

ASX Announcement

08 November 2019

Form 10Q: Quarterly Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Please see attached Form 10-Q: lodged with the U.S. Securities and Exchange Commission (SEC)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-16247

Coronado Global Resources Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

83-1780608

(I.R.S. Employer
Identification No.)

100 Bill Baker Way

Beckley, West Virginia 25801

(Address of principal executive offices) (Zip Code)

(681) 207-7263

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

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

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The registrant's common stock is publicly traded on the Australian Securities Exchange in the form of CHES Depositary Interests, or CDIs, convertible at the option of the holders into shares of the registrant's common stock on a 10-for-1 basis. The total number of shares of the registrant's common stock, par value \$0.01 per share, outstanding on October 31, 2019, including shares of common stock underlying CDIs, was 96,651,692.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets (In US\$ thousands, except share data)

Assets	Note	(Unaudited) September 30, 2019	December 31, 2018
Current assets:			
Cash and restricted cash		\$ 34,445	\$ 124,881
Trade receivables		146,331	206,127
Related party trade receivables	19	55,222	36,716
Income tax receivable		—	12,017
Inventories	6	164,640	95,103
Other current assets		39,824	40,914
Total current assets		<u>440,462</u>	<u>515,758</u>
Non-current assets:			
Property, plant and equipment, net	7	1,584,904	1,618,558
Right of use asset – operating leases, net	10	65,938	—
Goodwill	8	28,008	28,008
Intangible assets, net	8	5,158	5,402
Deposits and reclamation bonds		12,577	11,635
Deferred income tax assets		12,612	11,848
Other non-current assets		18,699	18,355
Total assets		<u>\$ 2,168,358</u>	<u>\$ 2,209,564</u>
Liabilities and Stockholders' Equity/Members' Capital			
Current liabilities:			
Accounts payable		\$ 49,999	\$ 42,962
Accrued expenses and other current liabilities	9	236,699	243,496
Income tax payable		46,527	9,241
Asset retirement obligations		7,719	7,719
Contingent royalty consideration	16	2,913	26,832
Contract obligations	13	35,318	39,116
Lease liabilities	10	33,303	1,308
Other current financial liabilities		9,533	7,727
Total current liabilities		<u>422,011</u>	<u>378,401</u>
Non-current liabilities:			
Asset retirement obligations		122,789	118,072
Contract obligations	13	206,960	253,578
Deferred consideration liability	14	162,773	155,332
Interest bearing liabilities	12	310,000	—
Other financial liabilities		2,112	4,073
Lease liabilities	10	48,600	2,481
Contingent royalty consideration	16	3,007	3,371
Deferred income tax liabilities		59,244	38,838
Other non-current liabilities		1,340	1,610
Total liabilities		<u>1,338,836</u>	<u>955,756</u>
Common stock \$0.01 par value; 1,000,000,000 shares authorized, 96,651,692 shares are issued and outstanding as of September 30, 2019 and December 31, 2018		967	967
Series A Preferred stock \$0.01 par value; 100,000,000 shares authorized, 1 Share issued and outstanding as of September 30, 2019 and December 31, 2018		—	—
Additional paid-in capital		820,171	1,107,948
Accumulated other comprehensive loss		(61,497)	(49,609)
Retained earnings		69,605	194,220
Noncontrolling interest		276	282
Total stockholders' equity		<u>829,522</u>	<u>1,253,808</u>
Total liabilities and stockholders' equity		<u>\$ 2,168,358</u>	<u>\$ 2,209,564</u>

See accompanying notes to consolidated financial statements.

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income

(In US\$ thousands, except share data)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	2019	2018	2019	2018
Revenues:					
Coal revenues	4	\$ 422,174	\$ 469,889	\$ 1,341,503	\$ 1,041,232
Coal revenues from related parties	4, 19	103,600	121,955	396,758	334,958
Other revenues	4	10,067	7,790	31,915	23,127
Total revenues		535,841	599,634	1,770,176	1,399,317
Costs and expenses:					
Cost of coal revenues (exclusive of items shown separately below)		264,585	297,985	798,281	722,605
Depreciation, depletion and amortization		39,855	48,237	125,134	112,639
Freight expenses		36,973	38,892	126,335	84,047
Stanwell rebate		40,172	45,123	134,846	77,935
Other royalties		35,815	47,424	129,237	130,411
Selling, general, and administrative expenses		8,233	4,612	26,544	56,895
Total costs and expenses		425,633	482,273	1,340,377	1,184,532
Operating income		110,208	117,361	429,799	214,785
Other income (expenses):					
Interest expense, net		(9,319)	(20,304)	(26,583)	(45,792)
Loss on debt extinguishment		—	—	—	(3,905)
Other, net	5	(1,172)	4,787	(130)	(22,059)
Total other income (expense), net		(10,491)	(15,517)	(26,713)	(71,756)
Income before tax		99,717	101,844	403,086	143,029
Income tax expense	11	(30,618)	(56,645)	(119,661)	(62,179)
Net income		69,099	45,199	283,425	80,850
Less: Net loss attributable to noncontrolling interest		(2)	(3)	(6)	(7)
Net income attributable to Coronado Global Resources Inc.		\$ 69,101	\$ 45,202	\$ 283,431	\$ 80,857
Other comprehensive income, net of income					
Foreign currency translation adjustment		(13,128)	(16,022)	(14,193)	(34,717)
Net gain (loss) on cash flow hedges, net of tax		(4,167)	—	2,305	—
Total comprehensive income		51,804	29,177	271,537	46,133
Less: Net loss attributable to noncontrolling interest		(2)	(3)	(6)	(7)
Total comprehensive income attributable to Coronado Global Resources Inc.		\$ 51,806	\$ 29,180	\$ 271,543	\$ 46,140
Earnings per share of common stock					
Basic	15	0.71	—	2.93	—
Diluted	15	0.71	—	2.93	—

See accompanying notes to consolidated financial statements.

Unaudited Condensed Consolidated Statements of Stockholders' Equity/Members' Capital
(In US\$ thousands, except share data)

	Members'	Common stock		Preferred stock		Additional	Accumulated other	Retained	Noncontrolling	Total
	capital	Shares	Amount	Series A	Amount	paid in	comprehensive	earnings	interest	stockholders
						capital	income/(loss)			equity
Balance December 31, 2018	\$ —	96,651,692	967	1	—	1,107,948	(49,609)	194,220	282	1,253,808
Net income	—	—	—	—	—	—	—	96,820	—	96,820
Other comprehensive income (net of \$2,391 tax)	—	—	—	—	—	—	5,021	—	—	5,021
Total comprehensive income	—	—	—	—	—	—	5,021	96,820	—	101,841
Dividends paid	—	—	—	—	—	—	—	(299,682)	—	(299,682)
Balance March 31, 2019	<u>\$ —</u>	<u>96,651,692</u>	<u>967</u>	<u>1</u>	<u>—</u>	<u>1,107,948</u>	<u>(44,588)</u>	<u>(8,642)</u>	<u>282</u>	<u>1,055,967</u>
Net income	—	—	—	—	—	—	—	117,510	(4)	117,506
Other comprehensive income (net of \$383 tax)	—	—	—	—	—	—	386	—	—	386
Total comprehensive income	—	—	—	—	—	—	386	117,510	(4)	117,892
Share-based compensation for equity classified awards	—	—	—	—	—	93	—	—	—	93
Balance June 30, 2019	<u>\$ —</u>	<u>96,651,692</u>	<u>967</u>	<u>1</u>	<u>—</u>	<u>1,108,041</u>	<u>(44,202)</u>	<u>108,868</u>	<u>278</u>	<u>1,173,952</u>
Net income	—	—	—	—	—	—	—	69,101	(2)	69,099
Other comprehensive income (net of \$-1,796 of tax)	—	—	—	—	—	—	(17,295)	—	—	(17,295)
Total comprehensive income	—	—	—	—	—	—	(17,295)	69,101	(2)	51,804
Share-based compensation for equity classified awards	—	—	—	—	—	150	—	—	—	150
Dividends paid	—	—	—	—	—	—	—	(108,364)	—	(108,364)
Return of capital	—	—	—	—	—	(288,020)	—	—	—	(288,020)
Balance September 30, 2019	<u>\$ —</u>	<u>96,651,692</u>	<u>967</u>	<u>1</u>	<u>—</u>	<u>820,171</u>	<u>(61,497)</u>	<u>69,605</u>	<u>276</u>	<u>829,522</u>

	Members'	Common stock		Preferred stock		Additional	Accumulated other	Retained	Noncontrolling	Total
	capital	Shares	Amount	Series A	Amount	paid in	comprehensive	earnings	interest	stockholders
						capital	income/(loss)			equity
Balance December 31, 2017	\$ 553,524	—	—	—	—	—	—	79,539	237	633,300
Net (loss)	—	—	—	—	—	—	—	(23,669)	(2)	(23,671)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	—	—	—	—	—	(23,669)	(2)	(23,671)
Members Contribution	181,610	—	—	—	—	—	—	—	62	181,672
Balance March 31, 2018	<u>\$ 735,134</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>55,870</u>	<u>297</u>	<u>791,301</u>
Net income	—	—	—	—	—	—	—	59,324	(2)	59,322
Other comprehensive income	—	—	—	—	—	—	(18,695)	—	—	(18,695)
Total comprehensive income	—	—	—	—	—	—	(18,695)	59,324	(2)	40,627
Members Distribution	(30,274)	—	—	—	—	—	—	—	—	(30,274)
Balance June 30, 2018	<u>\$ 704,860</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(18,695)</u>	<u>115,194</u>	<u>295</u>	<u>801,654</u>
Net income	—	—	—	—	—	—	—	45,202	(3)	45,199
Other comprehensive income	—	—	—	—	—	—	(16,022)	—	—	(16,022)
Total comprehensive income	—	—	—	—	—	—	(16,022)	45,202	(3)	29,177
Members Distribution	(38,800)	—	—	—	—	—	—	—	—	(38,800)
Balance September 30, 2018	<u>\$ 666,060</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(34,717)</u>	<u>160,396</u>	<u>292</u>	<u>792,031</u>

See accompanying notes to unaudited condensed consolidated financial statements

Unaudited Condensed Consolidated Statements of Cash Flows
(In US\$ thousands)

	Nine Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net income	\$ 283,425	\$ 80,850
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:		
Depreciation, depletion and amortization	125,259	112,639
Amortization of right of use asset - operating leases	16,978	—
Amortization of deferred financing costs	3,108	3,283
Non-cash interest expense	14,725	4,912
Amortization of contract obligations	(25,760)	(21,898)
Loss on disposal of property, plant and equipment	(267)	(335)
Increase (decrease) in contingent royalty consideration	(11,296)	12,062
Loss on interest rate swap	—	3,975
Equity-based compensation expense	243	—
Deferred income taxes	18,031	48,818
Reclamation of asset retirement obligations	(2,790)	(3,107)
Change in estimate of asset retirement obligation	(125)	48
Changes in operating assets and liabilities:		
Accounts receivable - including related party receivables	27,668	(25,691)
Inventories	(73,741)	11,469
Other current assets	(6,310)	(28,888)
Accounts payable	7,675	8,229
Accrued expenses and other current liabilities	13,108	58,836
Operating lease liabilities	(18,041)	—
Change in other liabilities	66,721	8,697
Net cash provided by operating activities	438,611	273,899
Cash flows from investing activities:		
Capital expenditures	(117,369)	(73,038)
Purchase of deposits and reclamation bonds	(947)	(971)
Redemption of deposits and reclamation bonds	5	204
Acquisition of Curragh, net of cash acquired	—	(537,207)
Net cash used in investing activities	(118,311)	(611,012)
Cash flows from financing activities:		
Proceeds from interest bearing liabilities and other financial liabilities, net of debt discount	422,599	720,083
Proceeds from interest rate swap	—	28,251
Payments on interest rate swap	—	(3,514)
Debt issuance costs and other financing costs	(4,082)	(42,075)
Principal payments on interest bearing liabilities and other financial liabilities	(112,754)	(241,930)
Principal payments on finance and capital lease obligations	(994)	(1,424)
Payment of contingent purchase consideration	(17,660)	(6,628)
Dividends paid	(408,046)	—
Shareholders'/Members' contributions (distributions), net	(288,020)	112,529
NCI member's contributions	—	70
Net cash provided by (used in) financing activities	(408,957)	565,362
Net increase (decrease) in cash and restricted cash	(88,657)	228,249
Effect of exchange rate changes on cash and restricted cash	(1,779)	(4,213)
Cash and restricted cash at beginning of period	124,881	28,069
Cash and restricted cash at end of period	\$ 34,445	\$ 252,105
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 9,244	\$ 44,781
Cash paid for taxes	\$ 49,884	\$ 10,973

See accompanying notes to unaudited condensed consolidated financial statements

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business, Basis of Presentation

(a) Description of the Business

Coronado Global Resources Inc. (together with its subsidiaries, the “Company” or “Coronado”) is a global producer, marketer, and exporter of a full range of metallurgical coals, an essential element in the production of steel. The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA.

(b) Basis of Presentation

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of the U.S. Generally Accepted Accounting Principles, or U.S. GAAP, and with the instructions to Form 10-Q and Article 10 of Regulation S-X related to interim financial reporting issued by the Securities and Exchange Commission, or the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s registration statement on Form 10, as amended, filed with the SEC and the Australian Securities Exchange, or the ASX, on June 28, 2019.

During the year ended December 31, 2018, Coronado Group LLC and Coronado Global Resources Inc. completed a common control reorganization, or the Reorganization Transaction, of their legal entity structure. Prior to the Reorganization Transaction in August 2018, Coronado Group HoldCo LLC, the holding company of our operations in Australia, or the Australian Operations, was a wholly-owned subsidiary of Coronado Group LLC. In connection with the Reorganization Transaction, (i) Coronado Group HoldCo LLC was converted into Coronado Global Resources Inc. in August 2018 and (ii) Coronado Group LLC contributed all of the equity ownership in our operations in the United States, or the U.S. Operations, to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources Inc. Immediately following the Reorganization Transaction, Coronado Global Resources Inc. remained a wholly-owned subsidiary of Coronado Group LLC, which is currently owned by The Energy & Minerals Group, or EMG Group, and certain members of our management.

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

The interim unaudited condensed consolidated financial statements are presented in U.S. dollars, unless otherwise stated. They include the accounts of Coronado Global Resources Inc. and its affiliates. References to “US\$” or “USD” are references to U.S. dollars. References to “A\$” or “AUD” are references to Australian dollars, the lawful currency of the Commonwealth of Australia. The Company, or Coronado, are used interchangeably to refer to Coronado Global Resources Inc. and its subsidiaries, or to Coronado Group LLC, as appropriate to the context. Interests in subsidiaries controlled by the Company are consolidated with any outside stockholder interests reflected as noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, these interim financial statements reflect all normal, recurring adjustments necessary for the fair presentation of the Company’s financial position, results of operations, comprehensive income, cash flows and changes in equity for the periods presented. Balance sheet information presented herein as of December 31, 2018 has been derived from the Company’s audited consolidated balance sheet at that date. The Company’s results of operations for the three and nine months ended September 30, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2019.

2. Summary of Significant Accounting Policies

Please see Note 2 “Summary of Significant Accounting Policies” contained in the audited consolidated financial statements for the year ended December 31, 2018 included in Coronado Global Resources Inc.’s registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(a) Newly Adopted Accounting Standards

Leases. In February 2016, the Financial Accounting Standards Board, or FASB, established Topic 842, Leases, by issuing Accounting Standards Update, or ASU, No. 2016-02, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use, or ROU, model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

On January 1, 2019, the Company adopted ASU No. 2016-02 using the modified retrospective transition approach and elected the package of practical expedients that allows it to forgo reassessment of lease classification for leases that have already commenced. The Company also elected the practical expedients to the new standard without restating comparative prior period financial information, to not recognize ROU assets and liabilities for operating leases with shorter than 12-month terms and to include both lease and non-lease components with lease payments.

In addition to existing finance leases and other financing obligations, the adoption of the new standard, on January 1, 2019, resulted in the recognition of ROU assets of \$66.8 million and lease liabilities of \$81.1 million related to operating leases. On adoption, the lease liability included reclassification of a terminal services contract liability of \$14.3 million, which is classified as a lease under the newly adopted standard. There was no material impact to the Consolidated Statements of Operations and Comprehensive Income, the Consolidated Statements of Cash Flows, or the Company's debt covenant calculations as a result of the adoption of ASU 2016-02.

ASU No. 2016-02 also requires entities to disclose certain qualitative and quantitative information regarding the amount, timing, and uncertainty of cash flows arising from leases. Such disclosures are included in Note 10 "Leases".

(b) Accounting Standards Not Yet Implemented

Financial Instruments - Credit Losses. In June 2016, the FASB issued ASU 2016-13 related to the measurement of credit losses on financial instruments. The pronouncement replaces the incurred loss methodology to record credit losses with a methodology that reflects the expected credit losses for financial assets not accounted for at fair value with gains and losses recognized through net income. This standard is effective for fiscal years beginning after December 15, 2019 (January 1, 2020 for the Company) and interim periods therein. The Company expects to adopt ASU 2016-13 as of January 1, 2020 and is in the process of evaluating the impacts of adoption.

Fair Value Measurement. In August 2018, the FASB issued ASU 2018-13, which amended the fair value measurement guidance by removing and modifying certain disclosure requirements, while also adding new disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all companies for fiscal years, and interim periods within those years, beginning after December 15, 2019. The Company plans to adopt all disclosure requirements effective January 1, 2020.

(c) Reclassification

Certain amounts in the prior period Condensed Consolidated Balance Sheet have been reclassified to conform to the presentation of the current period financial statements. These related to the reclassification of capital lease liabilities included within "other financial liabilities and capital leases" and "other financial liabilities, excluding current instalments" as at December 31, 2018 to "Lease liabilities" current and non-current, respectively. These reclassifications had no effect on the previously reported net income.

3. Acquisition of Curragh Complex

On December 22, 2017, a Membership Interest and Asset Purchase Agreement, or the Agreement, was entered by Coronado Australia Holdings Pty Ltd and Coronado Group LLC in order to acquire Wesfarmers Curragh Pty Ltd from Wesfarmers Limited (since renamed Coronado Curragh Pty Ltd), which we refer to as the Curragh acquisition. The Agreement was executed on March 29, 2018.

The aggregate base purchase price for the Membership Interest in Curragh was A\$700 million and was subject to adjustments pursuant to the terms of the Agreement. The Company acquired 100% of the Membership Interest. The operating results related to the Curragh acquisition have been included in the consolidated financial statements since March 29, 2018.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The aggregate consideration on the date of the Curragh acquisition totaled \$563.8 million.

Contingent consideration recognized on the date of the Curragh acquisition, specifically the Value Share Mechanism, or VSM, of \$26.6 million associated with the Curragh acquisition represents the fair value of a two-year, 25% royalty on sales from metallurgical coal mined at Curragh. The royalty only applies to the realized price on metallurgical coal sales above \$145 per metric ton. The VSM liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the Consolidated Statement of Operations. The payout structure of the royalty can be replicated through a probability weighted discounted cash flow approach using a Monte Carlo simulation over a 24-month period from acquisition date. As such, the Company developed a fair value of the royalty using a Monte Carlo simulation.

In connection with the acquisition, Coronado Australia Holdings Pty Ltd incurred acquisition related costs for the nine months ended September 30, 2018 of \$53.8 million, \$38.5 million of which is recorded in selling, general, and administrative expenses. The remainder, relating to foreign currency swap losses, is recorded in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income under "Other, net".

