement and New Emergency Response Act of 2006.
MIU	Management Incentive Unit, as described at Section 6.3.2.5.
ML	a mining lease, as defined under the Mineral Resources Act 1989 (Qld).
MM&A	Marshall Miller & Associates, Inc.
MM&A Report (2018)	the report prepared by MM&A (being a 'Specialist Report' prepared by 'Specialists' as defined in the VALMIN Code) and set out at Section 10.
Morgans	Morgans Financial Limited (ABN 49 010 669 726).
MSHA	the US Department of Labor's Mine Safety and Health Administration.
NAPP	Northern Appalachian region of the US.
NCSA	the New Coal Supply Agreement between Coronado Curragh and Stanwell.
NEPA	National Environmental Policy Act of 1969.
Net Assets	has the meaning given at Section 4.3.
Net Debt	has the meaning given at Section 4.3.
New CDIs	CDIs offered under this Prospectus for subscription by the Company, over newly issued Shares.
New Shareholders	Shareholders issued or transferred CDIs as part of the Offer.
New Zealand Mutual Recognition Regime	the mutual recognition regime established under subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 of New Zealand and Part 9 of the Financial Markets Conduct Regulations 2014 of New Zealand.
NHPA	National Historic Preservation Act of 1966.

Term	Meaning
NLRA	National Labor Relations Act of 1935.
Non-Executive Director	a Director who is not a member of Management.
Non-US GAAP Financial Information	certain measures used by Coronado to manage and report on its business that are not recognised under US GAAP (see Section 4.3).
NPDES	National Pollutant Discharge Elimination System.
NS	Norfolk Southern, as described at Section 2.3.3.1.
NSW	New South Wales.
NTA	Native Title Act 1993 (Cth).
Offer	the offers of CDIs under this Prospectus.
Offer Management Agreement	the offer management agreement dated 24 September 2018 between the Company, the Seller and the Joint Lead Managers.
Offer Period	the period from 2 October 2018 to 15 October 2018.
Offer Price	the Final Price determined in accordance with this Prospectus.
Official List	the official list of entities that ASX has admitted to and not removed from listing.
Operating Free Cash Flow or Operating FCF	has the meaning given at Section 4.3.
Operator Access Agreement	has the meaning given at Section 11.5.4.7.
Options	has the meaning given at Section 6.3.2.1.
OSM	US Office of Surface Mining Reclamation and Enforcement.
Pacific National	Pacific National Proprietary Limited (ABN 39 098 060 550).
Part A Services	has the meaning given at Section 11.5.4.9.
Part B Services	has the meaning given at Section 11.5.4.9.
Pier VI	has the meaning given at Section 3.6.2.
Pier IX	has the meaning given at Section 3.6.2.
Pre Strip Overburden Removal Contract	has the meaning given at Section 11.5.4.10.
Pro Forma Forecast Cash Flow Information	the pro forma forecast cash flow information for FY2018.
Pro Forma Forecast Financial Information	the Pro Forma Forecast Results together with the Pro Forma Forecast Cash Flow Information.
Pro Forma Forecast Results	the pro forma forecast statements of operations for FY2018.
Pro Forma Historical Balance Sheet	the pro forma historical balance sheet as at 30 June 2018.
Pro Forma Historical Cash Flow Information	the pro forma historical cash flow information for FY2016, FY2017, 1H2017 and 1H2018.
Pro Forma Historical Financial Information	the Pro Forma Historical Results, Pro Forma Historical Cash Flow Information and Pro Forma Historical Balance Sheet.
Pro Forma Historical Results	the pro forma historical statements of operations for FY2016, FY2017, 1H2017 and 1H2018.

