ASX Announcement

22 May 2019

Annual General Meeting: Chairman's Address

Attached is a copy of the Chairman's Address to be delivered at the Annual General Meeting (AGM) on Wednesday 22 May 2019, 10.30am at Brisbane Marriott Hotel, 515 Queen Street.

Ben Pentelow

General Counsel – Australia and Assistant Company Secretary.

– Ends –

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CHAIRMAN'S ADDRESS

to the

2019 Annual General Meeting

of

Coronado Global Resources, Inc.

Wednesday 22 May 2019

Good morning ladies and gentlemen and welcome to the first Annual General Meeting of Coronado Global Resources Inc.

My name is Bill Koeck and I am your Chairman.

As well as the shareholders and stakeholders that have joined us here today in Brisbane, I would also like to welcome those that are watching today's meeting via the webcast.

I would like to begin by respectfully acknowledging the Turrbal Traditional Owners of the land on which we meet today and elders both past and present.

May I ask that in consideration of others, please turn off your mobile phones or ensure that they are in silent mode for the duration of today's meeting. Thank you.

As it is now 10.30 am and I have confirmed with the registry, Computershare, that we have a quorum, I declare this meeting open.

I would like to begin by introducing my fellow Directors here today. Starting from my right, Managing Director and CEO **Gerry Spindler**, Non – Executive director **Ernie Thrasher**, Independent Non-Executive Directors **Greg Pritchard** and **Philip Christensen** and Acting Company Secretary, **Ben Pentelow**. Non-Executive Director Laura Tyson is an apology for today's meeting.

I am also pleased to have some of the members of our executive team here today.

Chris Buttery from Computershare will act as Inspector of Elections for today's meeting and **Simon Crane**, a representative from our external Auditors, KPMG, is here to answer any questions on the audit.

As you are aware Coronado was incorporated in Delaware, in the United States and in accordance with the Company's Certificate of Incorporation and By-Laws, all Directors are seeking re-election at today's meeting.

The Notice of Meeting sent to CDI holders in April included a form whereby shareholders who could not attend the meeting in person could ask questions of the Company's Board or its Auditors. I will endeavour to answer the most commonly asked questions in the course of my Chairman's Address today.

Following my report, our Managing Director and CEO, Gerry Spindler, will deliver a presentation on the Company's performance, strategy and prospects.

In April this year I was honoured to assume the role of Chairman of Coronado and I am very pleased to be addressing you all here today. It is a privilege for me to lead the high quality Board of this exceptional business which has outstanding people and great prospects.

The Board and I have visited each of Coronado's mines and have met with the teams in Queensland, Virginia and in West Virginia. I look forward to continuing to work with my fellow Directors and the management teams to deliver value to you, our shareholders.

It is no overstatement to say 2018 was a landmark year for Coronado Global Resources. Following the completion of the acquisition of the Curragh mine in March, we are now the world's fourth largest producer of metallurgical coal by volume to the export market with over 1,700 employees and a portfolio of world class assets in Australia and the US.

We successfully listed the company on the Australian Securities Exchange on 23 October 2018, giving investors exposure to the world's largest dedicated metallurgical coal company.

We set new benchmarks for production, financial performance and shareholder returns.

And, perhaps most importantly, we achieved this in our safest ever year.

The safety of all employees is, and will remain, our highest priority.

I am pleased to report that our operations in Australia and the US achieved their safest year on record. In Australia, we achieved a Total Recordable

Incident Frequency Rate of 3.4 and in the US a Total Recordable Incident Rate of 2.3. Both metrics were below the respective industry averages.

Our operational and financial performance was equally notable. All references in this presentation are in US dollars unless otherwise stated.

Total production for 2018 on a proforma basis was 20.2 million tonnes, an increase of 12.2 million tonnes or 152 per cent compared to FY17, delivering EBITDA of $595 million which was $17.6 million above the Prospectus forecast. We also ended FY18 with a strong balance sheet and a cash balance of approximately $124.9m with no drawn debt.

In February 2019 we booked an additional 82 million tonnes of Reserves at Curragh as a result of the acquisition of the Stanwell Reserved Area. This acquisition was a strategic transaction for Coronado. We are currently developing an optimised mine plan which we expect to share with the market at our half year results in August. The mine plan will provide a clear pathway for incremental tonnes at Curragh that underpins our expected production growth in the coming years.

Strong global coal market conditions also helped us achieve better than forecast realised pricing across the group for metallurgical coal in FY18 at $133.2 per tonne. The strong pricing, combined with a higher proportion of metallurgical coal in our sales mix, generated strong revenues of $2.3 billion and led to earnings outperformance for the 2018 financial year.