The Curragh acquisition has been accounted for using the acquisition method of accounting which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The following table summarizes total consideration transferred and the allocation of the purchase price to the acquired assets and liabilities:

	Amount (US\$ thousands)
Fair value of total consideration transferred:	
Cash consideration	\$ 537,207
Contingent consideration (Value Share Mechanism)	26,552
Total consideration transferred	<u>563,759</u>
Recognized amounts of identifiable assets acquired, and liabilities assumed:	
Current assets	\$ 240,966
Property, plant and equipment	851,981
Deferred income tax assets	24,432
Other long-term assets	1,831
Current liabilities	(141,611)
Contract obligations	(306,960)
Asset retirement obligations	(104,305)
Other long-term liabilities	(2,575)
Total identifiable net assets acquired	<u>\$ 563,759</u>

No goodwill has been recorded in connection with this acquisition as the purchase consideration equaled the fair value of the net assets acquired.

The following pro forma summary reflects consolidated results of operation as if the Curragh acquisition had occurred on January 1, 2018 (unaudited).

	Nine Months Ended September 30, 2018 (US\$ thousands)
Revenue	\$ 1,715,817
Net Income	197,487

The pro forma financial information was prepared based on historical financial information and has been adjusted to give effect to pro forma adjustments that are (i) directly attributable to the Curragh acquisition, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results.

These pro forma results are based on estimates and assumptions, which the Company believes are reasonable. They are not the results that would have been realized had the acquisition actually occurred on January 1, 2018 and are not necessarily indicative of the Company's consolidated results of operations in future periods. The pro forma results include adjustments related to purchase accounting, depreciation of property and equipment, and do not include any anticipated synergies or other expected benefits that may be realized from the Curragh acquisition.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The pro forma results for the nine months ended September 30, 2018 exclude non-recurring adjustments of \$53.8 million of transaction costs.

4. Segment Information

The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA. The Company operates its business along four reportable segments: Curragh, Buchanan, Logan and Greenbrier. These segments are grouped based on geography. Factors affecting and differentiating the financial performance of each of these four reportable segments generally include coal quality, geology, and coal marketing opportunities, mining and transportation methods and regulatory issues. The Company believes this method of segment reporting reflects both the way its business segments are currently managed and the way the performance of each segment is evaluated. The four segments consist of similar operating activities as each segment produces similar products.

The organization of the four reportable segments reflects how Coronado's chief operating decision maker, or CODM, manages and allocates resources to the various components. The CODM uses Adjusted EBITDA as the primary metric to measure each segment's operating performance.

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, depletion and amortization, other foreign exchange losses and loss on debt extinguishment. "Other and corporate" relates to additional financial information for the corporate function such as accounting, treasury, legal, human resources, compliance, and tax. As such, the corporate function is not determined to be a reportable segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financials.

Reportable segment results as of and for the three and nine months ended September 30, 2019 and 2018 are presented below:

	Curragh(1)	Buchanan	Logan	Greenbrier	Other and Corporate	Total
	(\$ thousands)					
Three months ended September 30, 2019						
Total revenues	350,505	91,780	75,888	17,668	—	535,841
Adjusted EBITDA	94,860	43,555	19,229	267	(8,169)	149,742
Net income/(loss)	56,379	21,522	8,584	(2,112)	(15,274)	69,099
Total assets	1,114,022	524,748	332,496	147,674	49,418	2,168,358
Capital expenditures (2)	22,981	12,512	13,784	1,665	—	50,942
Three months ended September 30, 2018						
Total revenues	396,979	120,966	66,408	16,241	(960)	599,634
Adjusted EBITDA	110,740	52,821	6,454	(1,445)	2,850	171,420
Net income/(loss)	41,742	16,435	(12,877)	(15,626)	15,525	45,199
Total assets	1,203,787	508,739	252,312	146,816	217,154	2,328,808
Capital expenditures (2)	12,632	9,165	4,061	419	559	26,836
Nine Months Ended September 30, 2019						
Total revenues	1,144,689	343,217	231,805	50,465	—	1,770,176
Adjusted EBITDA	366,568	159,956	54,520	186	(26,134)	555,096
Net income/(loss)	216,136	88,441	24,107	(7,144)	(38,115)	283,425
Total assets	1,114,022	524,748	332,496	147,674	49,418	2,168,358
Capital expenditures (2)	38,407	40,712	34,102	4,143	5	117,369
Nine Months Ended September 30, 2018						
Total revenues	784,358	381,467	179,063	54,429	—	1,399,317
Adjusted EBITDA	210,719	152,522	21,955	(462)	(71,486)	313,248
Net income/(loss)	95,959	93,278	(10,129)	(21,802)	(76,456)	80,850
Total assets	1,203,787	508,739	252,312	146,816	217,154	2,328,808
Capital expenditures (2)	30,470	23,349	17,252	978	989	73,038

(1) On March 29, 2018, Coronado acquired the Curragh Mining business from Wesfarmers Limited. Curragh is a separate reportable segment due to having separate management, location, assets, and operations. Curragh is located in central Queensland, Australia and the reportable segment produces a wide variety of metallurgical coal.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Capital expenditures includes financing fees incurred through other financial liabilities for the purchase of certain equipment.

The reconciliation of Adjusted EBITDA to net income attributable to the Company for the three and nine months ended September 30, 2019 and 2018 are as follows:

	Three months ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(US\$ thousands)		(US\$ thousands)	
Net income	\$ 69,099	\$ 45,199	\$ 283,425	\$ 80,850
Depreciation, depletion and amortization	39,855	48,237	125,134	112,639
Interest expense (net of income)	9,319	20,304	26,583	45,792
Other foreign exchange (gains) losses	851	1,035	293	7,883
Loss on retirement of debt	—	—	—	3,905
Income tax expense	30,618	56,645	119,661	62,179
Consolidated adjusted EBITDA	<u>\$ 149,742</u>	<u>\$ 171,420</u>	<u>\$ 555,096</u>	<u>\$ 313,248</u>

Disaggregation of Revenue

The Company disaggregates the revenue from contracts with customers by major product group for each of the Company's segments, as the company believes it best depicts the nature, amount, timing and uncertainty of revenues and cash flows. All revenue is recognized at point in time.

	Three months ended September 30, 2019				
	Curragh(1)	Buchanan	Logan	Greenbrier	Other and Corporate
	(\$ thousands)				
Product Groups					
Metallurgical coal	318,634	89,353	67,041	15,890	—
Thermal coal	23,582	2,265	8,097	912	—
Total coal revenue	342,216	91,618	75,138	16,802	—
Other ¹	8,289	162	750	866	—
Total	<u>350,505</u>	<u>91,780</u>	<u>75,888</u>	<u>17,668</u>	<u>—</u>

	Three months ended September 30, 2018				
	Curragh(1)	Buchanan	Logan	Greenbrier	Other and Corporate
	(\$ thousands)				
Product Groups					
Metallurgical coal	366,247	117,482	53,963	15,969	—
Thermal coal	23,765	3,418	10,995	5	—
Total coal revenue	390,012	120,900	64,958	15,974	—
Other ¹	6,967	66	1,450	267	(960)
Total	<u>396,979</u>	<u>120,966</u>	<u>66,408</u>	<u>16,241</u>	<u>(960)</u>

	Nine Months Ended September 30, 2019				
	Curragh(1)	Buchanan	Logan	Greenbrier	Other and Corporate
	(\$ thousands)				
Product Groups					
Metallurgical coal	1,046,598	334,400	198,461	46,957	—
Thermal coal	71,563	8,571	30,304	1,407	—
Total coal revenue	1,118,161	342,971	228,765	48,364	—
Other ¹	26,528	246	3,040	2,101	—
Total	<u>1,144,689</u>	<u>343,217</u>	<u>231,805</u>	<u>50,465</u>	<u>—</u>

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Nine Months Ended September 30, 2018					
Curragh(1)	Buchanan	Logan	Greenbrier	Other and Corporate	Total
(\$ thousands)					
Product Groups					
Metallurgical coal	715,733	370,817	147,164	51,951	1,285,665
Thermal coal	48,813	10,545	30,449	718	90,525
Total coal revenue	764,546	381,362	177,613	52,669	1,376,190
Other ¹	19,812	105	1,450	1,760	23,127
Total	784,358	381,467	179,063	54,429	1,399,317

(1) Other revenue for Curragh includes the amortization of the Stanwell non-market coal supply contract obligation liability.

5. Expenses

Other, Net

	Three months ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
	(US\$ thousands)		(US\$ thousands)	
Loss on foreign exchange swap	\$ —	\$ —	\$ —	\$ (15,695)
Other foreign exchange (losses) gains	(851)	(1,035)	(293)	(7,883)
Other (expenses) income	(321)	5,822	163	1,519
Total Other, net	\$ (1,172)	\$ 4,787	\$ (130)	\$ (22,059)

6. Inventories

(US\$ thousands)	September 30, 2019	December 31, 2018
Raw coal	\$ 49,543	\$ 20,106
Saleable coal	61,213	26,374
Total coal inventories	110,756	46,480
Supplies inventory	53,884	48,623
Total inventories	\$ 164,640	\$ 95,103

7. Property, Plant and Equipment

(US\$ thousands)	September 30, 2019	December 31, 2018
Land	\$ 26,539	\$ 26,845
Buildings and improvements	75,877	89,027
Plant, machinery, mining equipment and transportation vehicles	795,506	765,432
Mineral rights and reserves	464,710	464,680
Office and computer equipment	3,788	3,700
Mine development	477,790	479,152
Asset retirement obligation asset	82,042	80,993
Construction in process	106,970	43,691
	2,033,222	1,953,520
Less accumulated depreciation, depletion and amortization	448,318	334,962
Net property, plant and equipment	\$ 1,584,904	\$ 1,618,558

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Goodwill and Other Intangible Assets

(a) Acquired Intangible Assets

		September 30, 2019			
(US\$ thousands)	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount	
Intangible assets:					
Amortizing intangible assets:					
Mining permits - Greenbrier	14	\$ 1,500	\$ 820	\$ 680	
Mining permits - Logan	15	1,642	729	913	
Mining permits - Buchanan	28	4,000	435	3,565	
Total intangible assets		<u>\$ 7,142</u>	<u>\$ 1,984</u>	<u>\$ 5,158</u>	

		December 31, 2018			
(US\$ thousands)	Weighted average amortization period (years)	Gross carrying amount	Accumulated amortization	Net carrying amount	
Intangible assets:					
Amortizing intangible assets:					
Mining permits - Greenbrier	14	\$ 1,500	\$ 760	\$ 740	
Mining permits - Logan	15	1,642	638	1,004	
Mining permits - Buchanan	28	4,000	342	3,658	
Total intangible assets		<u>\$ 7,142</u>	<u>\$ 1,740</u>	<u>\$ 5,402</u>	

Amortization expense is charged using the straight-line method over the useful lives of the respective intangible asset. The aggregate amount of amortization expense for amortizing intangible assets for the three months ended September 30, 2019 and 2018 was \$0.1 million and \$0.1 million, respectively. The aggregate amount of amortization expense for amortizing intangible assets for the nine months ended September 30, 2019 and 2018 was \$0.2 million and \$0.2 million, respectively.

(b) Goodwill

In connection with the Buchanan acquisition on March 31, 2016, the Company recorded goodwill in the amount of \$28.0 million. The balance of goodwill as at both September 30, 2019 and December 31, 2018 was \$28.0 million.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(US\$ thousands)	September 30, 2019	December 31, 2018
Wages and employee benefits	\$ 65,648	\$ 50,819
Taxes other than income taxes	8,353	6,512
Accrued royalties	34,858	49,129
Accrued freight costs	19,361	26,509
Accrued mining fees	55,351	45,615
Cash flow hedge derivative liability	2,227	5,311
Acquisition related accruals	29,025	30,349
Other liabilities	21,876	29,252
Total accrued expenses and other current liabilities	<u>\$ 236,699</u>	<u>\$ 243,496</u>

Included within acquisition related accruals is an amount outstanding for stamp duty payable on the Curragh acquisition of \$29.0 million (A\$43.0 million). This amount was outstanding as at September 30, 2019 and December 31, 2018 pending financial assessment to be made by the Office of State Revenue in Queensland, Australia.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**10. Leases**

On January 1, 2019, the Company adopted ASC 842, Leases. Changes to the Company's accounting policy as a result of adoption are discussed below.

From time to time, the Company enters into mining services contracts which may include embedded leases of mining equipment and other contractual agreements to lease mining equipment and facilities. Based upon the Company's assessment of the terms of a specific lease agreement, the Company classifies a lease as either finance or operating.

(a) Finance Leases

ROU assets related to finance leases are presented in Property, plant and equipment, net on the unaudited Condensed Consolidated Balance Sheet. Lease liabilities related to finance leases are presented in "Lease Liabilities" (current) and "Lease Liabilities" (non-current) on the unaudited Condensed Consolidated Balance Sheet.

Finance lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. The discount rate used to determine the present value of the lease payments is the rate implicit in the lease unless that rate cannot be readily determined, in which case, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

(b) Operating Leases

ROU assets related to operating leases are presented as Right of Use assets – operating leases, net on the unaudited Condensed Consolidated Balance Sheet. Lease liabilities related to operating leases that are subject to the ASC 842 measurement requirements such as operating leases with lease terms greater than twelve months are presented in "Lease Liabilities" (current) and "Lease Liabilities" (non-current) on the unaudited Condensed Consolidated Balance Sheet.

Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. The discount rate used to determine the present value of the lease payments is the rate implicit in the lease unless that rate cannot be readily determined, in which case, the Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Operating lease ROU assets may also include any cumulative prepaid or accrued rent when the lease payments are uneven throughout the lease term. The ROU assets and lease liabilities may also include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The ROU asset includes any lease payments made and lease incentives received prior to the commencement date. The Company has lease arrangements with lease and non-lease components which are accounted for separately. Non-lease components of the lease payments are expensed as incurred and are not included in determining the present value. As at September 30, 2019 the unaudited Condensed Consolidated Balance Sheet included \$44.7 million of operating lease liabilities relating to equipment embedded within mining service contracts.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Information related to Company's right-of use assets and related lease liabilities are as follows:

(US\$ thousands)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Operating lease costs	\$ 7,671	\$ 20,532
Cash paid for operating lease liabilities	6,968	18,041
Finance lease costs:		
Amortization of right of use assets	627	1,848
Interest on lease liabilities	47	155
Total finance lease costs	<u>\$ 674</u>	<u>\$ 2,003</u>

(US\$ thousands)	September 30, 2019	December 31, 2018
Operating leases:		
Operating lease right-of-use assets	\$ 65,938	\$ —
Finance leases:		
Property and equipment	7,881	7,074
Accumulated depreciation	<u>(4,762)</u>	<u>(2,914)</u>
Property and equipment, net	<u>3,119</u>	<u>4,160</u>
Current operating lease obligations	30,510	—
Operating lease liabilities, less current portion	<u>48,600</u>	<u>—</u>
Total operating lease liabilities	<u>79,110</u>	<u>—</u>
Current finance lease obligations	2,793	1,307
Finance lease liabilities, less current portion	<u>—</u>	<u>2,481</u>
Total Finance lease liabilities	<u>2,793</u>	<u>3,788</u>
Total Lease liability	<u>\$ 81,903</u>	<u>\$ 3,788</u>

	September 30, 2019
Weighted Average Remaining Lease Term (Years)	
Weighted average remaining lease term – finance leases	0.93
Weighted average remaining lease term – operating leases	2.95
Weighted Average Discount Rate	
Weighted discount rate – finance lease	6.25%
Weighted discount rate – operating lease	7.97%

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's operating leases have remaining lease terms of 1 year to 5 years, some of which include options to extend the terms deemed reasonable to exercise. Maturities of lease liabilities are as follows:

(US\$ thousands)	Operating Lease	Finance Lease
Year ending December 31,		
2019	\$ 9,180	\$ 355
2020	34,823	2,568
2021	25,819	—
2022	8,473	—
2023	8,427	—
Thereafter	2,103	—
Total lease payments	88,825	2,923
Less imputed interest	(9,715)	(130)
Total lease liability	\$ 79,110	\$ 2,793

11. Income Taxes

Prior to August 13, 2018, the Company and its related entities were treated as partnerships for US income tax purposes and therefore provided no income taxes within the financial statements. On August 13, 2018, the Company converted to a c-corporation and began to provide US income taxes on the earnings of the Curragh operations. The Company's foreign structure consists of Australian entities which are treated as corporations subject to tax under Australian tax authorities. The Curragh entities are treated as a branch for US tax purposes and income flows through to the Company. On September 19, 2018, the legacy US businesses were contributed to the Company and became taxable under the ownership of the Company at that time. The effect of the above restructures was to recognize net deferred tax balances of \$40.5 million through income tax expense during the quarter ended September 30, 2018.

For the three and nine months ended September 30, 2019 and 2018, the Company estimated its annual effective tax rate and applied this effective tax rate to its year-to-date pretax income at the end of the interim reporting period. The tax effect of unusual or infrequently occurring items, including effects of changes in tax laws or rates and changes in judgment about the realizability of deferred tax assets, are reported in the interim period in which they occur. The Company's 2019 estimated annual effective tax rate, including discrete items, is 29.7%. The Company had income tax expense of \$30.6 million and \$119.7 million for the three and nine months ended September 30, 2019 respectively.

Income tax expense of \$56.7 million for the three months ended September 30, 2018 and \$62.2 million for the nine months ended September 30, 2018, related to the Company's Australian Operations and was calculated based on effective tax rate of 15.1% for the period, and the initial recognition of the deferred tax balances of \$40.5 million relating to the reorganization noted above.

12. Interest Bearing Liabilities

The Company had a Multicurrency Revolving Syndicated Facility Agreement, or SFA, dated September 15, 2018, comprising of Facility A (\$350 million loan facility) and Facility B (A\$370 million bank guarantee facility).

On September 11, 2019, the Company executed an amendment to the SFA, with the key amendments as follows:

- Facility C – an additional multicurrency loan facility with a limit of \$200 million. All other terms match those of Facility A.
- Facility B – amended to a multicurrency bank guarantee facility without altering its limit of A\$370 million.
- Termination date – the termination date of the SFA was extended by 12 months to February 15, 2023.

The SFA is a revolving credit facility under which the Company may borrow funds from Facility A and/or Facility C for a period of one, two, three or six months, each referred to as a Term. The interest rate is set at the commencement of each Term. At the end of each Term, the Company may elect to repay the loan or extend any loan amount outstanding for a further period of one, two, three or six months. The Term of the loan cannot extend beyond the Termination Date of the SFA.

During the nine months ended September 30, 2019 the Company borrowed a total amount of \$414.0 million under the SFA to partially fund distributions to shareholders in the period of \$696.0 million, and for other working capital purposes.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The total interest bearing liabilities outstanding under the SFA as at September 30, 2019, was \$310.0 million. There were no amounts outstanding under the SFA as at December 31, 2018.

13. Contract Obligations

The following is a summary of the contract obligations as of September 30, 2019:

(US\$ thousands)	Short-term	Long-term	Total
Coal leases contract liability	\$ 843	\$ 21,519	\$ 22,362
Stanwell below market coal supply agreement	34,475	185,441	219,916
	<u>\$ 35,318</u>	<u>\$ 206,960</u>	<u>\$ 242,278</u>

The following is a summary of the contract obligations as of December 31, 2018:

(US\$ thousands)	Short-term	Long-term	Total
Terminal services contract liability	\$ 2,717	\$ 11,549	\$ 14,266
Coal leases contract liability	844	22,354	23,198
Stanwell below market coal supply agreement	35,555	219,675	255,230
	<u>\$ 39,116</u>	<u>\$ 253,578</u>	<u>\$ 292,694</u>

On adoption of ASC 842 – Leases the Terminal services contract liability was eliminated against the Terminal services Right of Use Asset on the unaudited Condensed Consolidated Balance Sheet.