Appendix D: Glossary

Term	Meaning
Prospectus	this document (including the electronic form of this document) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 24 September 2018.
PSU	Performance Security Unit, as described at Section 6.3.2.1.
PwC	PricewaterhouseCoopers (ABN 52 780 433 757).
QCA	Queensland Competition Authority.
QIB	a qualified institutional buyer, as defined in Rule 144A under the US Securities Act.
QLD or Qld	Queensland.
Rail Transportation Agreement – WIRP	has the meaning given at Section 11.5.4.7.
RCRA	Resources Conservation and Recovery Act of 1976.
Refinancing	has the meaning given at Section 4.2.3.
Registration Rights and Sell-Down Agreement	has the meaning given at Section 11.4.
Regulation S	Regulation S under the US Securities Act.
Related body corporate	has the meaning given in the Corporations Act.
Related Services Agreement	has the meaning given at Section 11.5.5.2.
Relocation Agreement	has the meaning given at Section 11.5.5.2.
Restructure	has the meaning given at Section 4.1.1.
RGTCT	RG Tanna Coal Terminal.
Royalty Deed	the MDL 162 Royalty Deed, as described at Section 11.5.4.5.
RPI Act	Regional Planning Interests Act 2014 (Qld).
RSU	Restricted Security Unit, as described at Section 6.3.1.3.
Sale CDIs	CDIs over existing Shares offered for sale by the Seller under this Prospectus.
SAPP	Southern Appalachian region of the US.
SDWA	Safe Drinking Water Act of 1974.
SEC	US Securities and Exchange Commission.
Section 203	Section 203 of the Delaware General Corporation Law of the State of Delaware (or any successor provision thereto).
Seller	Coronado Group LLC.
Seller Directors	the directors of the Seller.
Seller Group Entities	any or all of the Seller, the EMG Entities, or their respective successors or Affiliates (other than the Company and any entity that is controlled by the Company).
Series A Director	any Director that may be appointed by a holder of a Series A Share.
Series A Share	one share of preferred stock issued by the Company to the Seller pursuant to the Certificate of Incorporation.
Settlement	the date settlement of the Offer occurs, expected to be 25 October 2018.
SG&A	selling, general and administrative expenses.

Term	Meaning
Share	a fully paid share of common stock in the capital of the Company with a par value of US\$0.01 per share.
Share Registry	Computershare any other person or entity that the Company appoints to maintain the register of CDIs and Shares, including any of its related bodies corporate responsible for the maintenance of the Share register.
Shareholder	a holder of Shares or CDIs.
Shareholding	a holding of Shares or CDIs.
SIB	stay-in-business.
SMCRA	Surface Mining Control and Reclamation Act of 1977.
SME	Society of Mining Engineers.
SRA	Stanwell Reserve Area.
SRN	Securityholder Reference Number.
Stanwell	Stanwell Corporation Limited (ABN 37 078 848 674).
Statutory Forecast Cash Flow Information	the statutory forecast cash flow information for FY2018 and FY2019.
Statutory Forecast Financial Information	the Statutory Forecast Results together with the Statutory Forecast Cash Flow Information.
Statutory Forecast Results	the statutory forecast statements of operations for FY2018 and FY2019.
Statutory Historical Balance Sheet	the statutory historical balance sheet as at 30 June 2018.
Statutory Historical Cash Flow Information	the statutory historical cash flow information for FY2016, FY2017, 1H2017 and 1H2018.
Statutory Historical Financial Information	the Statutory Historical Balance Sheet, Statutory Historical Cash Flow Information and Statutory Historical Results.
Statutory Historical Results	the statutory historical statements of operations for FY2016, FY2017, 1H2017 and 1H2018.
STI and STI Plan	have the meaning given at Section 6.3.2.4.
Stockholders' Agreement	has the meaning given at Section 11.4.
Successful Applicant	a person who submits an Application to subscribe for CDIs offered under this Prospectus, which is successful.
Supply Deed	the Curragh Mine New Coal Supply Deed between Coronado Curragh and Stanwell.
SWDA	Solid Waste Disposal Act of 1965.
Sydney Time	the official time in Sydney, Australia.
Syndicated Facility Agreement	has the meaning given at Section 11.5.4.2.
SYR	SYR Energy Partners, L.P.
Technical Experts	Xstract and MM&A.
Tenements	the Curragh tenements, as described at Section 11.6.1.2.
Terminal Handling Charge	the terminal handling charge payable under take-or-pay agreements entered into by WICET shippers, including Coronado.
Thiess	Thiess Pty Ltd (ABN 87 010 221 486).