These results, together with our strong balance sheet and the company's proven ability to generate substantial free cash flow, allowed the Board, in February, to reward shareholders by declaring a total dividend of 31 cents per CDI that included a special dividend of 25 cents per CDI. This represents a dividend yield of 18 per cent on the IPO price, which is a great outcome in our first year as a publicly listed company.

Coronado's production profile is overwhelmingly focused on metallurgical coal. We produce a range of products including Hard Coking Coal, Semi Coking Coals, and Pulverised Coal Injection or, PCI coal which are supplied to a diverse range of steel making customers around the world.

Steel is the most commonly used metallic alloy and is a fundamental pillar for global economic growth. The strength of steel, and its ease of use, is such that it has become critical in the construction of key social infrastructure such as bridges, hospitals, schools, airports and roads all over the world.

Approximately 1.8 billion tonnes of steel is used in the world each year. By 2050 steel use is projected to increase 1.5 times to meet the needs of the world's growing population. Steel is an essential feature of modern lifestyles and is key to helping developing economies improve the quality of the lives of its citizens.

We recognise that in today's world there is an increasing focus on creating sustainable economies and transitioning to a low carbon environment. As the attention on renewable technology increases, we believe that steel will play a vital role in this transition. The commercialisation of renewable energy sources relies heavily on the ongoing production of steel.

For example, wind power currently accounts for around a quarter of the world's installed capacity of renewable energy. An average wind turbine is comprised of 80 per cent steel which is used in the tower, nacelle and rotor and the ongoing maintenance of a turbine will also consume steel.

The raw materials needed to manufacture steel are fundamentally iron ore and carbon – and more specifically, high quality metallurgical or coking coal. It therefore goes without saying that the continued growth in demand for steel will underpin a strong long-term outlook for metallurgical coal demand.

Our business is focused on producing high quality coking coal and we believe that the quality of our products will remain in demand by global steel producers.

The demand for steel was strong in 2018 with total crude steel production reaching 1.8 billion tonnes. This represented a total increase in production of 4.6 per cent. This level of growth demonstrates the increasing reliance on steel globally to support growing populations.

In order to support this level of steel production, demand for metallurgical coal remained robust. In 2018, the total seaborne supply of metallurgical coal increased by 5.0 per cent. In Australia we saw metallurgical coal exports increase by 3.4 per cent and in the US by 13.0 per cent.

China's policy settings and the balance of supply and demand for high quality metallurgical coal drove an increase in real prices globally. The free on board price of prime hard coking coal in Australia averaged $207.1 in 2018 which represented a 7.8 per cent increase on the average price for 2017.

The demand in 2018 was driven by steel makers globally with Japan remaining the largest importer of met coal at 60.5 million tonnes. In the future we see India playing a key role in the demand for metallurgical coal. In 2018 India's seaborne imports of metallurgical coal increased by 16.6 per cent compared to 2017. As the country focuses on expanding its steelmaking capacity, its production over the next five years, is expected to grow at a compounded annual growth rate of 5.0 per cent. Coronado has identified India as a key market for its quality coal products over the medium to long term and has established strong relationships with leading steel makers in the region.

There has been considerable media attention, in recent months, on coal import restrictions in China. Naturally this has created concern in equity markets including Coronado shareholders. Despite the rhetoric that has continued in the press, Coronado has not witnessed any real change in demand for its Australian metallurgical coal.

Coronado has continued to receive consistent enquires and requests for supply from end users in China post the announcement of import restrictions, which suggests demand for metallurgical coal remains strong in the region.

Anecdotal evidence suggests that the impact of the restrictions is having a greater effect on Australia’s thermal coal exports as China’s steel producers still require high quality, low impurity, metallurgical coal. Unlike thermal coal, the domestic Chinese metallurgical coal market has some limitations in its ability to fully service China’s demand.

Coronado sells metallurgical coal to a number of reputable steel makers in China indirectly through third parties. Exports into China represents approximately 10 per cent of Coronado’s total sales book.

Since Coronado was established in 2011, there has been a focus on building on our strengths and capabilities while positioning the company as a leading, low-cost metallurgical coal producer.

Today we have a very capable and talented team being led by some of the most experienced and well respected global coal industry executives. The significant technical and commercial expertise embedded within the business has been pivotal to our success to date and will be the lever in achieving our strategic growth objectives.

Our powerful know how led to the development of a world class portfolio of metallurgical coal assets, with scale and proximity to transport infrastructure, that produce high quality products to diverse markets and customers.

We have a prudent approach to managing our assets and our balance sheet and the fact that we sit here today with a robust balance sheet with sustainable free cash flow, demonstrates our ability to continue executing our growth strategy and generating shareholder value.