14. Deferred Consideration Liability

On August 14, 2018 the Company completed the purchase of the Stanwell Reserved Area, or the SRA, adjacent to the current Curragh mining tenements. This area was acquired on a deferred consideration basis and on acquisition the Company recognized a “Right-to-mine-asset” and a corresponding deferred consideration liability of \$155.2 million, calculated using a pre-tax discount rate of 13% representing fair value of the arrangements and the date of acquisition. The deferred consideration liability will reflect passage of time changes by way of an annual accretion at the pre-tax discount rate of 13% while the liability will decrease as domestic coal is supplied to Stanwell from the SRA. The accretion of deferred consideration is recognized in “Interest expense, net” in the unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

(US\$ thousands)	September 30, 2019	December 31, 2018
Stanwell Reserved Area deferred consideration	\$ 162,773	\$ 155,332
	<u>\$ 162,773</u>	<u>\$ 155,332</u>

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Earnings per Share

Basic earnings per share of common stock is computed by dividing net income attributable to the Company for the period, by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income attributable to the Company by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. There were no traded shares of common stock outstanding prior to October 23, 2018, therefore no earnings per share information has been presented for any period prior to that date.

Basic and diluted earnings per share was calculated as follows (in thousands, except per share data):

(US\$ thousands, except per share data)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Numerator:		
Net Income	\$ 69,099	\$ 283,425
Less: Net income attributable to Non-controlling interest	(2)	(6)
Net Income attributable to Company stockholders	<u>\$ 69,101</u>	<u>\$ 283,431</u>
Denominator (in thousands):		
Weighted-average shares of common stock outstanding	96,652	96,652
Effects of dilutive shares	2	2
Weighted average diluted shares of common stock outstanding	96,654	96,654
Earnings Per Share (US\$):		
Basic	0.71	2.93
Dilutive	0.71	2.93

16. Derivatives and Fair Value Measurement

(a) Derivatives

The Company may use derivative financial instruments to manage its financial risks in the normal course of operations, including foreign currency risks, commodity price risk related to purchase of raw materials (such as gas or diesel) and interest rate risk. Derivatives are exclusively used for cashflow hedge purposes and hedging for speculative purposes is strictly prohibited under the Treasury Risk Management Policy approved by the Board of Directors.

The financing counterparties to the derivative contracts potentially expose the Company to credit-related risk. Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of the financial instrument. The Company mitigates credit risk by entering into derivative contracts with high credit quality counterparties, limiting the amount of exposure to each counterparty and frequently monitoring their financial condition.

Forward fuel contracts

In 2018, the Company entered into forward derivative contracts to hedge its exposure to diesel fuel for the diesel fuel that is used, or expects to use, in the operations at Curragh in 2019. During the nine months ended September 30, 2019, the Company entered into additional derivative contracts in relation to expected consumption of diesel fuel in the operations at Curragh in 2020. The aggregate notional amount for all outstanding derivative contracts were \$70.9 million at September 30, 2019, and \$44.6 million at December 31, 2018.

The unrealized loss of \$0.2 million, net of tax, recognized in "Accumulated other comprehensive income/(loss)" as at September 30, 2019, is expected to be recognized into "Cost of coal revenues" in the Unaudited Condensed Statements of Operations and Comprehensive Income within the next 15 months.

Forward foreign currency contracts

The Company's Australian operations utilizes the cash it generates from its US\$ denominated coal sales revenue to fund its operating costs, which are predominantly in A\$. During the three months ended September 30, 2019, the Company entered into forward foreign currency contracts to hedge its foreign exchange exposure on a portion of the US\$ denominated coal sales revenue at Curragh, whose functional currency is A\$.

The aggregated notional amount of the outstanding derivative contracts as at September 30, 2019 was \$166.5 million. The unrealized loss of \$1.3 million, net of tax, recognized in "Accumulated other comprehensive income/(loss)" at

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

September 30, 2019, is expected to be recognized into “Coal revenues” in the Unaudited Condensed Statements of Operations and Comprehensive Income within the next 12 months.

Given the forward fuel and forward foreign currency contracts were designated as cash flow hedges, any unrealized gain and losses on these derivatives are recorded in “Accumulated other comprehensive income/(loss)” and are reclassified into “Cost of coal revenues” and “Coal revenues”, respectively, in the Unaudited Condensed Statements of Operations and Comprehensive Income in the period in which the hedged transaction impacts income. Refer to Note 17 “Accumulated other comprehensive loss” for further disclosure.

The fair value of foreign currency and diesel fuel derivatives reflected in the accompanying unaudited Condensed Consolidated Balance Sheet are set forth in the table below:

(US\$ thousands)	Classification	September 30, 2019		December 31, 2018	
		Derivative asset	Derivative liability	Derivative asset	Derivative liability
Forward fuel contracts	Other current assets	39	—	—	—
	Other current liabilities	—	215	—	5,402
	Other non-current liabilities	—	345	—	—
Forward foreign currency contracts	Other current assets	112	—	—	—
	Other current liabilities	—	2,012	—	—
		151	2,572	—	5,402

The following table presents our details of foreign currency and diesel fuel outstanding hedge contracts:

(in thousands)	September 30, 2019			December 31, 2018		
	Notional amount (thousands)	Unit of measure	Varying maturity dates	Notional amount (thousands)	Unit of measure	Varying maturity dates
Designated forward fuel contracts	150,742	Liters	August 2019 – December 2020	93,420	Liters	January 2019 – December 2019
Designated forward foreign currency contracts	166,542	US\$	September 2019 – March 2020	-	-	-

Other derivatives

During the nine months ended September 30, 2018 the Company entered into a foreign exchange swap contract to hedge against the exposure fluctuations in the Australian Dollar against the U.S. Dollar on the purchase price of Curragh between the Agreement date and the completion date. The Company elected not to formally designate the swaps as cash flow hedges. As such, the Company accounted for the foreign exchange swaps as an economic hedge and recorded at fair value at the end of each reporting period. Pursuant with ASC 815, the foreign exchange swaps were initially recorded at fair value and all subsequent changes were recorded to “Other, net” (see Note 5 – “Other, net”) within the unaudited Condensed Consolidated Statements of Operations.

(b) Fair Value of Financial Instruments

The fair value of a financial instrument is the amount that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial instruments involve uncertainty and cannot be determined with precision.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Financial Instruments Measured on a Recurring Basis

As of September 30, 2019, the Company has the following liabilities that are required to be measured at fair value on a recurring basis:

- Forward commodity contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)
- Foreign currency forward contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)
- Contingent royalty: fair value is determined using the Black-Scholes option pricing formula (Level 3)
- VSM: fair value is determined using the projected cash flow analysis (Level 3)

The following tables set forth the hierarchy of the Company's net financial liabilities positions for which fair value is measured on a recurring basis as of September 30, 2019:

(US\$ thousands)	Assets/(Liabilities)			
	Level 1	Level 2	Level 3	Total
Forward commodity contracts	\$ —	\$ (521)	\$ —	\$ (521)
Forward foreign currency contracts	—	(1,900)	—	(1,900)
Contingent royalty	—	—	(5,920)	(5,920)
	<u>\$ —</u>	<u>\$ (2,421)</u>	<u>\$ (5,920)</u>	<u>\$ (8,341)</u>

The Company's net financial liability positions for which fair value is measured on a recurring basis as of December 31, 2018 was as follows:

(US\$ thousands)	Assets/(Liabilities)			
	Level 1	Level 2	Level 3	Total
Forward commodity contracts	\$ —	\$ (5,402)	\$ —	\$ (5,402)
Contingent royalty	—	—	(17,216)	(17,216)
VSM	—	—	(12,987)	(12,987)
	<u>\$ —</u>	<u>\$ (5,402)</u>	<u>\$ (30,203)</u>	<u>\$ (35,605)</u>

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Contingent Royalty Consideration

Key assumptions in the valuation include the gross sales price forecast, export volume forecast, volatility, the risk-free rate, and credit-spread of the Company.

(US\$ thousands)	Quantitative Information about Level 3 Fair Value Measurements			
	Fair value at September 30, 2019	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability ⁽¹⁾	\$ 5,920	Black-Scholes Option model	Gross sales price forecast per tonne	\$87.2 to \$114.2 (\$104.3)
			Export volume forecast (000's)	5,117 tons over 18 months
			Volatility	15.6%
			Risk-free rate	1.69% to 1.91% (1.82%)
			Company credit spread	0.0635

(1) \$2.9 million of this amount is classified as a current liability with the remainder of \$3.0 million being classified as a non-current liability.

Value Share Mechanism

Key assumptions in the valuation include the risk-free rate, the tax rate, distribution, price volatility, and Foreign Exchange ("FX") rate.

(US\$ thousands)	Quantitative Information about Level 3 Fair Value Measurements			
	Fair value at September 30, 2019	Valuation technique	Unobservable input	Range (Weighted Avg.)
Value Share Mechanism (VSM)	\$ —	Projected cash flows	Gross sales price forecast per tonne	\$102.2 to \$121.5 (\$112.2)
			Tax rate	30.00%
			FX rate	0.675

Given the remaining period of the VSM obligation is short-term, the valuation technique has been changed from Monte Carlo simulation to projected cash flows.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following is a summary of all the activity related to the contingent royalty liability and value share mechanism:

Nine Months Ended September 30, 2019 activity					
(US\$ thousands)	Account Classification	Contingent Royalty Liability	VSM	Incurred royalties	Total
Beginning balance at January 1, 2019:		17,216	12,987	8,295	38,498
Statement of Operation activity:					
Contingent liability/VSM expense incurred	Other royalties	—	—	16,598	16,598
Decrease in VSM Liability value	Other royalties	—	(12,987)	—	(12,987)
Decrease in Contingent Royalty Liability value	Other royalties	(11,296)	—	—	(11,296)
Total Statement of Operations activity:		<u>(11,296)</u>	<u>(12,987)</u>	<u>16,598</u>	<u>(7,685)</u>
Cash paid to CONSOL/Wesfarmers		—	—	(23,400)	(23,400)
Balance sheet:					
Royalties payable to CONSOL/Wesfarmers	Accrued expenses and other liabilities	—	—	1,493	1,493
VSM Liability	Contingent royalty consideration—current	—	—	—	—
Contingent Royalty Liability	Contingent royalty consideration	<u>5,920</u>	<u>—</u>	<u>—</u>	<u>5,920</u>
Total liabilities		<u>5,920</u>	<u>—</u>	<u>1,493</u>	<u>7,413</u>

There are no other fair value measurements of assets and liabilities that are measured at fair value on a nonrecurring basis as of September 30, 2019 and December 31, 2018.

Other Financial Instruments

The following methods and assumptions are used to estimate the fair value of other financial instruments as of September 30, 2019 and December 31, 2018:

- Cash and restricted cash, accounts receivable, accounts payable, accrued expenses, lease liabilities and other current financial liabilities: The carrying amounts reported in the unaudited Condensed Consolidated Balance Sheets approximate fair value due to the short maturity of these instruments.
- Deposits and reclamation bonds, lease liabilities, interest bearing liabilities and other financial liabilities: The fair values approximate the carrying values reported in the unaudited Condensed Consolidated Balance Sheets.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Other Comprehensive Income

Accumulated other comprehensive loss consisted of the following at September 30, 2019:

(US\$ thousands)	Net unrealized gain (loss)			
	Foreign currency translation adjustments	Cash flow fuel hedges	Cash flow foreign currency hedges	Total
Balance at December 31, 2018	(45,827)	(3,782)	—	(49,609)
Net current-period other comprehensive income (loss):				
Gain (loss) in other comprehensive income (loss) before reclassifications	(14,193)	6,251	(3,332)	(11,274)
(Gain) loss reclassified from accumulated other comprehensive income (loss)	—	(1,111)	1,485	374
Tax effects	—	(1,542)	554	(988)
Total net current-period other comprehensive income (loss)	(14,193)	3,598	(1,293)	(11,888)
Balance at September 30, 2019	(60,020)	(184)	(1,293)	(61,497)

18. Commitments

(a) Mineral Leases

The Company leases mineral interests and surface rights from land owners under various terms and royalty rates. The future minimum royalties under these leases are as follows:

(US\$ thousands)	Amount
Year ending December 31,	
2019	1,746
2020	5,297
2021	5,160
2022	4,995
2023	4,921
Thereafter	25,714
Total	47,833

Mineral leases are not in scope of ASC 842 and continue to be accounted for under the guidance in ASC 932, Extractive Activities – Mining.

(b) Other commitments

As of September 30, 2019, purchase commitments for capital expenditures were \$37.2 million, all of which is obligated within the next 12 months.

The Company has entered into fixed price contracts to purchase fuel for the U.S. operations. As of September 30, 2019, the commitment for fuel purchases were \$2.8 million, all of which is obligated within the three months to December 31, 2019.

In Australia, the Company has generally secured the ability to transport coal through rail contracts and coal export terminal contracts that are primarily funded through take-or-pay arrangements with terms ranging up to 11 years. In the U.S., the Company typically negotiates its rail and coal terminal on an annual basis. As of September 30, 2019, these Australian and U.S. commitments under take-or-pay arrangements totaled \$1.0 billion, of which approximately \$87.8 million is obligated within the next year.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**19. Related-Party Transactions****X-Coal**

During the three and nine months ended September 30, 2019 the Company sold coal to Xcoal Energy and Resources, or Xcoal, an entity associated with Non-Executive director, Mr. Ernie Thrasher. Revenues from Xcoal of \$103.6 million and \$122.0 million, respectively, are recorded as coal revenues on the unaudited Condensed Consolidated Statement of Operations for the three months ended September 30, 2019 and 2018. Revenues from Xcoal of \$396.8 million and \$335.0 million, respectively, are recorded as coal revenues on the unaudited Condensed Consolidated Statement of Operations for the nine months ended September 30, 2019 and 2018. At September 30, 2019 amounts due from Xcoal in respect of coal sales were \$55.2 million. As of December 31, 2018, amounts due from Xcoal in respect of coal sales were \$36.0 million. These balances are included in related party receivables.

20. Contingencies

In the normal course of business, the Company is a party to certain guarantees and financial instruments with off-balance sheet risk, such as letters of credit and performance or surety bonds. No liabilities related to these arrangements are reflected in the Company's unaudited Condensed Consolidated Balance Sheets. Management does not expect any material losses to result from these guarantees or off-balance sheet financial instruments.

Facility B of the SFA provides A\$370 million for issuing multicurrency bank guarantees. At September 30, 2019, Facility B of the SFA had been utilized to issue A\$268.1 million of bank guarantees on behalf of the Company.

Curragh is a co-appellant to proceedings in the Queensland Supreme Court brought by Aurizon. Aurizon's claim relates to costs relating to the co-defendants' use of the Wiggins Island Coal Export Terminal Pty Ltd, or WICET, rail links, in particular, whether the "First Milestone Target Date", which triggers certain "WIRP Fee" payments under the Wiggins Island Rail Project Deed, or WIRP Deed, has been achieved. On June 27, 2019, the Queensland Supreme Court delivered judgements in favor of Aurizon against Coronado Curragh Pty Ltd and the other co-defendants. The Company intends to continue to strongly contest the matter. The Company, together with the other co-defendants, lodged a notice of appeal of the Queensland Supreme Court judgement on July 25, 2019. It is currently expected that, were Aurizon successful in the ultimate result of the litigation and expert determinations, Coronado Curragh Pty Ltd would be required to pay approximately A\$2.3 million per annum for the term of the WIRP Deed (which is 233 months). Resolution of this dispute would also result in the Company's below rail access to WICET (of 1.5 MMtpa) becoming a firm contractual capacity entitlement (and the subject of a 20 year take-or-pay access agreement) instead of an ad hoc entitlement only. The Company's unaudited Condensed Consolidated Balance Sheet includes an estimated loss contingency associated with these proceedings of approximately \$4.6 million and \$3.5 million as at September 30, 2019 and December 31, 2018, respectively.

From time to time, the Company becomes a party to other legal proceedings in the ordinary course of business in Australia, the U.S. and other countries where the Company does business. Based on current information, the Company believes that such other pending or threatened proceedings are likely to be resolved without a material adverse effect on its financial condition, results of operations or cash flows.

The liabilities recorded in relation to the above litigations do not include estimated future costs associated with legal representation, which, in accordance with the Company's policy, are expensed as incurred. In management's opinion, the Company is not currently involved in any legal proceedings, which individually or in the aggregate could have a material effect on the financial condition, results of operations and/or liquidity of the Company.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Coronado Global Resources Inc.:

Results of Review of Interim Financial Information

We have reviewed the condensed consolidated balance sheet of Coronado Global Resources Inc. and subsidiaries (the Company) as of September 30, 2019, the related condensed consolidated statements of operations and comprehensive income for the three-month and nine-month periods ended September 30, 2019 and 2018, the related condensed consolidated statements of changes in stockholders' equity/members' capital and cash flows for the nine-month periods ended September 30, 2019 and 2018, and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2018, and the related consolidated statements of operations and comprehensive income, changes in stockholders' equity/members' capital, and cash flows for the year then ended (not presented herein); and in our report dated February 18, 2019, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This consolidated interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ KPMG LLP

Richmond, Virginia

November 7, 2019

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of our Financial Condition and Results of Operations, or MD&A, should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and the related notes to those statements included elsewhere in this Form 10-Q. In addition, this Form 10-Q report should be read in conjunction with the Consolidated Financial Statements for year ended December 31, 2018 included in Coronado Global Resources Inc.'s registration statement on Form 10, as amended, filed with the U.S. Securities and Exchange Commission, or SEC, and the Australian Securities Exchange, or the ASX, on June 28, 2019.

Unless otherwise noted, references in this Quarterly Report on Form 10-Q to "we," "us," "our," "Company," or "Coronado" refer to Coronado Global Resources Inc. and its consolidated subsidiaries and associates, unless the context indicates otherwise.

All production and sales volumes contained in this Quarterly Report on Form 10-Q are expressed in metric tons, or Mt, millions of metric tons, or MMt, or millions of metric tons per annum, or MMtpa, except where otherwise stated. One Mt (1,000 kilograms) is equal to 2,204.62 pounds and is equivalent to 1.10231 short tons. In addition, all dollar amounts contained herein are expressed in United States dollars, or US\$, except where otherwise stated. References to "A\$" are references to Australian dollars, the lawful currency of the Commonwealth of Australia. Some numerical figures included in this Quarterly Report on Form 10-Q have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not equal the sum of the figures that precede them.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, concerning our business, operations, financial performance and condition, the coal, steel and other industries, as well as our plans, objectives and expectations for our business, operations, financial performance and condition. Forward-looking statements may be identified by words such as "may," "could," "believes," "estimates," "expects," "intends," "considers" and other similar words.

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

- the prices we receive for our coal;
- the demand for steel products, which impacts the demand for our metallurgical, or Met, coals;
- risks inherent to mining;
- the loss of, or significant reduction in, purchases by our largest customers;
- our ability to collect payments from our customers depending on their creditworthiness, contractual performance or otherwise;
- our ability to continue acquiring and developing coal reserves that are economically recoverable;
- uncertainties in estimating our economically recoverable coal reserves;
- transportation for our coal becoming unavailable or uneconomic for our customers;
- the risk that we may be required to pay for unused capacity pursuant to the terms of our take-or-pay arrangements with rail and port operators;
- our ability to retain key personnel and attract qualified personnel;
- any failure to maintain satisfactory labor relations;
- our ability to obtain, renew or maintain permits and consents necessary for our operations;

- potential costs or liability under applicable environmental laws and regulations, including with respect to any exposure to hazardous substances caused by our operations, as well as any environmental contamination our properties may have or our operations may cause;
- extensive regulation of our mining operations and future regulations and developments;
- our ability to provide appropriate financial assurances for our obligations under applicable laws and regulations;
- assumptions underlying our asset retirement obligations for reclamation and mine closures;
- concerns about the environmental impacts of coal combustion, including perceived impacts on global climate issues, which could result in increased regulation of coal combustion in many jurisdictions and divestment efforts affecting the investment community;
- the extensive forms of taxation that our mining operations are subject to, and future tax regulations and developments;
- risks unique to international mining and trading operations;
- any cyber-attacks or other security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us, our customers or other third parties;
- a decrease in the availability or increase in costs of key supplies, capital equipment or commodities, such as diesel fuel, steel, explosives and tires;
- unfavorable economic and financial market conditions;
- the risk that we may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets;
- risks related to divestitures and acquisitions;
- our indebtedness and ability to comply with the covenants under the agreements governing such indebtedness;
- our ability to generate sufficient cash to service all of our indebtedness or other obligations;
- the risk that diversity in interpretation and application of accounting principles in the mining industry may impact our reported financial results; and
- other risks and uncertainties detailed in this report, including, but not limited to, those discussed in “Risk Factors,” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q.