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Term	Meaning
UBS	UBS AG, Australia Branch (ABN 47 088 129 613).
United States or US	the United States of America.
US Exchange Act	United States Securities Exchange Act of 1934, as amended.
US GAAP	US Generally Accepted Accounting Principles.
US Offering Memorandum	the offering memorandum under which the Institutional Offer will be made in the US or to any US Person, which consists of this Prospectus and a US wrap.
US Operations	Coronado's portfolio of operating mines and development projects in the states of Virginia and West Virginia in the US, comprising three 100%-owned producing complexes, the Pangburn-Shaner-Fallowfield and Russell County development projects and the Amonate asset.
US Person	has the meaning given to it in Rule 902(k) under Regulation S.
US Securities Act	United States Securities Act of 1933, as amended.
USD, US\$, \$ or US dollar	the United States dollar, being the lawful currency of the United States.
USEC	US East Coast.
US/Australia Tax Treaty	the Convention between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (1982, as amended by Protocol).
Value Share Mechanism Deed	has the meaning given at Section 11.5.4.4.
Voting Stock	has the meaning given at Section 5.2.5.
VSM	Value Share Mechanism.
Water Act	Water Act 2000 (Qld).
Wesfarmers	Wesfarmers Limited (ABN 28 008 984 049).
WICET	Wiggins Island Coal Export Terminal.
WICET Group	WICET Pty Ltd and WICET Holdings.
WICET Holdings	WICET Holdings Pty Ltd (ACN 131 210 001).
WICET Pty Ltd	Wiggins Island Coal Export Terminal Pty Limited (ACN 131 210 038).
WIPS	E Class Wiggins Island Preference Securities, as defined at Section 5.1.4.
WIRP	Aurizon Network's Wiggins Island Rail Project.
WIRP Deed	the Wiggins Island Rail Project Deed between Coronado Curragh and Aurizon Network.
Wood Mackenzie	Wood Mackenzie, Inc.
Wood Mackenzie Report (2018)	US Metallurgical Coal Market Report (2018) prepared by Wood Mackenzie.
Working Capital	has the meaning given at Section 4.3.
Xcoal	Xcoal Energy & Resources, LLC.
Xstract	Xstract Mining Consultants Pty Ltd (ACN 129 791 279).
Xstract Report (2018)	the report prepared by Xstract (being a 'Specialist Report' prepared by 'Specialists' as defined in the VALMIN Code) as set out at Section 9.

GLOSSARY OF TECHNICAL TERMS AND ABBREVIATIONS

Term	Meaning
°	a degree on the centigrade scale of temperature.
adb	air dried basis.
Auger	a surface mining technique, as described at Section 2.2.4.1.
BF	blast furnace.
BF-BOF	blast furnace-BOF method of producing crude steel.
BOF	basic oxygen furnace method of producing crude steel.
Bord and pillar or room and pillar	an underground mining technique, as described at Section 2.2.4.2.
BTU or Btu	British thermal unit, being a unit of energy equal to 1.06 kilojoules.
CHPP	coal handling and preparation plant.
CPP	coal preparation plant.
Coking coal	coal which is suitable for making metallurgical coke, which is used in the steel making process.
Competent Person	has the meaning given in the JORC Code.
Contour	a surface mining technique, as described at Section 2.2.4.1.
CSN	a measure of the crucible swell number of coal on heating, being one of the most common, simple coking tests.
CSR	coke strength after reaction, being a measurement of the size and strength (or hardness) of coke.
Fluidity	coal property, also known as Gieseler Maximum Fluidity, which measures the coal's plasticity/fluidity during carbonisation, where coal changes from a solid material to a plastic state and then to a fused porous solid (coke) during cooling.
FOB	free on board.
FOBT	free on board trimmed.
FOR	free on rail.
FSI	Free Swelling Index, being the degree of free swelling of a one-gram sample of crushed coal, heated under elevated conditions in a specialised silica crucible.
GAR	gross as received coal.
GCV	gross calorific value.
GJ	gigajoules.
Hard Coking Coal or HCC	hard coking coal.
High-Vol	met coal with high volatile content.
Highwall	a surface mining technique, as described at Section 2.2.4.1.
HVA or High-Vol A	sub-category A of High-Vol.
HVB or High-Vol B	sub-category B of High-Vol.
Indicated Resources	has the meaning given to 'Indicated Mineral Resources' or 'Indicated Coal Resources' in the JORC Code. Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Inferred Resources	has the meaning given to 'Inferred Mineral Resources' or 'Inferred Coal Resources' in the JORC Code. Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
JORC	Australasian Joint Ore Reserves Committee, which is sponsored by the Australian mining industry and its professional organisations.
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition).