We are focused on delivering growth that it is accretive to our business. Our existing operations are situated in mature and stable regulatory regimes with no shortage of capital and a supportive major shareholder.

The company is therefore well positioned to deliver sustainable long-term growth through continued asset optimisation; executing organic growth opportunities; completing appropriate strategic acquisitions; and implementing sound capital management initiatives. Gerry will expand on these comments in his presentation.

We have already identified a range of organic and incremental growth initiatives for our existing assets and are open to considering acquisitions that are focused on increasing our exposure to high quality metallurgical coal and are value accretive. In summary the Board and management team are committed to enhancing total shareholder returns over time.

Recently we issued our inaugural sustainability report to shareholders. We believe that the products we produce have a substantial impact on improving the quality of people’s lives and so maintaining a sustainable business is important to the Board to ensure its longevity.

The report provided us with the opportunity to communicate how we go about creating a safe, diverse and highly skilled workforce while having the highest regard for the communities and environments in which we operate. It also shows examples that demonstrate the practical application of our commitment to sustainability.

Our commitments to corporate sustainability outlined in the report includes our steadfast duty to maintain a safe and healthy workplace for our people and to prioritise this above all other objectives. It also acknowledges the importance of creating a culture where all people are respected and given the opportunity to continue their learning and participate in well-being initiatives.

Engaging with external stakeholders is critical to our success and we have stated our commitment to dealing with our customers, suppliers and neighbours in a fair and transparent manner.

We also recognise that metallurgical coal is an essential component of steel making, with no viable alternative at present, so we will continue to generate sustainable economic value by meeting global demand for this essential material and look to reduce the proportion of incidental thermal coal production across our operations over the long term where technically economic or feasible.

Copies of the report are available at this meeting and on the Company's website.

You will have noticed that as the company was incorporated in the US rather than Australia, shareholders of Coronado are not required to vote on the Remuneration Report.

The Remuneration Report is self-explanatory, although I would like to emphasise that the remuneration structure for management STI's and LTI's from 2019 onwards will broadly be assessed on the basis of one third Safety and Health, one third Production volumes and one third Financial performance. In developing its remuneration structure, the Board used an independent consultant to ensure that it aligned to good market practice.

Another consequence of being incorporated in the US is that all directors, including the Chairman and the Managing Director, must be re-elected annually.

One of the most common questions we receive from shareholders relates to share price performance. I'm sure that many of you have been concerned that the share price since listing has not necessarily reflected the solid operating and financial performance of the company.

We acknowledge that having only 20 per cent of our shares freely available for trading on the ASX excludes us from the ASX 200 index which is a factor in the share price performance.

While our level of free float may be a limitation for some, there are other investors who will take the opportunity to buy Coronado shares today on the basis that it is significantly undervalued.

For those shareholders who have been investors in Coronado since its listing, Coronado has returned 31c per CDI in the form of an ordinary and special dividend. This represents a yield of 18 per cent on the listing price and 21.5 per cent on the share price on 15 February based on the forecast dividend paid in 2019. Our ability to announce a healthy distribution in February was driven by our strong operational cashflows and a robust balance sheet position.

We are committed to delivering on our plans to grow the business and drive shareholder value. We remain focused on achieving our financial targets, improving operational performance, generating strong operating cashflows and growing the business in a disciplined and effective manner. In achieving this, we are confident we will continue to deliver value for our shareholders.

In conclusion, let me reiterate that 2018 was a good year for Coronado Global Resources.

We have entered 2019 with a strong balance sheet, excellent reserves position, substantial operating cash flows and a solid platform to deliver growth. The outlook for the metallurgical coal market continues to be positive and the company is well-positioned to deliver on its targets and generate returns to shareholders.

As we all know, in an uncertain world, success is not always guaranteed. We are cognisant of the risks to our business, and in particular volatility in coal market pricing triggered by the current global trade tensions. As at today, I can report that Coronado has not seen a material effect on its business, but we remain cautious and alert to any potential changes.

The achievements of the past year would not have been possible without the hard work and dedication of our 1,700 employees plus contractors. The commitment of our people to continuously improve and to embrace change is commendable. On behalf of the Board I would like to thank them for their considerable efforts during the year and for remaining focused on safety in a time of rapid change.

I am impressed by the quality of Coronado’s assets, the contributions we make to the local communities in which we operate and the role we play in the development of the global economy.

Finally, I would like to thank my fellow directors for their important contribution and our management team for their sustained efforts working across two continents and multiple time zones, particularly during the listing process.

And of course, I would like to thank you, our shareholders for your support in, what I and your Board believe to be, an exceptional business.