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

See Item 1A. “Risk Factors” of our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019, for a more complete discussion of the risks and uncertainties mentioned above and for discussion of other risks and uncertainties we face that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements, as well as others made in this Quarterly Report on Form 10-Q and hereafter in our other filings with the SEC and public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

We caution you that the risks and uncertainties identified by us may not be all of the factors that are important to you. Furthermore, the forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or otherwise, except as required by applicable law.

Overview

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

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

Our business profile primarily focuses on the production of Met coal for the North American and seaborne export markets. For the nine months ended September 30, 2019, we produced 15.7 MMt and sold 15.3 MMt of coal. Met coal and thermal coal sales represented approximately 80.0% and 20.0%, respectively, of our total volume of coal sold for the nine months ended September 30, 2019.

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

Factors Affecting Comparability of our Financial Statements

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

Curragh Acquisition

On March 29, 2018, we acquired Curragh from Wesfarmers Ltd, or Wesfarmers, for aggregate consideration, on the date of the transaction, of \$563.8 million. We refer to this transaction as the Curragh acquisition. The operating results of Curragh have been included in our consolidated financial statements since March 29, 2018.

Corporate Reorganization Transaction

During the year ended December 31, 2018, Coronado Group LLC and Coronado Global Resources Inc. completed a common control reorganization of their legal entity structure, which we refer to as the Reorganization Transaction. Prior to the Reorganization Transaction in August 2018, Coronado Group HoldCo LLC, the holding company of our Australian Operations, was a wholly-owned subsidiary of Coronado Group LLC.

The Company is a corporation for U.S. federal and state income tax purposes. The Company’s accounting predecessor, Coronado Group LLC, was and is treated as a flow-through entity for U.S. federal income tax purposes and as such, has generally not been subject to U.S. federal income tax at the entity level.

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

Australian IPO

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

Results of Operations

How We Evaluate Our Operations

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

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability. These financial and operating metrics include:

(i) safety and environmental metrics; (ii) sales volumes and average realized price per Mt sold, which we define as coal revenues divided by sales volume; (iii) Met sales volumes and average realized met price per Mt sold, which we define as met coal revenues divided by met sales volume; (iv) average segment mining costs per Mt sold, which we define as cost of coal revenues divided by sales volumes; and (v) average segment operating costs per Mt sold, which we define as segment operating costs divided by sales volumes.

Coal revenues are shown on our statement of operations and comprehensive income exclusive of other revenues. Operating expenses are inclusive of cost of coal revenues, freight expense, Stanwell rebate and other royalties and exclude depreciation, depletion and amortization, and selling, general, and administrative expenses. Cost of coal revenues is shown on our statement of operations and comprehensive income exclusive of freight expense, Stanwell rebate, other royalties, depreciation, depletion and amortization and selling, general and administrative expenses. Cost of coal revenues excludes these cost components as our chief operating decision maker, or CODM, does not view these costs as directly attributable to the production of coal. We believe our presentation of cost of coal revenues is useful to investors in providing an accurate view of the costs directly attributable to the production of coal in our mining costs segment. Additionally, for our international sales contracts, we typically bear the cost of freight from our mines to the applicable outbound shipping port, while freight costs from the port to the end destination are typically borne by the customer. For our domestic sales, customers typically bear the cost of freight. As such, freight expenses are excluded from cost of coal revenues to allow for consistency and comparability in evaluating our operating performance.

Non-GAAP Financial Measures; Other Measures

The following discussion of our results of operations includes references to and analysis of Adjusted EBITDA, which is a financial measure not recognized in accordance with U.S. Generally Accepted Accounting Principles, or U.S. GAAP. Non-GAAP financial measures, including Adjusted EBITDA, are used by investors to measure our operating performance and lenders to measure our ability to incur and service debt.

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

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

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

Summary

The financial and operational highlights for the three months ended September 30, 2019:

- Sales volume totaled 4.9 MMt for the three months ended September 30, 2019, or 0.4 MMt lower than the three months ended September 30, 2018. Sales volumes were impacted by reduced production due to scheduled mine and rail maintenance at Curragh and by the curtailment of Buchanan shipments to China due to increased import tariffs on U.S. coal.
- Net income increased by \$23.9 million, from \$45.2 million for the three months ended September 30, 2018, to net income of \$69.1 million for the three months ended September 30, 2019, reflecting lower income tax in 2019 due to initial recognition of deferred tax liabilities during the three months ended September 30, 2018, as a result of the Reorganization Transaction and lower interest expense of \$11.0 million.
- Lower coal market prices during the three months ended September 30, 2019 resulted in lower average realized Met price of \$125.9 per Mt sold, 4.2% lower compared to the three months ended September 30, 2018.
- Adjusted EBITDA for the three months ended September 30, 2019 totaled \$149.7 million, a decrease of \$21.7 million, from Adjusted EBITDA of \$171.4 million for the three months ended September 30, 2018, largely driven by a decline in revenues partially offset by lower operating costs.
- During the three months ended September 30, 2019, the Company paid a distribution of \$396.3.0 million, which was funded by available cash and external borrowings. As at September 30, 2019 the company had \$310.0 million of external borrowings outstanding.

	For Three months ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Revenues:				
Coal revenues	525,774	591,844	(66,070)	(11.2%)
Other revenues	10,067	7,790	2,277	29.2%
Total revenues	535,841	599,634	(63,793)	(10.6%)
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	264,585	297,985	(33,400)	(11.2%)
Depreciation, depletion and amortization	39,855	48,237	(8,382)	(17.4%)
Freight expenses	36,973	38,892	(1,919)	(4.9%)
Stanwell rebate	40,172	45,123	(4,951)	(11.0%)
Other royalties	35,815	47,424	(11,609)	(24.5%)
Selling, general, and administrative expenses	8,233	4,612	3,621	78.5%
Total costs and expenses	425,633	482,273	(56,640)	(11.7%)
Operating income	110,208	117,361	(7,153)	(6.1%)
Other income (expenses):				
Interest expense, net	(9,319)	(20,304)	10,985	(54.1%)
Other, net	(1,172)	4,787	(5,959)	(124.5%)
Total other income (expense), net	(10,491)	(15,517)	5,026	(32.4%)
Net income before tax	99,717	101,844	(2,127)	(2.1%)
Income tax expense	(30,618)	(56,645)	26,027	(45.9%)
Net income	69,099	45,199	23,900	52.9%
Less: Net loss attributable to noncontrolling interest	(2)	(3)	1	(33.3%)
Net income attributable to Coronado Global Resources, Inc.	69,101	45,202	23,899	52.9%

Coal Revenues

Coal revenues were \$525.8 million for the three months ended September 30, 2019, a decrease of \$66.1 million, as compared to \$591.8 million for the three months ended September 30, 2018. This decrease was predominantly due to lower Met coal sales volumes and a lower average realized Met coal price during the 2019 period. Lower pricing mainly impacted Curragh and Buchanan which sell into the export market at indexed prices. Sales volumes were down at Curragh due to its mine and rail infrastructure scheduled maintenance in the quarter, while Buchanan sales volume decreased due to suspended shipments to China as a result of increased Chinese tariffs.

Other Revenues

Other revenues were \$10.1 million for the three months ended September 30, 2019, an increase of \$2.3 million, as compared to \$7.8 million for the three months ended September 30, 2018. The increase is predominantly related to Curragh, including an increase of \$1.3 million for amortization of the Stanwell non-market coal supply agreement, or CSA, liability for the three months ended September 30, 2019 as a result of higher thermal coal sales volumes to Stanwell.

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

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs, which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues for the Company were \$264.6 million for the three months ended September 30, 2019, a decrease of \$33.4 million, as compared to \$298.0 million for the three months ended September 30, 2018.

Cost of coal revenues at Curragh were down \$13.1 million largely driven by a favorable average foreign exchange rate on translation of the Curragh operations of A\$/US\$: 0.68 versus 0.73 for the three months ended September 30, 2019 compared to the same period in 2018. The remainder of the decrease was largely due to lower operating costs from 0.4MMt of lower sales volume.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was \$39.9 million for the three months ended September 30, 2019, a decrease of \$8.4 million, as compared to \$48.2 million for the three months ended September 30, 2018. The decrease was associated with lower production resulting in lower depreciation for assets depreciated under units of production and

favorable average foreign exchange rate on translation of the Curragh operations for the three months ended September 30, 2019 compared to the same period in 2018

Freight Expenses

The amount of freight expenses was \$37.0 million for the three months ended September 30, 2019, a decrease of \$1.9 million, as compared to \$38.9 million for the three months ended September 30, 2018. The decrease was predominantly driven by overall decrease in export coal sales volume.

Stanwell Rebate

The Stanwell rebate was \$40.2 million for the three months ended September 30, 2019, a decrease of \$5.0 million, as compared to \$45.1 million for the three months ended September 30, 2018. The decrease was largely driven by lower realized coal pricing during the third quarter of 2019 coupled with favorable average foreign exchange rate on translation of the Curragh operations compared to the same period in 2018.

Other Royalties

Other royalties were \$35.8 million in the three months ended September 30, 2019, a decrease of \$11.6 million, as compared to \$47.4 million in the three months ended September 30, 2018. Lower royalties were a product of favorable average foreign exchange rate for the quarter used to translate the Curragh operations, lower export pricing and a mark-to-market write down of Buchanan's Contingent Royalty Consideration (payable to CONSOL) obligation due to lower forecast Met pricing at the end of September 30, 2019.

Interest Expense, net

Interest expense, net of \$9.3 million for the three months ended September 30, 2019 decreased \$11.0 million, as compared to \$20.3 million for the three months ended September 30, 2018. The higher interest expense in 2018 was due to a \$700 million term loan that was established for the Curragh acquisition which was subsequently repaid on October 24, 2018.

Income tax expense

Income tax expense of \$30.6 million for the three months ended September 30, 2019 decreased \$26.0 million, as compared to \$56.6 million for the three months ended September 30, 2018. The 2019 income tax expense is based on an effective tax rate of 29.7%. The 2018 period included \$40.5 million deferred tax recognized as a result of the Corporate Reorganization Transaction.

Nine Months Ended September 30, 2019 Compared to Nine Months Ended September 30, 2018

Summary

The financial and operational highlights for the nine months ended September 30, 2019:

- Sales volume totaled 15.3 MMt for the nine months ended September 30, 2019, or 2.9 MMt higher than the nine months ended September 30, 2018, predominantly due to the acquisition of Curragh on March 29, 2018.
- Net income increased by \$202.6 million, from \$80.9 million for the nine months ended September 30, 2018, to \$283.4 million for the nine months ended September 30, 2019, reflecting increases in operating income, predominantly due to the acquisition of Curragh on March 29, 2018, lower interest expense, no loss on debt extinguishment, and lower other expenses, partly offset by higher income tax expense.
- Adjusted EBITDA for the nine months ended September 30, 2019 totaled \$555.1 million, an increase of \$241.8 million, from Adjusted EBITDA of \$313.2 million for the nine months ended September 30, 2018, predominantly due to the acquisition of Curragh on March 29, 2018.
- Cash generated from operating activities of \$438.6 million for the nine months ended September 30, 2019 was partially offset by capital expenditures of \$117.4 million.
- During the nine months ended September 30, 2019, the Company paid dividends and other distributions of \$696.0 million, which was funded by available cash and external borrowings. As at September 30, 2019 the company had \$310.0 million of external borrowings outstanding.

- As of September 30, 2019, Coronado had cash of \$34.2 million (excluding restricted cash) and \$240.0 million of availability under the amended Multicurrency Revolving Syndicated Facility Agreement, dated September 11, 2019, which we refer to as the SFA.

	For Nine months ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Revenues:				
Coal revenues	1,738,261	1,376,190	362,071	26.3%
Other revenues	31,915	23,127	8,788	38.0%
Total revenues	1,770,176	1,399,317	370,859	26.5%
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	798,281	722,605	75,676	10.5%
Depreciation, depletion and amortization	125,134	112,639	12,495	11.1%
Freight expenses	126,335	84,047	42,288	50.3%
Stanwell rebate	134,846	77,935	56,911	73.0%
Other royalties	129,237	130,411	(1,174)	(0.9%)
Selling, general, and administrative expenses	26,544	56,895	(30,351)	(53.3%)
Total costs and expenses	1,340,377	1,184,532	155,845	13.2%
Operating income	429,799	214,785	215,014	100.1%
Other income (expenses):				
Interest expense, net	(26,583)	(45,792)	19,209	(41.9%)
Loss on debt extinguishment	—	(3,905)	3,905	(100.0%)
Other, net	(130)	(22,059)	21,929	(99.4%)
Total other income (expense), net	(26,713)	(71,756)	45,043	(62.8%)
Net income before tax	403,086	143,029	260,057	181.8%
Income tax expense	(119,661)	(62,179)	(57,482)	92.4%
Net income	283,425	80,850	202,575	250.6%
Less: Net loss attributable to noncontrolling interest	(6)	(7)	1	(14.3%)
Net income attributable to Coronado Global Resources, Inc.	283,431	80,857	202,574	250.5%

Coal Revenues

Coal revenues were \$1,738.3 million for the nine months ended September 30, 2019, an increase of \$362.1 million, as compared to \$1,376.2 million for the nine months ended September 30, 2018. Curragh contributed \$402.0 million in additional coal revenues for the nine months ended September 30, 2019 compared to the comparative period given Curragh was acquired on March 29, 2018. Additionally, average realized Met coal price for the nine months to September 30, 2019 was \$133.8 per Mt sold, \$4.4 per Mt sold higher compared to \$129.4 per Mt sold for the nine months ended September 2018.

Other Revenues

Other revenues were \$31.9 million for the nine months ended September 30, 2019, an increase of \$8.8 million, as compared to \$23.2 million for the nine months ended September 30, 2018. The increase is predominantly related to the higher amortization of the Stanwell non-market CSA liability for the nine months ended September 30, 2019 of \$25.1 million compared to \$19.1 million for the prior period on account of higher thermal coal sales to Stanwell. Other revenues for our operating segments in the United States increased \$2.0 million on higher freight revenue.

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

Cost of coal revenues are comprised of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs, which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues for the Company were \$798.3 million for the nine months ended September 30, 2019, an increase of \$75.7 million, as compared to \$722.6 million for the nine months ended September 30, 2018. Of this increase \$81.3 million was attributable to a full nine-month contribution in the 2019 period from Curragh compared to a partial period from acquisition on March 29, 2018 in the comparative period. Partially offsetting this increase was (1) favorable average foreign exchange rate on translation of the Curragh operations of A\$/US\$: 0.70 versus 0.74 for the nine months ended September 30, 2019 compared to the same period in 2018 and (2) the unwind of a \$21.4 million fair value

adjustment recognized to coal inventories on acquisition of Curragh that was unwound during the nine months ended September 30, 2018.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was \$125.1 million for the nine months ended September 30, 2019, an increase of \$12.5 million, as compared to \$112.6 million for the nine months ended September 30, 2018. The increase was primarily a result of Curragh's additional contribution for the nine months ended September 30, 2019 compared to the comparative period given Curragh was acquired on March 29, 2018.

Freight Expenses

The amount of freight expenses was \$126.3 million for the nine months ended September 30, 2019, an increase of \$42.3 million, as compared to \$84.0 million for the nine months ended September 30, 2018. The increase is primarily due to additional freight expenses of \$34.8 million in 2019 that were not included in the comparative period given Curragh was acquired on March 29, 2018. Partially offsetting this increase was a favorable average foreign exchange rate on translation of the Curragh operations for the nine months ended September 30, 2019 compared to the same period in 2018. The remaining increase is largely driven by higher freight expense for our operating segments in the United States with respect to new rail and port arrangements with certain customers that did not exist in 2018.

Stanwell Rebate

The Stanwell rebate was \$134.8 million for the nine months ended September 30, 2019, an increase of \$56.9 million, as compared to \$77.9 million for the nine months ended September 30, 2018. This is primarily on account of Curragh's contribution to the Company's result in 2018 was only for part of the period since March 29, 2018, being the date of acquisition. Additionally, higher average realized price per Mt sold contributed to the increase in Stanwell rebate.

Selling, General, and Administrative Expenses

Selling, general and administrative costs were \$26.5 million for the nine months ended September 30, 2019, a decrease of \$30.3 million, as compared to \$56.9 million for the nine months ended September 30, 2018. The decrease was primarily due to one-off, non-recurring costs incurred in relation to the Curragh acquisition during March 2018 relating to stamp duty of \$29.0 million (A\$43.0 million).

Interest Expense, net

Interest expense, net of interest income, was \$26.6 million for the nine months ended September 30, 2019, a decrease of \$19.2 million, as compared to interest expense of \$45.8 million for the nine months ended September 30, 2018. In the 2018 period the Company incurred interest expense of \$32.3 million which related to a \$700 million term loan that was established for the Curragh acquisition and was fully repaid on October 24, 2018. This was partially offset by the increase in accretion of the deferred consideration liability, recognized on the purchase of the SRA on August 14, 2018, of \$12.3 million compared to the nine months ended September 30, 2018 which only included the accretion for part of the period.

Loss on Debt Extinguishment

For the nine months ended September 30, 2018, the Company recognized a loss on debt extinguishment of \$3.9 million relating to the extinguishment of a term loan that occurred in conjunction with the Curragh acquisition on March 29, 2018. There was no debt extinguishment cost for the nine months ended September 30, 2019.

Other, Net

Other, net expense was \$0.1 million for the nine months ended September 30, 2019, a decrease of \$21.9 million, as compared to \$22.0 million for the nine months ended September 30, 2018. This favorable variance is primarily comprised of non-recurring costs incurred in 2018 relating to the \$15.7 million loss on the settlement of a foreign exchange swaps recognized at the time of the Curragh acquisition and a fair value adjustment of \$4.9 million on interest rate swaps that were in place during the nine months ended September 30, 2018.

Income tax expense

Income tax expense of \$119.7 million for the nine months ended September 30, 2019 increased \$57.5 million, as compared to \$62.2 million for the nine months ended September 30, 2018. The 2019 income tax expense is based on an effective tax rate of 29.7%. The 2018 period included \$40.5 million deferred tax recognized as a result of the Corporate Reorganization Transaction.