Appendix D: Glossary

Term	Meaning
Longwall	an underground mining technique, as described at Section 2.2.4.2.
Low-Vol	met coal with low volatile content.
LTIFR	Lost Time Injury Frequency Rate, as described at Section 3.8.1.1.
Marketable Reserves	'Marketable Coal Reserves' reported in accordance with the JORC Code (representing beneficiated or otherwise enhanced coal product where modifications due to mining, dilution and processing have been considered).
Measured Resources	part of a coal deposit for which quality and quantity can be estimated with a high level of confidence, as defined in the JORC Code.
Metallurgical coal or met coal	a term comprising coking coal and PCI coal, which are used in the steelmaking process.
Mid-Vol	met coal with mid volatile content.
Mine cash costs	site production cash costs.
mbcm	million bank cubic metres.
MMR	mean maximum reflectance, being the degree of reflectance of vitrinite and used as an index of coal rank.
Mt	millions of tonnes.
Mtpa	Mt per annum.
NAR	net as received coal.
NFDL	Non-Fatal Days Lost, as described at Section 3.8.1.2.
Open-pit	a surface mining technique, as described at Section 2.2.4.1.
Overburden	material which overlies a deposit of materials of value.
PCI	pulverised coal injection, being a term used to describe coals injected directly into steel and iron making blast furnaces.
Probable Marketable Reserves	'Marketable Coal Reserves' classified as 'Probable' by the relevant Competent Person in accordance with the JORC Code.
Probable Reserves	has the meaning given to 'Probable Ore Reserves' or 'Probable Coal Reserves' in the JORC Code. Reserves are sub-divided, in order of increasing confidence, into Probable and Proved categories.
Proved Marketable Reserves	'Marketable Coal Reserves' classified as 'Proved' by the relevant Competent Person in accordance with the JORC Code.
Proved Reserves	has the meaning given to 'Proved Ore Reserves' or 'Proved Coal Reserves' in the JORC Code. Reserves are sub-divided, in order of increasing confidence, into Probable and Proved categories.
Reserves	has the meaning given to 'Mineral Reserves' or 'Coal Reserves' in the JORC Code.
Resources	has the meaning given to 'Mineral Resources' or 'Coal Resources' in the JORC Code.
ROM	run of mine coal or raw coal.
Saleable tonne	produced metallurgical and domestic coal ready for sale.
SEC Industry Guide 7	Industry Guide 7 of the SEC.
Semi Coking Coal or SCC	Semi-Hard Coking Coal and Semi-Soft Coking Coal.
Semi-Hard Coking Coal or SHCC	coal displaying plastic properties similar to hard coking coals, but lacking the strength expected from a hard coking coal.
Semi-Soft Coking Coal or SSCC	coal which is unsuitable for making strong coke in its own right but suitable as a component in coke oven blends.
SHMS	Safety and Health Management System.
short ton or net ton	unit of weight equal to approximately 0.91 tonnes.

Term	Meaning
Strip ratio	volume of overburden that must be moved for each metric tonne of ROM coal produced. A lower strip ratio is an operational advantage because less overburden has to be removed in order to expose the raw coal.
Thermal coal	coal which is combusted to provide heat for steam generation and subsequent power generation, or burned for heat generation alone.
tonne	metric tonne.
Total dilatation	degree to which coal expands and contracts in the BF.
Total moisture	total moisture content of coal as sampled.
TPH	tonnes per hour.
TRIFR	Total Recordable Injury Frequency Rate, as described at Section 3.8.1.1.
TRIR	Total Reportable Incident Rate, as described at Section 3.8.1.2.
ULVPCI	ultra low-vol PCI.
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition).
Volatile matter	loss in mass of a coal sample less loss due to moisture when coal is heated under standard laboratory conditions.

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Coronado Global Resources Inc.