Supplemental Segment Financial Data

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

Curragh

	For Three Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	3.1	3.2	(0.1)	(3.1)%
Total revenues (\$)	350,505	396,979	(46,474)	(11.7)%
Coal revenues (\$)	342,216	390,012	(47,796)	(12.3)%
Average realized price per Mt sold (\$/Mt)	109.6	122.1	(12.5)	(10.2)%
Met sales volume (MMt)	2.3	2.4	(0.1)	(4.2)%
Met coal revenues (\$)	318,634	366,247	(47,613)	(13.0)%
Average realized met price per Mt sold (\$/Mt)	136.8	152.0	(15.2)	(10.0)%
Mining costs (\$)	150,432	163,590	(13,158)	(8.0)%
Mining cost per Mt sold (\$/Mt)	48.2	51.1	(2.9)	(5.7)%
Operating costs (\$)	255,135	285,694	(30,559)	(10.7)%
Operating costs per Mt sold (\$/Mt)	81.7	89.3	(7.6)	(8.5)%
Segment Adjusted EBITDA (\$)	94,860	110,740	(15,880)	(14.3)%

Coal revenues for Curragh for the three months ended September 30, 2019 were \$342.2 million, a decrease of \$47.8 million or 12.3%, compared to \$390.0 million for the three months ended September 30, 2018. This decrease was driven largely by a decrease in average realized met price of \$15.2 per Mt sold which was a result of a decrease in the benchmark coking coal market. Lower pricing was exacerbated by a decrease in the export met sales volumes of 0.1Mt due to rail restrictions resulting from scheduled maintenance performed by the infrastructure provider.

Operating costs decreased by \$30.6 million, or 10.7%, for the three months ended September 30, 2019 compared to the three months ended September 30, 2018. This decrease was driven primarily by a favorable average foreign exchange rate on translation of the Curragh operations for the three months ended September 30, 2019 of A\$/US\$: 0.68 versus 0.73 for the three months ended September 30, 2018. Excluding the impact of foreign exchange translation, mining cost were down due to lower coal sales volumes. Royalties and Stanwell rebate were also down mainly due to lower realized coal pricing during the third quarter of 2019. Mining cost per Mt sold for the three months ended September 30, 2019, excluding the impact of foreign exchange remained consistent to the prior quarter.

Adjusted EBITDA decreased by \$16.2 million, or 14.6%, to \$94.9 million for the three months ended September 30, 2019 as compared to \$111.0 million for the three months ended September 30, 2018, due to the lower coal revenues outweighing the lower operating costs.

Buchanan

	For Three Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	1.0	1.2	(0.2)	(16.7)%
Total revenues (\$)	91,780	120,966	(29,186)	(24.1)%
Coal revenues (\$)	91,618	120,900	(29,282)	(24.2)%
Average realized price per Mt sold (\$/Mt)	91.3	99.8	(8.5)	(8.5)%
Met sales volume (MMt)	1.0	1.2	(0.2)	(16.7)%
Met coal revenues (\$)	89,353	117,482	(28,129)	(23.9)%
Average realized met price per Mt sold (\$/Mt)	92.5	101.9	(9.4)	(9.2)%
Mining costs (\$)	50,949	65,750	(14,801)	(22.5)%
Mining cost per Mt sold (\$/Mt)	50.8	54.3	(3.5)	(6.4)%
Operating costs (\$)	48,230	68,158	(19,928)	(29.2)%
Operating costs per Mt sold (\$/Mt)	48.1	56.3	(8.2)	(14.6)%
Segment Adjusted EBITDA (\$)	43,555	52,821	(9,266)	(17.5)%

Coal revenues decreased by \$29.3 million, or 24.2%, to \$91.6 million for the three months ended September 30, 2019 as compared to \$120.9 million for the three months ended September 30, 2018. This decrease was driven by lower Met

coal sales volumes of 0.2 MMt, or 16.7% and lower average realized Met price of \$8.5 per Mt sold, or 8.5%, due to import tariffs on U.S. coal imposed by China during the quarter.

Operating costs decreased by \$19.9 million, or 29.2%, for the three months ended September 30, 2019 compared to the three months ended September 30, 2018. This decrease was primarily driven by lower mining costs of \$14.8 million, or 22.5%, in addition to lower royalty charges due to a mark-to-market adjustment for the CONSOL Energy contingent royalty to \$5.9 million reflecting lower forecast export pricing as at September 30, 2019. The decrease in mining costs was primarily driven by lower sales related costs associated with the lower coal sales volume of 0.2 MMt, or 16.7%, coupled with lower mining cost per Mt sold of \$3.5 per ton.

For the three months ended September 30, 2019 adjusted EBITDA decreased by \$9.3 million, or 17.5%, compared to the comparative quarter. This decrease was primarily driven by lower sales volumes and in turn lower coal revenue of \$29.3 million which was partially offset by lower operating costs of \$19.9 million.

Logan

	For Three Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	0.6	0.7	(0.1)	(14.3)%
Total revenues (\$)	75,888	66,408	9,480	14.3%
Coal revenues (\$)	75,138	64,958	10,180	15.7%
Average realized price per Mt sold (\$/Mt)	116.5	91.7	24.8	27.0%
Met sales volume (MMt)	0.5	0.5	—	—
Met coal revenues (\$)	67,041	53,963	13,078	24.2%
Average realized met price per Mt sold (\$/Mt)	137.5	109.3	28.2	25.8%
Mining costs (\$)	49,917	52,342	(2,425)	(4.6)%
Mining cost per Mt sold (\$/Mt)	77.4	73.9	3.5	4.7%
Operating costs (\$)	56,715	57,874	(1,159)	(2.0)%
Operating costs per Mt sold (\$/Mt)	87.9	81.7	6.2	7.6%
Segment Adjusted EBITDA (\$)	19,229	6,454	12,775	197.9%

Coal revenues increased by \$10.2 million, or 15.7%, to \$75.1 million for the three months ended September 30, 2019 compared to \$65.0 million for the three months ended September 30, 2018. This improvement was largely driven by higher average realized Met price of \$28.2 per Mt sold, or 25.8%, in relation to domestic Met sales contracts. The higher realized pricing was partially offset by lower sales related costs associated with the lower sales volume of 0.1MMt, or 14.3%.

Total operating costs decreased by \$1.2 million, to \$56.7 million for the three months ended September 30, 2019, compared to operating costs of \$57.9 million for the three months ended September 30, 2018. The decrease largely relates to lower mining costs as a result of lower sales volume of 0.1MMt, partially offset by higher production costs at existing operations from establishment of three additional mines coming online in 2019. Additionally, royalty expense increased by \$1.2 million due to greater coal revenues for the three months ended September 30, 2019 compared to the same period of 2018.

Adjusted EBITDA for the three months September 30, 2019 increased \$12.8 million, or 197.9%, to \$19.2 million, compared to \$6.4 million for the three months ended September 30, 2018. Improved performance primarily relates to a higher realized Met price. This was partially offset by higher cost production and a change in the production mix, with the addition of the three new operations

Greenbrier

	For Three Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	0.1	0.2	(0.1)	(50.0)%
Total revenues (\$)	17,668	16,241	1,427	8.8%
Coal revenues (\$)	16,802	15,974	828	5.2%
Average realized price per Mt sold (\$/Mt)	123.5	101.2	22.3	22.0%
Met sales volume (MMt)	0.1	0.2	(0.1)	(50.0)%
Met coal revenues (\$)	15,890	15,969	(79)	(0.5)%
Average realized met price per Mt sold (\$/Mt)	138.9	101.2	37.7	37.3%
Mining costs (\$)	13,273	16,303	(3,030)	(18.6)%
Mining cost per Mt sold (\$/Mt)	97.5	103.3	(5.8)	(5.6)%
Operating costs (\$)	17,451	17,698	(247)	(1.4)%
Operating costs per Mt sold (\$/Mt)	128.2	112.1	16.1	14.4%
Segment Adjusted EBITDA (\$)	267	(1,445)	1,712	(118.5)%

Coal revenues increased by \$0.8 million, or 5.2%, to \$16.8 million for the three months ended September 30, 2019 as compared to \$16.0 million for the three months ended September 30, 2018. This increase was driven by higher average realized pricing of \$22.3 per Mt sold, or 22.0%, partly offset by lower sales volumes of 0.1MMt due to timing of sales.

Total operating costs for the three months ended September 30, 2019, were relatively in line with total operating costs for the three months ended September 30, 2018. Mining costs decreased by \$3.0 per Mt sold, or 18.6%, primarily due to lower sales related costs associated with the lower sales volume of 0.1MMt. This was partially offset by additional freight expenses driven by new rail and port arrangements with certain customers that did not exist in the comparative period.

Adjusted EBITDA increased \$1.7 million to \$0.3 million for the three months ended September 30, 2019, compared to EBITDA of (\$1.5) million for the three months ended September 30, 2018. Improved performance was primarily related to increased coal revenues as a result of higher average realized pricing.

Corporate and Other Adjusted EBITDA

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

	For Three Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Salaries	3,700	1,652	2,048	124.0%
Professional and consultancy fees	2,491	—	2,491	100.0%
Office and operational fees	437	493	(56)	(11.4)%
Dues, registration fees and licenses	558	92	466	506.5%
Other	983	(5,087)	6,070	(119.3)%
Total Corporate and Other Adjusted EBITDA	8,169	(2,850)	11,019	(386.6)%

Corporate and other costs increased \$9.6 million to \$8.1 million for the three months ended September 30, 2019, as compared to income of \$1.5 million for the three months ended September 30, 2018. The increase is primarily driven by higher salaries of \$2.0 million due to head office and corporate reorganization as a result of the Company registration with the ASX and the SEC, coupled with higher professional and consultancy fees of \$2.4 million. The 2018 period professional and consultancy fees relate to the Australian IPO, which have been capitalized to the balance sheet and amortized over time. Additionally, Other in 2018 included fair value mark-to-market gains with respect to interest rate swaps of \$4.4 million. The Company has no interest swaps in 2019.

Mining and operating costs for the Three Months Ended September 30, 2019 compared to Three Months Ended September 30, 2018

A reconciliation of segment costs and expenses, segment operating costs, and segment mining costs is shown below:

For Three Months Ended September 30, 2019						
(\$ in thousands)						
	Curragh	Buchanan	Logan	Greenbrier	Other / Corporate	Total Consolidated
Total costs and expenses	273,519	59,728	63,392	20,732	8,262	425,633
Less: Selling, general and administrative expense	(72)	—	—	—	(8,161)	(8,233)
Less: Depreciation, depletion and amortization	(18,312)	(11,498)	(6,677)	(3,281)	(87)	(39,855)
Total operating costs	255,135	48,230	56,715	17,451	14	377,545
Less: Other royalties	(32,691)	3,085	(5,282)	(927)	—	(35,815)
Less: Stanwell rebate	(40,172)	—	—	—	—	(40,172)
Less: Freight expenses	(31,840)	(366)	(1,516)	(3,251)	—	(36,973)
Total mining costs	150,432	50,949	49,917	13,273	14	264,585

For Three Months Ended September 30, 2018						
(\$ in thousands)						
	Curragh	Buchanan	Logan	Greenbrier	Other / Corporate	Total Consolidated
Total costs and expenses	313,814	79,256	64,751	21,331	3,121	482,273
Less: Selling, general and administrative expense	(1,576)	—	—	—	(3,036)	(4,612)
Less: Depreciation, depletion and amortization	(26,544)	(11,098)	(6,877)	(3,633)	(85)	(48,237)
Total operating costs	285,694	68,158	57,874	17,698	—	429,424
Less: Other royalties	(40,076)	(2,177)	(4,074)	(1,097)	—	(47,424)
Less: Stanwell rebate	(45,123)	—	—	—	—	(45,123)
Less: Freight expenses	(36,905)	(231)	(1,458)	(298)	—	(38,892)
Total mining costs	163,590	65,750	52,342	16,303	—	297,985

Average realized Met coal revenue for the Three Months Ended September 30, 2019 compared to Three Months Ended September 30, 2018

A reconciliation of the Company's average realized Met coal revenue is shown below:

For Nine Months Ended September 30,			
(\$ in thousands)			
	2019	2018	Change
Met sales volume (MMt)	3.9	4.2	(0.3)
Met coal revenues (\$)	490,918	553,661	(62,743)
Average realized met price per Mt sold (\$/Mt)	125.9	131.4	(5.5)

Nine Months Ended September 30, 2019 Compared to Nine Months Ended September 30, 2018

Curragh

	For Nine Months Ended September 30,			
	(\$ in thousands)			
	2019	Pro forma 2018	Change	%
Sales volume (MMt)	9.5	9.0	0.5	5.6%
Total revenues (\$)	1,144,689	1,100,858	43,831	4.0%
Coal revenues (\$)	1,118,161	1,078,040	40,121	3.7%
Average realized price per Mt sold (\$/Mt)	117.6	119.9	(2.3)	(1.9)%
Met sales volume (MMt)	7.1	6.5	0.6	9.2%
Met coal revenues (\$)	1,046,598	1,005,058	41,540	4.1%
Average realized met price per Mt sold (\$/Mt)	147.2	153.7	(6.5)	(4.2)%
Mining costs (\$)	422,631	486,760	(64,129)	(13.2)%
Mining cost per Mt sold (\$/Mt)	44.4	54.1	(9.7)	(17.9)%
Operating costs (\$)	777,303	827,403	(50,100)	(6.1)%
Operating costs per Mt sold (\$/Mt)	81.7	92.0	(10.3)	(11.2)%
Segment Adjusted EBITDA (\$)	366,568	275,504	91,064	33.1%

A reconciliation of unaudited pro forma financial data is shown below:

(\$ in thousands)	Historical Curragh in US GAAP	Post-Acquisition	For Nine Months Ended September 30,
	January 1, 2018 - March 29, 2018	March 30, 2018 - September 30, 2018	Total Pro Forma 2018
Sales volume (MMt)	2.7	6.3	9.0
Total revenues (\$)	316,500	784,358	1,100,858
Coal revenues (\$)	313,494	764,546	1,078,040
Average realized price per Mt sold (\$/Mt)	114.3	121.6	119.9
Met sales volume (MMt)	1.9	4.6	6.5
Met coal revenues (\$)	289,325	715,733	1,005,058
Average realized met price per Mt sold (\$/Mt)	150.6	155.0	153.7
Mining costs (\$)	145,506	341,254	486,760
Mining cost per Mt sold (\$/Mt)	53.1	54.3	54.1
Operating costs (\$)	254,698	572,705	827,403
Operating costs per Mt sold (\$/Mt)	94.3	91.1	92.0
Segment Adjusted EBITDA (\$)	64,785	210,719	275,504

(\$ in thousands)	Historical Curragh in US GAAP	Post-Acquisition	For Nine Months Ended September 30,
	January 1, 2018 - March 29, 2018	March 30, 2018 - September 30, 2018	Total Pro Forma 2018
Net Income (loss)	(308,947)	95,958	(212,989)
Add: Income tax expense (benefit)	17,772	43,179	60,951
Add: Interest expense (net of income)	341,703	23,019	364,722
Add: Depreciation, depletion and amortization	14,257	48,563	62,820
Adjusted EBITDA	64,785	210,719	275,504

Pro forma coal revenues increased by \$40.1 million, or 3.7%, to \$1,118.2 million for the nine months ended September 30, 2019 as compared to \$1,078.0 million for the nine months ended September 30, 2018. This increase was driven by higher Met coal sales volumes which increased 0.6 MMt or 9.2%, to 7.1 MMt for the nine months ended September 30, 2019 as compared to 6.5 MMt for the nine months ended September 30, 2018. The higher sales volumes were supported by increased production during the period compared to the same period last year.

Pro forma operating costs decreased by \$50.1 million, or 6.1%, to \$777.3 million for the nine months ended September 30, 2019 compared to \$827.4 million for the nine months ended September 30, 2018 primarily driven by favorable average foreign exchange rate on translation of the Curragh operations for the nine months ended September 30, 2019 of A\$/US\$: 0.70 versus 0.74 for the nine months ended September 30, 2018. Mining cost per Mt sold decreased by

\$9.7 per Mt sold to \$44.6 per Mt sold for the nine months ended September 30, 2019, as compared to \$54.1 per Mt sold for the nine months ended September 30, 2018. Excluding the effect of foreign exchange translation, the Pro forma mining cost per Mt sold was lower for the nine months ended September 30, 2019 compared to 2018 due to: (1) the unwind of a \$21.4 million fair value adjustment recognized to coal inventories on the acquisition of Curragh during the nine months ended September 30, 2018 and (2) unplanned outages at the wash plant in 2018. The decrease in pro forma operating costs were partially offset by higher Stanwell rebates which increased by \$14.0 million due mainly to higher sales volumes.

Adjusted EBITDA for the nine months ended September 30, 2019 was \$366.6 million, an increase of \$91.1 million, or 33.1%, over the pro forma Adjusted EBITDA for the nine months ended September 30, 2018. Lower operating costs and higher coal revenues were two key factors that contributed to the higher Adjusted EBITDA.

Buchanan

	For Nine Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	3.4	3.6	(0.2)	(5.6)%
Total revenues (\$)	343,217	381,467	(38,250)	(10.0)%
Coal revenues (\$)	342,971	381,362	(38,391)	(10.1)%
Average realized price per Mt sold (\$/Mt)	100.2	106.1	(5.9)	(5.6)%
Met sales volume (MMt)	3.3	3.4	(0.1)	(2.9)%
Met coal revenues (\$)	334,400	370,817	(36,417)	(9.8)%
Average realized met price per Mt sold (\$/Mt)	102.0	108.4	(6.4)	(5.9)%
Mining costs (\$)	181,235	189,627	(8,392)	(4.4)%
Mining cost per Mt sold (\$/Mt)	52.9	52.8	0.1	0.2%
Operating costs (\$)	183,326	228,972	(45,646)	(19.9)%
Operating costs per Mt sold (\$/Mt)	53.6	63.7	(10.1)	(15.9)%
Segment Adjusted EBITDA (\$)	159,956	152,522	7,434	4.9%

Coal revenues decreased by \$38.4 million, or 10.1%, to \$343.0 million for the nine months ended September 30, 2019 as compared to \$381.4 million for the nine months ended September 30, 2018. This decrease was driven by lower average realized price of \$5.9 per Mt and lower sales volumes due to import tariffs on U.S. coal imposed by China.

Total operating costs decreased \$45.6 million to \$183.4 million for the nine months ended September 30, 2019, compared to operating costs of \$229.0 million for the nine months ended September 30, 2018. This decrease was driven by lower mining costs of \$ 8.2 million and lower CONSOL Energy royalty of \$ 31.7 million, related to the mark-to-market adjustment and one less year remaining in the contingent payment period, and lower other royalties of \$4.8 million due to mining higher ratio owned coal compared to lease coal. The decrease in mining costs was primarily driven by lower sales related costs associated with the lower sales volume of 0.2 MMt, or 5.6%, partially offset by increase in mining cost of \$0.1 per Mt due to some periodic adverse mining conditions.

Adjusted EBITDA for the nine months ended September 30, 2019, was \$160.0 million, an increase of \$7.4 million, or 4.9% over the nine months ended September 30, 2018. This increase was driven by lower mining costs, lower royalties related to the CONSOL Energy contingent royalty and mining a greater percentage of owned coal versus lease coal. This was partially offset by a decrease in coal revenues due to import tariffs on U.S. coal imposed by China.

Logan

	For Nine Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	2.0	2.0	—	—
Total revenues (\$)	231,805	179,063	52,742	29.5%
Coal revenues (\$)	228,765	177,613	51,152	28.8%
Average realized price per Mt sold (\$/Mt)	115.1	87.2	27.9	32.0%
Met sales volume (MMt)	1.4	1.4	—	—
Met coal revenues (\$)	198,461	147,164	51,297	34.9%
Average realized met price per Mt sold (\$/Mt)	138.5	105.5	33.0	31.3%
Mining costs (\$)	154,682	141,516	13,166	9.3%
Mining cost per Mt sold (\$/Mt)	77.8	69.5	8.3	11.9%
Operating costs (\$)	177,640	157,318	20,322	12.9%
Operating costs per Mt sold (\$/Mt)	89.4	77.2	12.2	15.8%
Segment Adjusted EBITDA (\$)	54,520	21,955	32,565	148.3%

Coal revenue increased by \$51.2 million, or 28.8%, to \$228.8 million for the nine months ended September 30, 2019, as compared to \$177.6 million for the nine months ended September 30, 2018. This increase was driven by a higher average realized Met price due to higher committed contract prices, as well as improvements to the sales mix.

For the nine months ended September 30, 2019 total operating costs at Logan increased \$20.3 million, or 12.9%, to \$177.6 million compared to \$157.3 million for the nine months ended September 30, 2018. Mining costs increased \$13.2 million, primarily due to higher cost production at existing operations, driven by mining conditions, and production costs related to three additional mines coming online in 2019. Freight expense increased \$3.0 million driven by new rail and port arrangements with certain customers that did not exist in the comparative period. Other royalties increased \$4.2 million due to higher revenues. The increase in operating costs resulted in a corresponding increase of operating cost per ton of \$12.2 for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, as there was no significant change to sales volumes when comparing the two periods.

Adjusted EBITDA increased \$32.6 million to \$54.5 million for the nine months ended September 30, 2019, compared to \$21.9 million for the nine months ended September 30, 2018, a 148.3% increase, due to improvement in coal revenue partially offset by increased operating costs.

Greenbrier

	For Nine Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Sales volume (MMt)	0.4	0.5	(0.1)	(20.0)%
Total revenues (\$)	50,465	54,429	(3,964)	(7.3)%
Coal revenues (\$)	48,364	52,669	(4,305)	(8.2)%
Average realized price per Mt sold (\$/Mt)	129.9	101.4	28.5	28.1%
Met sales volume (MMt)	0.3	0.5	(0.2)	(40.0)%
Met coal revenues (\$)	46,957	51,951	(4,994)	(9.6)%
Average realized met price per Mt sold (\$/Mt)	138.5	103.2	35.3	34.2%
Mining costs (\$)	39,719	50,208	(10,489)	(20.9)%
Mining cost per Mt sold (\$/Mt)	106.7	96.6	10.1	10.5%
Operating costs (\$)	50,416	56,003	(5,587)	(10.0)%
Operating costs per Mt sold (\$/Mt)	135.4	107.8	27.6	25.6%
Segment Adjusted EBITDA (\$)	186	(462)	648	(140.3)%

Coal revenue decreased by \$4.3 million, or 8.2%, to \$48.4 million for the nine months ended September 30, 2019, as compared to \$52.7 million for the nine months ended September 30, 2018. This decrease was driven by lower sales volumes, partially offset by higher average realized price. The lower sales volume is primarily related to the exhaustion of the Pollock Knob reserve, lack of purchased coal available for blending, and lower production volume due to some adverse geological mining conditions and unscheduled equipment downtime.

For the nine months ended September 30, 2019, total operating costs decreased \$5.6 million to \$50.4 million, compared to costs of \$56.0 million for the nine months ended September 30, 2018. The decrease was primarily due to lower production volumes and lower sales related costs due to lower sales volumes, partially offset by an increase in

freight expense driven by new rail and port arrangements with certain customers that did not exist in the comparative period. Operating cost per ton increased by \$27.6 per Mt sold to \$135.4, of which approximately \$15 per ton was due the increased freight expenses. Additionally, lower production volumes related to the exhaustion of the Pollock Knob reserve and to adverse geological mining conditions and equipment downtime, impacted average cost per ton.

Adjusted EBITDA increased \$0.6 million to \$0.2 million for the nine months ended September 30, 2019, compared to adjusted EBITDA of (\$0.5) million for the nine months ended September 30, 2018. This increase was primarily due to lower operating costs of \$5.6 million and partially offset by lower coal revenue of \$4.3 million.

Corporate and Other Adjusted EBITDA

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

	For Nine Months Ended September 30,			
	(\$ in thousands)			
	2019	2018	Change	%
Salaries	10,044	6,347	3,697	58.2%
Professional and consultancy fees	9,853	9,507	346	3.6%
Office and operational fees	1,481	1,684	(203)	(12.1)%
Dues, registration fees and licenses	665	33,195	(32,530)	(98.0)%
Gain on foreign exchange swap	—	15,695	(15,695)	(100.0)%
Other	4,091	5,058	(967)	(19.1)%
Total Corporate and Other Adjusted EBITDA	26,134	71,486	(45,352)	(167.3)%

Adjusted EBITDA loss of \$71.5 million for the nine months ended September 30, 2018 includes one-time costs in relation to professional and consultancy fees and stamp duty of \$33.0 million and a loss on foreign exchange of \$15.7 million incurred in relation to the Curragh acquisition, the Reorganization Transaction and the Australian IPO.

Mining and operating costs for the Nine Months Ended September 30, 2019 compared to Nine Months Ended September 30, 2018

A reconciliation of segment costs and expenses, segment operating costs, and segment mining costs is shown below:

For Nine Months Ended September 30, 2019						
(\$ in thousands)						
	Curragh	Buchanan	Logan	Greenbrier	Other / Corporate	Total Consolidated
Total costs and expenses	838,178	217,499	197,849	60,435	26,416	1,340,377
Less: Selling, general and administrative expense	(404)	—	—	—	(26,140)	(26,544)
Less: Depreciation, depletion and amortization	(60,471)	(34,173)	(20,209)	(10,019)	(262)	(125,134)
Total operating costs	777,303	183,326	177,640	50,416	14	1,188,699
Less: Other royalties	(109,791)	(1,199)	(15,279)	(2,968)	—	(129,237)
Less: Stanwell rebate	(134,846)	—	—	—	—	(134,846)
Less: Freight expenses	(110,035)	(892)	(7,679)	(7,729)	—	(126,335)
Total mining costs	422,631	181,235	154,682	39,719	14	798,281

For Nine Months Ended September 30, 2018						
(\$ in thousands)						
	Curragh	Buchanan	Logan	Greenbrier	Other / Corporate	Total Consolidated
Total costs and expenses	622,525	262,934	176,899	66,451	55,723	1,184,532
Less: Selling, general and administrative expense	(1,257)	—	—	—	(55,638)	(56,895)
Less: Depreciation, depletion and amortization	(48,563)	(33,962)	(19,581)	(10,448)	(85)	(112,639)
Total operating costs	572,705	228,972	157,318	56,003	—	1,014,998
Less: Other royalties	(78,317)	(37,309)	(11,075)	(3,710)	—	(130,411)
Less: Stanwell rebate	(77,935)	—	—	—	—	(77,935)
Less: Freight expenses	(75,199)	(2,036)	(4,727)	(2,085)	—	(84,047)
Total mining costs	341,254	189,627	141,516	50,208	—	722,605

Average realized Met price for the Nine Months Ended September 30, 2019 compared to Nine Months Ended September 30, 2018

A reconciliation of the Company's average realized Met coal revenue is shown below:

For Nine Months Ended September 30,				
(\$ in thousands)				
	2019	2018	Change	%
Met sales volume (MMt)	12.2	9.9	2.3	23.2%
Met coal revenues (\$)	1,626,416	1,285,665	340,751	26.5%
Average realized met price per Mt sold (\$/Mt)	133.8	129.4	4.4	3.4%

Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

	For Three Months Ended September 30,		For Nine Months Ended September 30,	
	2019	2018	2019	2018
	(US \$ thousands)			
Reconciliation to Adjusted EBITDA:				
Net Income (loss)	69,099	45,199	283,425	80,850
Add: Depreciation, depletion and amortization	39,855	48,237	125,134	112,639
Add: Interest expense (net of income)	9,319	20,304	26,583	45,792
Add: Other foreign exchange gains	851	1,035	293	7,883
Add: Loss on retirement of debt	—	—	—	3,905
Add: Income tax expense (benefit)	30,618	56,645	119,661	62,179
Adjusted EBITDA	149,742	171,420	555,096	313,248

Liquidity and Capital Resources

Overview

Our objective is to maintain a prudent capital structure and to ensure that sufficient liquid assets and funding is available to meet both anticipated and unanticipated financial obligations, including unforeseen events that could have an adverse impact on revenues or costs. Our principal sources of funds are cash flow from operations and borrowings under the SFA.

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

Our ability to generate sufficient cash depends on our future performance which may be subject to a number of factors beyond our control, including general economic, financial and competitive conditions and other risks described in Item 1A. “Risk Factors” of our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019. Over time, we may seek additional funding from a range of sources to diversify our funding sources.

Liquidity as of September 30, 2019 and December 31, 2018 was as follows:

	September 30, 2019	December 31, 2018
	(\$ in thousands)	
Cash, excluding restricted cash	34,194	124,656
Availability under Revolving Syndicate Facility Agreement	240,000	350,000
Total	274,194	474,656

Total Indebtedness. Our total indebtedness as of September 30, 2019 and December 31, 2018 consisted of the following:

	September 30, 2019	December 31, 2018
	(\$ in thousands)	
Finance/capital lease liabilities	2,794	3,789
Other financial liabilities	11,645	11,800
Interest bearing liabilities	310,000	—
Total	324,439	15,589

Liquidity

As of September 30, 2019, available liquidity was \$274.2 million comprising cash and cash equivalents of \$34.2 million and \$240.0 million of available borrowing facilities. As of December 31, 2018, available liquidity was \$474.7 million comprising cash and cash equivalents of \$124.7 million and \$350.0 million of available borrowing facilities.

Cash

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

Secured Credit Facilities

To assist in managing the potential volatility in economic and operational changes, which may influence the generation of free cash flow, the Company entered into the SFA, which provides three borrowing facilities:

- Facility A — \$350 million multicurrency revolving loan facility available for general working capital and corporate purposes;
- Facility B — A\$370 million multicurrency bank guarantee facility; and
- Facility C — \$200 million multicurrency revolving loan facility available for general working capital and corporate purposes.

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

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

At September 30, 2019, Facility A had \$310.0 million of outstanding balance, with \$40 million of available undrawn and Facility C had no outstanding balance, with \$200 million of availability undrawn.

Bank Guarantees

We are required to provide financial assurances and securities to satisfy contractual and other requirements generated in the normal course of business. Some of these assurances are provided to comply with state or other government agencies' statutes and regulations. Facility B is available for this purpose and as of September 30, 2019, we had issued multicurrency Bank Guarantees totaling A\$268.1 million to satisfy these requirements, leaving A\$101.8 million available under Facility B.

Secured Credit Facilities Terms

Interest Rate

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

Financial Covenants

Under the SFA we are required to comply with financial covenants, namely leverage ratio, interest coverage ratio, tangible net worth.

Each financial covenant is calculated with reference to the definitions contained in the SFA. As of September 30, 2019, the Company was in compliance with all applicable financial covenants under the SFA.

Dividend

During the nine months to September 30, 2019 we paid the following dividends and other distributions to stockholders and CDI holders on the ASX:

- Dividends of \$299.7 million on March 29, 2019;
- Franked dividends of \$108.2 million on September 20, 2019; and
- Return of capital of \$288.0 million on September 20, 2019.

Capital Requirements

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

Historical Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2019 and 2018, as reported in the accompanying consolidated financial statements:

Cash Flow

	For Nine months ended September 30,	
	2019	2018
	(\$ in thousands)	
Net cash provided by operating activities	438,611	273,899
Net cash (used in) investing activities	(118,311)	(611,012)
Net cash (used in) provided by financing activities	(408,957)	565,362
Net change in cash and cash equivalents	(88,657)	228,249
Effect of exchange rate changes on cash and restricted cash	(1,779)	(4,213)
Cash and restricted cash at beginning of period	124,881	28,069
Cash and restricted cash at end of period	34,445	252,105

Operating activities

Net cash provided by operating activities was \$438.6 million and \$273.9 million for the nine months ended September 30, 2019 and 2018, respectively. The increase in cash provided by operating activities during the nine months ended September 30, 2019 was primarily due to the additional cash contributed by Curragh since it was acquired on March 29, 2018, and an improvement in operating performance of the U.S. Operations.

Investing activities

Net cash used in investing activities was \$118.3 million for the nine months ended September 30, 2019, compared to \$611.0 million for the nine months ended September 30, 2018. Capital expenditure for the nine months ended September 30, 2019 was \$117.4 million, of which \$38.4 million related to Curragh and the remaining \$79.0 million related to the U.S. Operations. Included in the cash flows in the nine months ended September 30, 2018 was the cash consideration of \$537.2 million used by Coronado to purchase Curragh.

Financing activities

Net cash used in financing activities was \$409.0 million for the nine months ended September 30, 2019, compared to \$565.4 million of net cash provided by financing activities during the nine months ended September 30, 2018. Uses of cash from financing activities during the nine months ended September 30, 2019 included \$696.1 million for distributions paid to the shareholders of the Company and payments of contingent royalty consideration under the Value Share Mechanism of \$17.8 million. The Company borrowed \$414 million to partially fund the distribution to shareholders of which \$104.0 was repaid during the period.

Included in the net cash provided in financing activities for the nine months ended September 30, 2018 was proceeds from borrowings of \$700.0 and \$151.3 contributed by members of Coronado Group LLC (former parent of the Company), which were utilized for the purchase of Curragh and the repayment of term loans.

Contractual Obligations

There were no material changes to our contractual obligations from the information previously provided in Item 2 of our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019, for the year ended December 31, 2018.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, we evaluate our estimates. Our estimates are based on historical experience and various other assumptions that we believe are appropriate, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with the Audit Committee of our Board of Directors.

Our critical accounting policies are discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019.

Unaudited Pro Forma Combined Financial Information

The following unaudited consolidated pro forma statements of operations present the combination of the historical financial statements of Coronado and Curragh, adjusted to give effect to the acquisition of Wesfarmers Curragh Pty Ltd by Coronado, which we refer to as the Curragh acquisition.

The unaudited consolidated pro forma statement of operations for the nine months ended September 30, 2018 combine the historical consolidated statement of operations of Coronado and the historical combined statement of operations for Curragh, giving effect to the acquisition of Wesfarmers Curragh Pty Ltd by Coronado as if they had been consummated on January 1, 2018. This will facilitate a pro forma comparison between the nine months ended September 30, 2019 and September 30, 2018 in Management’s Discussion and Analysis of Financial Condition and Results of Operations. We believe a discussion of these two periods is more meaningful as it is on a comparable basis.

The unaudited consolidated pro forma statements of operations do not reflect the costs of any integration activities or benefits. The unaudited pro forma adjustments are based upon current available information and assumptions that Coronado believes to be reasonable. The pro forma adjustments and related assumptions are described in the accompanying notes presented on the following pages.

The unaudited consolidated pro forma statements of operations are for informational purposes only and are not intended to represent or to be indicative of the actual results of operations or financial position that the combined business of Coronado and Curragh would have reported had the transactions been completed as of the dates set forth in the unaudited consolidated pro forma statements of operations and should not be taken as being indicative of Coronado’s future consolidated results of operation. The actual results may differ significantly from those reflected in the unaudited consolidated pro forma statements of operations for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited consolidated pro forma statements of operations and actual amounts. As a result, the pro forma consolidated information does not purport to be indicative of what the results of operations would have been had the transaction been completed on the applicable dates of the unaudited consolidated pro forma statements of operations.

Unaudited Consolidated pro forma statement of operations

For the nine months ended September 30, 2018

(U.S. dollars and AUD in thousands)

	Historical Coronado Global Resources Inc. USD	Historical 1 January 2018 to 29 March 2018					Pro Forma adjustments		Consolidated pro forma USD
		Curragh	Note 2(a)	Note 2(b)	Note 2(c)	Pro forma adjustments	Note 2		
			Reclassification	IFRS to US GAAP	Curragh in US GAAP			Curragh in USD and US GAAP	
				AUD	AUD			AUD	
Revenues:									
Coal revenues	1,041,232	406,696	—	—	406,696	313,494	—		1,354,726
Coal revenues from related parties	334,958	—	—	—	—	—	—		334,958
Other Revenues	23,127	—	—	—	—	—	3,006	(d)	26,133
Total Revenues	1,399,317	406,696	—	—	406,696	313,494	3,006		1,715,817
Cost and expenses:									
Cost of coal revenues (exclusive of items shown separately below)	722,605	204,132	(15,367)	—	188,765	145,506	—		868,111
Depreciation, depletion and amortization	112,639	—	16,971	1,525	18,496	14,257	7,977	(e)	134,873
Freight expense	84,047	—	47,769	—	47,769	36,822	—		120,869
Stanwell rebate	77,935	—	55,949	—	55,949	43,127	—		121,062
Other royalty expenses	130,411	93,886	(55,949)	—	37,937	29,243	—		159,654
Impairment	-	(263,097)	—	263,097	—	—	—		-
Selling, general, and administrative expenses	56,895	50,098	(47,769)	—	2,329	1,795	(38,101)	(f)	20,589
Total costs and expenses	1,184,532	85,019	1,604	264,622	351,245	270,750	(30,124)		1,425,158
Operating income	214,785	321,677	(1,604)	(264,622)	55,451	42,744	33,130		290,659
Other income (expenses):									
Interest income	—	—	—	—	—	—	—		—
Interest expense	(45,792)	(444,895)	1,604	—	(443,291)	(341,703)	336,058	(g)	(51,437)
Loss on debt extinguishment	(3,905)	—	—	—	—	—	3,905	(h)	—
Other, net	(22,059)	10,098	—	—	10,098	7,784	15,695	(i)	1,420
Total other income (loss), net	(71,756)	(434,797)	1,604	—	(433,193)	(333,919)	355,658		(50,017)
Income before tax	143,029	(113,120)	—	(264,622)	(377,742)	(291,175)	388,788		240,642
Income tax expense	(21,076)	(102,443)	—	79,387	(23,056)	(17,772)	(4,314)	(j)	(43,162)
Net income	121,953	(215,563)	—	(185,235)	(400,798)	(308,947)	384,474		197,480
Less: Net loss attributable to noncontrolling interest	(7)	—	—	—	—	—	—		(7)
Net income (loss) attributable to Coronado Global Resources Inc.	121,960	(215,563)	—	(185,235)	(400,798)	(308,947)	384,474		197,487
Earnings per share of common stock									
Basic	1.26	—	—	—	—	—	—		\$ 2.04
Diluted	1.26	—	—	—	—	—	—		\$ 2.04
Average common shares outstanding									
Basic	\$ 96,651,692	—	—	—	—	—	—		96,651,692
Diluted	\$ 96,656,067	—	—	—	—	—	—		96,656,067

See accompanying notes to the unaudited pro forma consolidated statement of operations.

Note 1. Basis of Preparation

The accompanying unaudited consolidated pro forma statement of operations was prepared in accordance with Article 11 of Regulation S-X and presents the pro forma combined results of operations of Coronado based upon the historical financial statements of each of Coronado and Curragh, after giving effect to the Curragh acquisition and change in tax status, and are intended to reflect the impact of the Curragh acquisition and change in tax status on Coronado's statement of operations. The accompanying unaudited consolidated pro forma statement of operations has been prepared using, and should be read in conjunction with the consolidated financial statements of Coronado for the three and nine months ended September 30, 2019. Assumptions and estimates underlying the pro forma adjustments are described in these notes.

The accompanying unaudited consolidated pro forma statement of operations is presented for illustrative purposes only and does not purport to be indicative of the actual results that would have been achieved by Coronado if the Curragh acquisition had been consummated as of the beginning of the periods presented or that will be achieved in the future. The unaudited consolidated pro forma statement of operations does not reflect the costs of any integration activities or benefits that may result from realization of synergies expected to result from the Curragh acquisition. In addition, throughout the period presented in the unaudited consolidated pro forma statement of operations until the date of acquisition on March 29, 2018, the operations of Curragh were conducted and accounted for as part of the former shareholder. Curragh's unaudited combined financial information has been derived from the former shareholder's historical accounting records and reflect certain allocations of direct costs and expenses. All of the allocations and estimates in such financial information are based on assumptions that the management of the former shareholder believes are reasonable. In the opinion of management, the unaudited consolidated pro forma statement of operations includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the period presented. Curragh's financial information does not necessarily represent the financial position of Curragh had it been operated as a stand-alone company during the period.