ARBN 628 199 468

Broker Firm Offer Application Form

This Broker Firm Offer Application Form (**Application Form**) is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisor without delay. You should read the Coronado Global Resources Inc. Prospectus dated 24 September 2018 and any relevant Supplementary Prospectus (if applicable) (**Prospectus**), carefully before completing this Application Form. Defined terms in the Prospectus have the same meaning in this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus (whether in paper or electronic form).

The Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. The Prospectus has been prepared for publication in Australia. The CDIs to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction in the United States, and neither CDIs nor the underlying shares may be offered or sold in the United States, or to, for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act (**U.S. person**)). In addition, any hedging transactions using CDIs or underlying shares may only be conducted in compliance with the U.S Securities Act.

A Application Monies

Enter the total dollar value amount of CDIs you apply for.

A\$

The minimum Application amount is A\$2,000 and multiples of A\$500 thereafter.

B Applicant Name(s) - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s)

Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

C Enter the postal address - include State and Postcode

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town

State

Postcode

D Enter your contact details

Contact Name

Telephone Number - Business Hours

()

E CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued as a result of the Offer will be held on the issuer sponsored subregister.

F Cheque Payment details

Drawer

Cheque Number

BSB Number

Account Number

Amount of cheque

A\$

Cheques should be drawn up according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that I/we have read and understood the Prospectus to which this Application Form relates in full and that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate,
- I/we agree to be bound by the Coronado Global Resources Inc. Bylaws and Certificate of Incorporation,
- I/we represent and warrant that I/we are not in the United States or a US person and am not acting for the account of a US person,
- I/we acknowledge and agree that certain representations and warranties are required to be given in connection with my/our application (being those set out in Section 11.8 of the Prospectus) and understand that by completing the Application Form I/we will be deemed to have made those representations and warranties.
- I/we acknowledge and agree that any hedging transactions involving CDIs or underlying shares will be conducted in compliance with the U.S. Securities Act.

See overleaf for completion guidelines ➔

How to complete this Application Form

- A Application Monies**
Enter the amount of Application Monies. The minimum Application amount is A\$2,000 and multiples of A\$500 thereafter.
- B Applicant Name(s)**
Enter the full name you wish to appear on the statement of CDI holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name and address identically to that presently registered in the CHES system.
- C Postal Address**
Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

- E Contact Details**
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.
- D CHES**
Coronado Global Resources Inc. will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Limited. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold CDIs issued to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on issue, you will be sponsored by Coronado Global Resources Inc. and be allocated a Securityholder Reference Number (SRN).
- F Payment**
Payment should be made in accordance with the instructions provided by your Broker.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for CDIs in Coronado Global Resources Inc. is upon and subject to the terms of the Prospectus and the Bylaws and Certificate of Incorporation of Coronado Global Resources Inc., agrees to take any number of CDIs that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms and payment should be lodged in accordance with the instructions provided by your Broker.

Privacy Notice

The personal information you provide on this form is collected by the Share Registry, as registrar for Coronado Global Resources Inc. (**the Issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting the Share Registry using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the Issuer for whom we maintain securities registers or to third parties upon direction by the Issuer where related to the Issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold CDIs. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Coronado Global Resources Inc. at least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual – Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
Joint – Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company – Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts – Use trustee(s) personal name(s) – Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased estates – Use executor(s) personal name(s) – Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
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Clubs/Unincorporated Bodies/Business Names – Use office bearer(s)' personal name(s) – Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Coronado Global Resources Inc.

ARBN 628 199 468

Broker Firm Offer Application Form

This Broker Firm Offer Application Form (**Application Form**) is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisor without delay. You should read the Coronado Global Resources Inc. Prospectus dated 24 September 2018 and any relevant Supplementary Prospectus (if applicable) (**Prospectus**), carefully before completing this Application Form. Defined terms in the Prospectus have the same meaning in this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus (whether in paper or electronic form).

The Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. The Prospectus has been prepared for publication in Australia. The CDIs to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction in the United States, and neither CDIs nor the underlying shares may be offered or sold in the United States, or to, for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act (**U.S. person**)). In addition, any hedging transactions using CDIs or underlying shares may only be conducted in compliance with the U.S Securities Act.

A Application Monies

Enter the total dollar value amount of CDIs you apply for.