The unaudited consolidated pro forma statement of operations combines the historical consolidated statement of operations of Coronado for the three and nine months ended September 30, 2018 and the unaudited combined financial information of Wesfarmer's Curragh Pty Ltd for the three months ended March 29, 2018, giving effect to the Curragh acquisition as if both had been consummated on January 1, 2018.

Note 2. Income Statement Adjustments

The unaudited consolidated pro forma statement of operations reflects the following adjustments (\$ in thousands):

(A) Reclassifications

These adjustments represent reclassifications to conform the accounting presentation of Curragh's financial statements to Coronado's financial statements.

(B) International Financial Reporting Standards, or IFRS, to U.S. GAAP adjustments (in AUD)

Impairment was adjusted as follows:

	September 30, 2018
Elimination of Curragh's impairment reversal(1)	263,097
Total IFRS to U.S. GAAP adjustment to impairment expense	263,097

(1) Represents the removal of the IFRS, impairment reversal consistent with pushing back the U.S. GAAP acquisition fair values to January 1, 2018 and the prohibition under U.S. GAAP of the reversal of impairment expense.

Depreciation, depletion and amortization was adjusted as follows:

	September 30, 2018
Adjustment to accretion of Curragh asset retirement obligation(1)	1,525
Total IFRS to U.S. GAAP adjustment to depreciation, depletion and amortization expense	1,525

(1) Under U.S. GAAP, a company-specific risk adjusted discount rate is used which is higher than the discount rate required by IFRS. The higher discount rate under U.S. GAAP reduces the asset retirement obligation, or ARO, booked initially and results in a higher accretion expense each period as the discounted ARO balance increases.

See Note J for discussion of the calculation of the income tax expense.

(C) USD translation rate

In order to translate the Curragh AUD results into USD, an exchange rate of 0.7708 was utilized. This represents the average exchange rate for the period from January 1, 2018 to March 29, 2018.

(D) Other revenues

Other revenues were adjusted as follows:

	September 30, 2018
Amortization of the Stanwell below market CSA(1)	3,006
Total pro forma adjustment to other revenues	3,006

(1) Relates to the amortization of the Stanwell below market coal supply agreement, or CSA. The Stanwell below market CSA represents the fair value attributable to the Australian coal supply obligation arising from the Coronado Curragh business combination.

(E) Depreciation, depletion and amortization

Depreciation, depletion and amortization were adjusted as follows:

	September 30, 2018
Adjustment to depreciation of Curragh assets acquired(1)	7,977
Total pro forma adjustment to depreciation, depletion and amortization	7,977

(1) Represents the adjustment to Curragh's historical depreciation and amortization as a result of preliminary fair value adjustments to the acquired depreciable assets, mineral reserves and amortizable intangible assets.

(F) Selling, general and administrative

Selling, general and administrative expenses were adjusted as follows:

	September 30, 2018
Transaction costs(1)	(38,101)
Total pro forma adjustment to selling, general and administrative expenses	(38,101)

(1) Relates to advisory and legal fees incurred in the year ended September 30, 2018, which are directly attributable to the Curragh acquisition, but which are not expected to have a continuing impact on results following the consummation of the Curragh acquisition.

(G) Interest expense

Interest expense was adjusted as follows:

	September 30, 2018
Eliminate intercompany interest expense(1)	341,702
Reversal of Bank of America Term Loan(2)	3,828
Recognition of DB Term Loan interest expense(3)(4)	(8,117)
Amortization of DB Term Loan debt issuance costs and discount(5)	(1,355)
Total pro forma adjustment to interest expense	336,058

(1) Represents the removal of the historical interest charge in relation to an intercompany loan Curragh had with its previous shareholder, which was assigned to Coronado upon acquisitions and is therefore eliminated in consolidation.

(2) Represents the reversal of interest expense related to the Bank of America Term Loan on Coronado's Statement of Operations. This loan was extinguished on March 29, 2018 in conjunction with the acquisition of Curragh. In order to represent the financing in-place as if the acquisition occurred on January 1, 2018, the effects of this note have been removed.

(3) Represents additional interest expense related to the DB Term Loan. This \$700 million loan, established on March 29, 2018, was used to partially finance the acquisition of Curragh and the additional interest charge reflects this loan as if it were in existence on January 1, 2018. The assumed interest rate for the three months to March 29, 2018 was 8.802%, representing LIBOR plus a 6.5% spread. This is the actual interest rate of the loan at origination. Due to the proximity of the assumed origination (January 1, 2018) and the actual origination (March 29, 2018) as well as the fact the loan was extinguished on October 24, 2018, the interest rate at March 29, 2018 was determined to be representative and more meaningful for the pro forma adjustment than utilizing the current rate.

(4) For each one-eighth of 1% change in estimated interest rate associated with the \$700 million DB Term Loan, interest expense would increase or decrease by \$0.4 million for the nine months ended September 30, 2018.

(5) Represents the additional amortization of debt issuance costs and the debt discount associated with the DB Term Loan.

(H) Loss on debt extinguishment

Loss on debt extinguishment was adjusted as follows:

	September 30, 2018
Reversal of debt extinguishment related to the Bank of America Term Loan(1)	3,905
Total pro forma adjustment to loss on debt extinguishment expense	3,905

(1) Represents the reversal of the debt extinguishment expense related to the Bank of America Term Loan on Coronado's Statement of Operations. This loan was extinguished on March 29, 2018 in conjunction with the acquisition of Curragh. In order to represent the financing in-place as if the acquisition occurred on January 1, 2018, the effects of this note have been removed.

(I) Other, net

Other, net was adjusted as follows:

	September 30, 2018
Transaction costs(1)	15,695
Total pro forma adjustment to selling, general and administrative expenses	15,695

(1) Relates to the loss on Foreign Exchange, or FX, swap incurred in the nine months ended September 30, 2018, which is directly attributable to the Curragh acquisition as it locked in the USD exchange rate in advance of the purchase of Curragh. This loss on FX swap is not expected to have a continuing impact on results following the consummation of the Curragh acquisition.

(J) Income tax provisions

For purposes of the unaudited pro forma condensed combined financial statements, an Australian statutory tax rate of approximately 30% has been used for pro forma adjustments related to Curragh. A U.S. blended statutory tax rate (Federal and State) of approximately 27% has been used for pro forma adjustments related to the U.S. LLC's. This does not reflect Coronado's effective tax rate, which will include other tax items such as state and foreign taxes as well as other tax charges and benefits, and does not take into account any historical or possible future tax events that may impact Coronado following the consummation of the Curragh acquisition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

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

Commodity Price Risk

Coal Price Risk

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

We manage our commodity price risk for our non-trading, thermal coal sales through the use of long-term coal supply agreements in our U.S. Operations. In Australia, thermal coal is sold to Stanwell on a supply contract. See Item 1A. "Risk Factors—Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations" in our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019.

Sales commitments in the Met coal market are typically not long-term in nature, and we are therefore subject to fluctuations in market pricing. For example, a 10% decrease in the hard coking coal, or HCC, benchmark price would have decreased reported revenues for the three months ended September 30, 2019 and nine months ended September 30, 2019 by approximately \$37.0 million and \$126.7 million respectively.

Diesel Fuel

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

In 2018, we entered into fixed price contracts with our fuel suppliers to purchase 19.1 million liters of fuel for our U.S. Operations with a total commitment of \$11.3 million for 2019. The remaining commitment as of September 30, 2019 was \$2.8 million with respect to 4.8 million liters. Any additional fuel required will be purchased under fixed-price contracts or on a spot basis.

In addition, we have entered into forward derivative contracts to purchase 93.4 million liters of diesel fuel in 2019 with respect to the expected fuel requirements for the Curragh operations in Australia in 2019. During the nine month period ended September 30, 2019 we have entered into additional forward derivative contracts to purchase 126 million liters of diesel fuel with respect to the expected fuel requirements for Curragh operations in 2020. The fair value of the forward derivative contracts as of September 30, 2019 was a liability of \$0.5 million with respect to outstanding 150.7 million liters.

Interest Rate Risk

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

As of September 30, 2019, we had \$14.4 million of fixed-rate borrowings and \$310 million of variable-rate borrowings outstanding. As discussed in Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Liquidity,” as of September 30, 2019, the drawn debt facility of \$310 million incurred a variable interest rate of LIBOR or BBSY bid plus a margin. A 10% increase in the market interest rate would have increased our reported interest expense by \$0.1 million.

Foreign Exchange Risk

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

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

During the three months ended September 30, 2019, the Company entered into forward exchange contracts to hedge a portion of its foreign currency exposure of the Curragh operations by selling US\$ generated from export coal sales revenue at Curragh and purchasing A\$ required to settle Curragh’s A\$ operating costs.

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

For the unhedged portion of US\$ required to purchase A\$ to settle Curragh’s operating costs, a 10% increase in the A\$ to US\$ exchange rate would increase reported total costs and expenses by approximately \$18.1 million and \$54.6 million for the three months ended September 30, 2019 and the nine months ended September 30, 2019, respectively.

Liquidity Risk

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

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

Credit Risk

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

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

We are also exposed to counterparty credit risk arising from our operating activities, primarily from trade receivables. Customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their

independent credit rating, financial position, past experience and industry reputation. We monitor the financial performance of counterparties on a routine basis to ensure credit thresholds are achieved. Where required, we will request additional credit support, such as letters of credit, to mitigate against credit risk. Credit risk is monitored regularly, and performance reports are provided to our management.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report, and concluded that such disclosure controls and procedures were effective to provide reasonable assurance that the desired control objectives were achieved.

Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. We are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act of 2002, and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. We will not be required to submit a report of management's assessment regarding internal control over financial reporting or an attestation report of the Company's registered public accounting firm until our second annual report on Form 10-K due to a transition period established by the rules of the SEC for newly registered companies.

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

In the period since December 31, 2018, management has remediated the identified material weakness. The remediation efforts implemented specifically focused on the identified item and have also aided in enhancing our overall financial control environment. Remediation efforts applied during the period included (a) the immediate posting of the identified one-off item to ensure no material misstatement in our financial statements; (b) the continued recognition of this position since December 31, 2018 in our financial statements for the period ending September 30, 2019; (c) the Company has employed additional qualified resources to prepare, review and provide guidance on technical matters of this nature; and (d) the Company continues to utilize the expertise of certain third party technical advisors to assist in the review of complex transactions.

Our Chief Executive Officer and Chief Financial Officer have concluded that the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q, present fairly, in all material respects, the financial position of the Company at September 30, 2019 and the consolidated results of operations and cash flows for the period ended September 30, 2019 in conformity with U.S. generally accepted accounting principles.

Changes to Internal Control over Financial Reporting

As previously reported, we expect to continue to make changes in our internal control over financial reporting in connection with our compliance efforts with respect to the Sarbanes-Oxley Act of 2002. As such, we will continue to assess the adequacy of our internal control over financial reporting, remediate any control weaknesses that may be identified, validate through testing that controls are functioning as designed and implement a continuous reporting and improvement process for internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to various legal and regulatory proceedings. For a description of our significant legal proceedings refer to Note 20. “Contingencies” to the unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements” of this Quarterly Report, which information is incorporated by reference herein.

ITEM 1A. RISK FACTORS

Our registration statement on Form 10, as amended, filed with the SEC and ASX on June 28, 2019, which we refer to as our Form 10, includes a detailed discussion of certain material risk factors we face. In our Form 10-Q for the quarterly period ended June 30, 2019, filed with the SEC on August 5, 2019, we updated the risk factor set under the heading “Risks related to our investment in WICET may adversely affect our financial condition and results of operations” in Item 1A of our Form 10. The information presented below restates the risk factor set forth under the heading “We may face restricted access to international markets in the future” in Item 1A of our Form 10. You should consider this risk factor together with the other risk factors and other matters described in our Form 10 and in this Quarterly Report on Form 10-Q.

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

Access to international markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import or export of certain commodities. For example, the imposition of tariffs by China in 2019 on U.S. coal imports into the country is currently having, and may in the future have, a negative impact on the profitability of the Buchanan mine. Although we are able to access alternate markets for our coal, additional interruptions and trade barriers may occur in the future. An inability for metallurgical coal suppliers to access international markets, including China, would likely result in an oversupply of metallurgical coal in the U.S. domestic market, resulting in a decrease in prices.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Safety is the cornerstone of the Company’s values and is the number one priority for all employees at Coronado Global Resources. Our U.S. Operations include multiple mining complexes across three states and are regulated by both the U.S. Mine Safety and Health Administration, or MSHA, and state regulatory agencies. Under regulations mandated by the Federal Mine Safety and Health Act of 1977, or the Mine Act, MSHA inspects our U.S. mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act.

In accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104), each operator of a coal or other mine is required to report certain mine safety results in its periodic reports filed with the SEC under the Exchange Act.

Information pertaining to mine safety matters is included in Exhibit 95.1 attached to this Quarterly Report on Form 10-Q. The disclosures reflect the United States mining operations only, as these requirements do not apply to our mines operated outside the United States.

ITEM 5. OTHER INFORMATION

NONE.

ITEM 6. EXHIBITS

The following documents are filed as exhibits hereto:

Exhibit No.	Description of Document
2.1*	Share Sale Agreement-Cork, dated as of December 22, 2017, by and among Coronado Australia Holdings Pty Ltd, Coronado Group LLC and Wesfarmers Limited (filed as Exhibit 2.1 to the Company's Registration Statement on Form 10 (File No. 000-56044) filed on June 28, 2019 and incorporated herein by reference)
3.1	Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Registration Statement on Form 10 (File No. 000-56044) filed on April 29, 2019 and incorporated herein by reference)
3.2	Amended and Restated By-Laws (filed as Exhibit 3.2 to the Company's Registration Statement on Form 10 (File No. 000-56044) filed on April 29, 2019 and incorporated herein by reference)
10.1†‡	Amendment Agreement to Syndicated Facility Agreement, dated as of September 11, 2019, by and among Coronado Finance Pty Ltd, other affiliates of the Company, Westpac Banking Corporation, and Westpac Administration Pty Ltd.
10.2†‡	New Coal Supply Agreement, dated as of July 12, 2019, by and between Stanwell Corporation Limited and Coronado Curragh Pty Ltd.
31.1	Certification of the Chief Executive Officer pursuant to SEC Rules 13a-14(a) or 15d-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to SEC Rules 13a-14(a) or 15d-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosures
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

- * Portions of this exhibit have been omitted pursuant to Item 601(b)(2)(ii) of Regulation S-K, which portions will be furnished to the Securities and Exchange Commission upon request.
- † Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) and Item 601(a)(6) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.
- ‡ Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, which portions will be furnished to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Coronado Global Resources Inc. **(Registrant)**

By: /s/ Ayten Saridas

Ayten Saridas
Chief Financial Officer (as duly authorized officer and as
principal financial officer of the registrant)

Date: November 7, 2019

CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [***].



Dated: 11 September 2019

Amendment Agreement Syndicated Facility Agreement

Parties

**Each entity listed in Schedule 1
(Obligors)**

**Westpac Banking Corporation (ABN 33 007 457 141)
(Agent)**

**Westpac Administration Pty Limited (ACN 008 617 203)
(Security Trustee)**

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Our ref: 4008970

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Parties

Each entity listed in Schedule 1 (**Obligors**)

Westpac Banking Corporation (ABN 33 007 457 141) for itself and as agent for the Lenders (**Agent**)

Westpac Administration Pty Limited (ACN 008 617 203) for itself and the Beneficiaries (**Security Trustee**)

Introduction

A The Obligors and the Agent are party to the Facility Agreement.

B The Obligors and the Security Trustee are party to the Security Trust Deed.

C Other financial institutions acceded to the Facility Agreement as Lenders under a Syndication Transfer Certificate dated 7 December 2018.

D The Parties have agreed to amend the terms of the Facility Agreement in accordance with the terms of this document.

E It is the Parties' intention that the amendments to the terms of the Facility Agreement under this document do not rescind or replace the Facility Agreement and that, save for the amendments in this document, the Parties' rights and obligations under the Facility Agreement remain in full force and effect.

F The Agent has been authorised under clause 39 (*Amendments and Waivers*) of the Facility Agreement to effect the amendments to the Facility Agreement set out in this document, for itself and as agent for all the Lenders.

It is agreed

1 Definitions and interpretation

1.1 Specific Definitions

In this document:

(1) **Amended Facility Agreement** means:

(a) before the Effective Date, the document attached as an Annexure to this document; and

(b) after the Effective Date, the Facility Agreement as amended by this document.

(2) **Conditions Precedent** means every item listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent acting on the instructions of all Lenders.

(3) **Effective Date** means the date described as such in an Effective Date Certificate.

(4) **Effective Date Certificate** means a certificate substantially in the form of Schedule 3 (*Effective Date Certificate*), signed by the Agent.

(5) **Facility Agreement** means the Syndicated Facility Agreement dated 15 September 2018 between the Obligors, the Agent, and Westpac Banking Corporation (ABN 33 007 457 141) as “Arranger” and “Original Lender”.

(6) **Party** means a party to this document (including each Lender, who is a party through the Agent, and each Beneficiary, who is a party through the Security Trustee) and includes its successors in title, permitted assigns and permitted transferees.

(7) **Security Trust Deed** means the deed entitled "Security Trust Deed" dated 23 October 2018 and made between, among others, the Borrower and the Security Trustee as amended from time to time.

1.2 Other definitions

Terms defined in the Amended Facility Agreement have the same meaning in this document (including by reference to another document), unless the context requires otherwise.

1.3 Interpretation

Clause 1.2 (*Construction*) of the Amended Facility Agreement applies as if incorporated into this document or in any notice given under or connection with this document as if all references in that clause to the Facility Agreement are a reference to this document or the notice.

1.4 Designation as Finance Document

This Parties acknowledge and agree that this document is a “Finance Document” for the purpose of the Facility Agreement and the Amended Facility Agreement.

2 Capacity

2.1 Representative capacity

Pursuant to:

(1) clause 39.1 (*Required consents*) of the Facility Agreement, the Agent enters into this document in its own capacity and on behalf of each Finance Party (other than the Security Trustee); and

(2) clause 8.1 (*Required Consents*) of the Security Trust Deed, the Security Trustee enters into this document in its own capacity and on behalf of each Beneficiary,

to effect the amendments contemplated in this document.

2.2 Security Trustee limitation of liability

Clauses 1.5 (*Security Trustee limitation of liability*) and 1.6 (*Liability must be limited and must be indemnified*) of the Amended Facility Agreement apply as if set out in full in this document, with this document as a ‘Finance Document’.

3 Amendments

3.1 Amendment of the Facility Agreement

On and from the Effective Date:

(1) the Facility Agreement is amended so as to be in the form of the document comprising Annexure A to this document; and

(2) each Party is bound by the Facility Agreement as amended by this document.

3.2 References in Finance Documents

The Parties agree that references in the Finance Documents to the Facility Agreement (however defined) are references to the Facility Agreement as amended by this document.

3.3 Effective Date Certificate

The Agent agrees to give the Borrower a duly completed Effective Date Certificate as soon as practicable after receipt of the last Condition Precedent in form and substance satisfactory to it.

4 Fees

4.1 Consent Fee

The Borrower must pay to the Agent:

(1) on account of the Facility A Lenders (proportionate to their participation in Facility A as at the Effective Date) a consent fee in the amount of US\$[***], being [***]% of the Total Facility A Commitments of US\$350,000,000; and

(2) on account of the Facility B Lenders (proportionate to their participation in Facility B as at the Effective Date) a consent fee in the amount of A\$[***], being [***]% of the Total Facility B Commitments of A\$370,000,000.

4.2 Participation Fee

The Borrower must pay to the Agent on account of the Facility C Lenders (proportionate to their participation in Facility C as at the Effective Date) a participation fee in the amount of US\$[***], being [***]% of the Total Facility C Commitments of US\$200,000,000.