A\$

The minimum Application amount is A\$2,000 and multiples of A\$500 thereafter.

B Applicant Name(s) - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s)

Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

C Enter the postal address - include State and Postcode

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town

State

Postcode

D Enter your contact details

Contact Name

Telephone Number - Business Hours

()

E CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN, and any CDIs issued as a result of the Offer will be held on the issuer sponsored subregister.

F Cheque Payment details

Drawer

Cheque Number

BSB Number

Account Number

Amount of cheque

A\$

Cheques should be drawn up according to the instructions provided by your Broker.

By submitting this Application Form:

- I/we declare that I/we have read and understood the Prospectus to which this Application Form relates in full and that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate,
- I/we agree to be bound by the Coronado Global Resources Inc. Bylaws and Certificate of Incorporation,
- I/we represent and warrant that I/we are not in the United States or a US person and am not acting for the account of a US person,
- I/we acknowledge and agree that certain representations and warranties are required to be given in connection with my/our application (being those set out in Section 11.8 of the Prospectus) and understand that by completing the Application Form I/we will be deemed to have made those representations and warranties.
- I/we acknowledge and agree that any hedging transactions involving CDIs or underlying shares will be conducted in compliance with the U.S. Securities Act.

See overleaf for completion guidelines →

How to complete this Application Form

- A Application Monies**
Enter the amount of Application Monies. The minimum Application amount is A\$2,000 and multiples of A\$500 thereafter.
- B Applicant Name(s)**
Enter the full name you wish to appear on the statement of CDI holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name and address identically to that presently registered in the CHES system.
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Correct forms of registrable title(s)

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Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
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Clubs/Unincorporated Bodies/Business Names – Use office bearer(s)' personal name(s) – Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Appendix E: Corporate Directory

Coronado Australian registered office

Level 31, Central Plaza One
345 Queen Street
Brisbane QLD 4000
Australia

Australian legal adviser to the Company and the Seller

Herbert Smith Freehills

Level 34, ANZ Tower
161 Castlereagh Street
Sydney NSW 2000
Australia

US legal adviser to the Company and the Seller

Sullivan & Cromwell LLP

125 Broad Street
New York NY 10004-2498
United States

Sole Global Coordinator and Joint Lead Manager

Goldman Sachs Australia Pty Ltd

Level 46, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Joint Lead Managers

UBS AG, Australia Branch

Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

Credit Suisse (Australia) Limited

Level 31, Gateway
1 Macquarie Place
Sydney NSW 2000
Australia

Bell Potter Securities Limited

Level 29
101 Collins Street
Melbourne VIC 300 0
Australia

Co-Lead Managers

Morgans Financial Limited

Level 29
123 Eagle Street
Brisbane QLD 4000
Australia

Clarksons Platou Securities, Inc.

280 Park Avenue
New York NY 10017
United States

Co-Managers

Baillieu Holst Ltd

Level 26
360 Collins Street
Melbourne VIC 3000
Australia

Crestone Wealth Management Limited

Level 32, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Australia

JBWere Limited

Level 16
101 Collins Street
Melbourne VIC 3000
Australia

Investigating Accountant

KPMG Financial Advisory Services (Australia) Pty Ltd

Tower Two, Collins Square
727 Collins Street
Melbourne VIC 3008
Australia

Technical Experts

Marshall Miller & Associates, Inc.

582 Industrial Park Road
Bluefield VA 24605
United States

Xstract Mining Consultants Pty Ltd

Level 3
545 Queen Street
Brisbane QLD 4000
Australia

Australian tax advisers

Gadens

Level 25, Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia

PricewaterhouseCoopers

Level 23
480 Queen Street
Brisbane QLD 4000
Australia

US tax adviser and auditor

KPMG LLP

102 E Cary Street
Richmond VA 23219
United States

Australian Share Registry

Computershare Investor Services Pty Limited

Level 4
60 Carrington Street
Sydney NSW 2000
Australia

US Share Registry

Computershare Trust Company, N.A.

250 Royall Street
Canton MA 02021
United States

Coronado Offer Information Line

1300 161 487 (within Australia) or
+61 3 9415 4014 (outside Australia)
from 8.30am to 5.00pm (Sydney Time),
Monday to Friday