4.3 When payable

The fees described in clauses 4.1 and 4.2 are payable in full on or before the Effective Date, against a tax invoice rendered by the Agent. These fees are non-refundable.

5 Representations

Each Obligor represents and warrants, on the date of this document and again on the Effective Date, in relation to itself that:

(1) each of its representations and warranties in the Finance Documents is true and correct (with this document being a "Finance Document" on both those dates); and

(2) no Default or Review Event is continuing, with respect to the facts and circumstances existing as at those dates.

6 Confirmations and acknowledgements

6.1 Confirmation

The Parties confirm and agree that:

(1) subject to clause 3.1 (*Amendment of the Facility Agreement*), the Finance Documents remain in full force and effect;

(2) the amendment of the Facility Agreement does not affect the enforceability or validity of the Finance Documents;

(3) the guarantee in clause 20 (*Guarantee*) of the Facility Agreement and clause 21 (*Guarantee*) of the Security Trust Deed extends to the obligations of the Obligors under this document and under the Amended Facility Agreement;

(4) the “Secured Money” under the Transaction Security includes the obligations of the Obligors under this document and under the Amended Facility Agreement;

(5) each of this document and the Amended Facility Agreement is a “Finance Document” for the purposes of the Facility Agreement and the other Finance Documents;

(6) except as expressly stated, nothing in this document:

(a) constitutes or effects a termination or a repayment and readvance of any Loan or Bank Guarantee outstanding on the date of this document or the Effective Date and all of those Loans and Bank Guarantees continue under the Facility Agreement as amended by this document;

(b) prejudices or adversely affects any right, power, discretion or remedy arising under any Finance Document before the Effective Date; or

(c) discharges, releases or otherwise affects any liability or obligation arising under any Finance Document before the Effective Date; and

(7) nothing in this document restates the Facility Agreement.

6.2 Inconsistencies

Subject to the terms of this document, if there is a conflict or inconsistency between the Finance Documents and this document, the terms of this document prevail to the extent of the conflict or inconsistency.

7 Conditions subsequent

7.1 Without limitation to the rights of the Finance Parties under the Finance Documents (including clauses 4.5 (*Conditions subsequent – other*) and clause 24.21 (*Real Property Mortgages*) of the Facility Agreement), the Obligors undertake to:

(1) provide to the Agent an updated 'Real Property – USA' Mortgage table, prepared by the Obligors (the **"Mortgage Table"**), within 20 Business Days after the Effective Date in a form approved by the Agent that includes the following columns:

- (a) Real Property – USA owned or leased by an Obligor;
- (b) Entity of Record;
- (c) Leasehold or Freehold;
- (d) Lessor (if applicable);
- (e) Consent to mortgage or amend mortgage required (yes / no), including, if yes, references to applicable section(s) requiring consent and, if the Agent requests it, attaching the lease or consent document to which the applicable section(s) relate or, if acceptable to the Agent, either extracts of such documents or such other information substantiating the requirement for consent;
- (f) Consent obtained (yes / no / not applicable), including if yes, a copy of the consent obtained (but a copy of a consent need only be provided once);
- (g) Mortgage recorded (yes / no); and
- (h) Comments, including detailed particulars of efforts made to obtain any consents and, where a necessary consent has not been obtained, the Obligors' assessment of the prospects of obtaining that consent with further reasonable commercial endeavours;

(2) except in relation to a Relevant Asset in respect of which the Agent has agreed a request under clause 7.3, prepare and issue within 20 Business Days after the Effective Date, communications to parties from whom consent is required as identified in the Mortgage Table and provide a copy of that communication to the Agent within 5 Business Days after issuing that communication;

(3) provide to the Agent an updated Mortgage Table, including an updated "Comments" column, within 5 Business Days after the end of each calendar quarter, commencing the quarter ending 31 December 2019, until otherwise agreed between the Obligors and the Agent;

(4) except in relation to a Relevant Asset in respect of which the Agent has agreed a request under clause 7.3, prepare follow up communications (including communications to responses that may have been received from the communications referred to in clause 7.1(2)) to parties from whom consent is required as identified in the Mortgage Table, no less frequently than quarterly after the Effective Date until further notice from the Agent;

(5) upon written request from the Agent, ensure that any communications issued pursuant to clause 7.1(2) and clause 7.1(4) are in a form and substance reasonably satisfactory to the Agent;

(6) where a consent is required from a party that has a consent right (as identified in the Mortgage Table), use reasonable commercial endeavours, to pursue a consent that extends to future increased liabilities under the Finance Documents or that otherwise avoids the need to obtain subsequent consents for such increases;

(7) not register any mortgage or deed of trust with a liability cap that is less than the aggregate Commitments under the Facility Agreement without approval by the Agent of the amount of the liability cap. If the Agent does not approve any proposed liability cap and consent required for a mortgage or deed or trust is conditional on that liability cap, for the avoidance of doubt, it will not be an Event of Default but the obligation of the Obligor to use reasonable commercial endeavours to have that cap removed or increased to no less than the aggregate Commitments under the Facility Agreement is, subject to clause 7.3, ongoing;

(8) for all (A) Real Property - USA owned (or leased without a consent requirement) by an Obligor ("**Non-Consent Property**") or (B) leasehold Real Property - USA for which consent to mortgage has been obtained, within 20 Business Days after the Effective Date:

- (a) grant a mortgage or deed of trust (if one has not already been granted);
- (b) have that mortgage or deed of trust recorded on any applicable registers; and
- (c) have the mortgages or deeds of trust up-stamped and tax paid as required by law.

(9) for all Real Property - USA other than Non-Consent Property in respect of which mortgages or deeds of trust are currently granted to a Finance Party, use reasonable commercial endeavours after the Effective Date to:

(a) amend those mortgages or deeds of trust to reflect the increased facility limits and the extension of the termination date (and other material changes) in the amendments described in clause 3 (Amendments) and, subject to approval by the Agent, with headroom as may be agreed between the parties for any future increased liabilities under the Finance Documents or in a manner (including liability caps) to avoid the need to obtain subsequent consents;

- (b) obtain any necessary consents for such amendments;
- (c) have those amendments recorded on any applicable registers; and
- (d) have the mortgages or deeds of trust up-stamped and tax paid as required by law.

(10) for all Non-Consent Property, within 40 Business Days after the Effective Date:

(a) amend all mortgages or deeds of trust currently granted to a Finance Party, in each case to reflect the increased facility limits and the extension of the termination date (and other material changes) in the amendments described in clause 3 (Amendments) and, subject to approval by the Agent, with headroom as may be agreed between the parties for any future increased liabilities under the Finance Documents;

- (b) have those amendments recorded on any applicable registers; and

(c) have the mortgages or deeds of trust up-stamped and tax paid as required by law.

7.2 A failure to comply with an undertaking in clause 7.1 within 10 Business Days after the due date will be a Review Event for the purposes of the Facility Agreement and clause 9.8 (*Review Event*) of the Facility Agreement will apply.

7.3 The Obligors may at any time provide a certificate to the Agent in relation to (A) a Relevant Asset and a Security Consent needed to be able to satisfy a condition subsequent under clause 4.5 (*Conditions subsequent – other*) of the Facility Agreement in relation to specific Security over that Relevant Asset, or (B) an amendment or consent described in clause 7.1(9), or (C) the removal or amendment of a liability cap under clause 7.1(7):

(1) stating that, having regard to steps taken both before and after the Effective Date, the Obligors have exhausted reasonable commercial endeavours to obtain the relevant consent or amendment and genuinely and reasonably believe that consent or amendment will not be forthcoming, regardless of further efforts or endeavours on the part of the Obligors (taking into account the last sentence of clause 4.5(d) of the Facility Agreement); and

(2) requesting that the Agent (acting on the instructions of the Majority Lenders) waive until further notice (and without limitation to clause 4.5(c)(iii) of the Facility Agreement) the requirement to obtain, or to continue to use reasonable commercial endeavours to obtain, that consent, and to provide specific Security over the Relevant Asset, or procure the relevant amendment (as the case may be).

The Agent will agree to that request if it and the Majority Lenders, acting reasonably, are satisfied that the relevant consent or amendment will not be forthcoming for the time being regardless of further efforts or endeavours on the part of the Obligors (taking into account the last sentence of clause 4.5(d) of the Facility Agreement). If the Agent and the Majority Lenders do not agree to that request, the Agent must provide reasons and describe to the Obligors what further reasonably obtainable information it and the Majority Lenders require in order to be so satisfied.

8 General

Clauses 19 (*Costs and Expenses*), 35 (*Notices*), 37 (*Partial invalidity*), 38 (*Remedies and waivers*), 39.1 (*Required consents*) and 48 (*Enforcement*) of the Amended Facility Agreement apply to this document as if they were fully set out in this document, with necessary changes for context.

9 Counterparts

This document may consist of a number of copies each signed by one or more parties to this document. If so the signed copies are treated as making up the one document.

10 Attorney

If an attorney executes this document, the attorney declares that the attorney has no notice of revocation, termination or suspension of the power of attorney under which the attorney executes this document.

11 Governing law

This document is governed by Queensland law and each Party irrevocably submits to the non-exclusive jurisdiction of the courts of that place.

12 Consideration

The Agent for itself and as agent for the Lenders, and the Security Trustee for itself and the Beneficiaries, have agreed to enter into this agreement at the request of the Obligors, and all Parties acknowledge that they have received good and valuable consideration.

Executed as an agreement and delivered on the date shown on the first page.

Schedule 1 Obligors

[**]

Schedule 2
Conditions precedent

[]**

Schedule 3
Effective Date Certificate

[**]

Signature pages

Obligors

Signed for and on behalf of **CORONADO
FINANCE PTY LTD** by its attorney Ayten
Saridas under power of attorney dated
5 June 2019
in the presence of:

/s/ Ayten Saridas

/s/ Ben Pentelow
Signature of witness

Ben Pentelow
General Counsel - Australia
Name of witness (BLOCK LETTERS)

[**]
Address of witness

CORONADO GLOBAL RESOURCES, INC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO COAL CORPORATION

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

Signed for and on behalf of **CORONADO AUSTRALIA HOLDINGS PTY LTD** by its attorney Ayten Saridas under power of attorney dated 5 June 2019 in the presence of:

/s/ Ayten Saridas

/s/ Ben Pentelow
Signature of witness

Ben Pentelow
General Counsel - Australia
Name of witness (BLOCK LETTERS)

[***]
Address of witness

Signed for and on behalf of **CORONADO CURRAGH PTY LTD** by its attorney Ayten Saridas under power of attorney dated 5 June 2019 in the presence of:

/s/ Ayten Saridas

/s/ Ben Pentelow
Signature of witness

Ben Pentelow
General Counsel - Australia
Name of witness (BLOCK LETTERS)

[***]
Address of witness

CORONADO COAL LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO II LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO IV LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

Signed for and on behalf of **CURRAGH QUEENSLAND MINING PTY LTD** by its attorney Ayten Saridas under power of attorney dated 5 June 2019 in the presence of:

/s/ Ayten Saridas

/s/ Ben Pentelow
Signature of witness

Ben Pentelow
General Counsel - Australia
Name of witness (BLOCK LETTERS)

[***]
Address of witness

Signed for and on behalf of **CURRAGH COAL SALES CO. PTY. LTD.** by its attorney Ayten Saridas under power of attorney dated 5 June 2019 in the presence of:

/s/ Ayten Saridas

/s/ Ben Pentelow
Signature of witness

Ben Pentelow
General Counsel - Australia
Name of witness (BLOCK LETTERS)

[***]
Address of witness

POWHATAN MID-VOL COAL SALES, L.L.C.

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

MATOAKA LAND COMPANY, LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

GREENBRIER SMOKELESS COAL MINING, L.L.C.

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO COAL II LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO CURRAGH LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

BUCHANAN MINING COMPANY LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

CORONADO VA, LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

GREENBRIER MINERALS, LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

MIDLAND TRAIL RESOURCES LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

BUCHANAN MINERALS, LLC

By: /s/ Ayten Saridas
Name: Ayten Saridas
Title: Authorized Signatory

Agent

Signed for and on behalf of **Westpac Banking Corporation ABN 33 007 457 141** by its Attorney under a Power of Attorney dated 17 January 2001, and the Attorney declares that the Attorney has not received any notice of the revocation of such Power of Attorney, in the presence of:

/s/ Rohan Morton
Signature of Witness

Rohan Morton
Tier Three Attorney
Name of Witness in full

/s/ Ruby Gacosta
Signature of Attorney

Ruby Gacosta
Tier Three Attorney
Name of Attorney in full

Security Trustee

Signed for and on behalf of **Westpac Administration Pty Limited (ACN 008 617 203)** by its Attorney under a Power of Attorney dated 3 August 2016, and the Attorney declares that the Attorney has not received any notice of the revocation of such Power of Attorney, in the presence of:

/s/ Rohan Morton
Signature of Witness

Rohan Morton
Tier Three Attorney
Name of Witness in full

/s/ Ruby Gacosta
Signature of Attorney

Ruby Gacosta
Name of Attorney in full

Annexure A
Amended Facility Agreement

ANNEXURE

*SECURED MULTICURRENCY REVOLVING SYNDICATED FACILITY AGREEMENT
INCORPORATING MULTICURRENCY BANK GUARANTEE FACILITY*



(Australian Branch)

SYNDICATED FACILITY AGREEMENT

for

CORONADO FINANCE PTY LTD (ACN 628 668 235)

arranged and underwritten by

WESTPAC BANKING CORPORATION (ABN 33 007 457 141)

with

WESTPAC BANKING CORPORATION (ABN 33 007 457 141)

acting as Agent

NORTON ROSE FULBRIGHT AUSTRALIA

Level 18, Grosvenor Place

225 George Street

Sydney, NSW 2000

Tel: +61 02 9330 8000

nortonrosefulbright.com

Our ref: 4008970

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THIS AGREEMENT is between:

- (1) **CORONADO FINANCE PTY LTD** (ACN 628 668 235) (**Original Borrower**)
- (2) **THE ENTITIES** listed in Part I of Schedule 1 as original guarantors (the **Original Guarantors**)
- (3) **CORONADO GLOBAL RESOURCES, INC** (the **Parent**)
- (4) **WESTPAC BANKING CORPORATION** (ABN 33 007 457 141) as mandated lead arranger, underwriter and bookrunner (the **Arranger**)
- (5) **THE ENTITIES** listed in Part II of Schedule 1 as lenders (the **Original Lenders**)
- (6) **WESTPAC BANKING CORPORATION** (ABN 33 007 457 141) (the **Agent**)

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

ABL Facility means the facility provided under the Asset-Based Revolving Credit Agreement, dated as of June 6, 2017, as amended as of the effective date of 29 March 2018, among Coronado Group LLC and related entities, Bank of America, N.A., and certain lenders and issuing banks.

Acceptable Bank means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Agent.

Accession Deed has the meaning given to the term "Accession Deed" in the Security Trust Deed.

Accession Letter means a document substantially in the form set out in Schedule 5 (***Form of Accession Letter***).

Additional Borrower means a company which becomes an Additional Borrower in accordance with Clause 27 (*Changes to the Obligors*).

Additional Guarantor means a company which becomes an Additional Guarantor in accordance with Clause 27 (*Changes to the Obligors*).

Additional Obligor means an Additional Borrower or an Additional Guarantor.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent's Spot Rate of Exchange means:

(a) in relation to Australian dollars at any time, the rate of exchange to buy US dollars with Australian dollars as determined by reference to Bloomberg's page 'WMFXAU10 Index' average rate being the "Australian Hedge Settlement Rate" at that time. If for any reason the rate is not displayed, the rate will be the Agent's spot rate of exchange for the purchase of US dollars with Australian dollars at or around 11:00am on the relevant day; and

(b) in relation to United States dollars and Facility B, at any time the spot rate of exchange to buy Australian dollars with US dollars as determined by reference to Bloomberg's page 'BGN USDAUD CURRENCY' close rate for value on the relevant date. If for any reason the rate is not displayed, the rate will be the Agent's spot rate of exchange for the purchase of Australian dollars with US dollars at or around 11:00am on the relevant day.

A-IFRS means the Australian equivalents of the international financial reporting standards issued by the International Accounting Standards Board, as in effect from time to time.

Amendment Effective Date means the "Effective Date" under an amending agreement executed between the parties in September 2019.

Anti-Corruption Laws means all applicable laws, rules and regulations relating to bribery or corruption, including the US Foreign Corrupt Practices Act of 1977 (US), as amended (**FCPA**), the UK Bribery Act 2010 (UK) and any other applicable anti-corruption or anti-bribery laws.

Assignment Agreement means an agreement in the form agreed between the Agent and the relevant assignor and assignee.

Associate has the meaning given to it in Section 128F(9) of the Tax Act.

ASX means the Australian Securities Exchange Limited and the equity securities exchange is manages.

Auditors means KPMG, Ernst Young, PWC or Deloitte, or any other firm approved in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

Australian Mining Tenement means Mining Lease Numbers 1878, 1990, 80010, 80011, 80012, 80086, 80110, 80112, 80123, 80171, 700006, 700007, 700008 and 700009 and Mineral Development Licence Numbers 162, 328 and 329 and any renewals, extensions and amendments thereof and any tenements issued to Coronado Curragh Pty Limited in place thereof or over any part of the area covered by the foregoing tenements any other mining tenement issued to an Obligor that is not a Project Asset and any other mining tenement as

agreed for the purposes of this definition between the Parent and Agent or otherwise the subject of a Mining Tenement Security, from time to time.

Australian Mortgage means each real property mortgage granted by an Obligor over leasehold and freehold real property interests in Australia.

Australian Withholding Tax means any Australian Tax required to be withheld or deducted from any interest or other payment under Division 11A of Part III of the Tax Act or Subdivision 12-F of Schedule 1 to the Taxation Administration Act 1953 (Cth).

Authorised Officer means:

(a) in respect of an Obligor, any director or secretary, or the chief executive officer or group chief financial officer, of such Obligor, or any person from time to time nominated as an Authorised Officer by it by an Authorised Officer Certificate or notice to the Finance Parties accompanied by certified copies of signatures of all new persons so appointed (and in respect of which the identity of that person has been verified to each Finance Party's satisfaction in order to manage its anti-money laundering, counter-terrorism financing or "know your customer" laws or economic and trade sanctions risk or to comply with any laws or regulations in Australia or any other country and the Agent has not received notice of revocation of the appointment); and

(b) in respect of each Finance Party, any person whose title or acting title includes the word, **Head, Director, Manager** or **President** or a person performing the functions of any of them, any attorney appointed by that Finance Party and any other person appointed by that Finance Party to act as its authorised officer for the purpose of this Agreement.

Authorised Officer Certificate means a properly executed certificate in the form in Part IV of Schedule 2 (*Authorised Officer Certificate*).

Authorisation means:

(a) an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
or

(b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Available Commitment means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date, other than, in relation to any proposed Utilisation under Facility A or Facility C only, that Lender's participation in any Facility A Utilisations or Facility C Utilisations (as the case may be) that are due to be repaid or prepaid on or before the proposed Utilisation Date.

Available Facility means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

Availability Period means the period from and including the Facility Initiation Date to and including the date falling one Month before the Termination Date.

Bank Guarantee means a letter of credit, bank guarantee, performance bond or other instrument in the form requested by the Borrower and agreed by an Issuing Bank.

Bankruptcy Law means Title 11 of the United States Code (11 USC. § 101 et seq.) and all other liquidation, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States from time to time in effect and affecting the rights of creditors generally.

Base Currency Amount means, in relation to a Utilisation, the amount specified in the Utilisation Request delivered by a Borrower for that Utilisation or:

(a) if, in relation to Facility A, the amount requested is not denominated in the Facility A Base Currency, that amount converted into the Facility A Base Currency at the Agent's Spot Rate of Exchange:

(i) for a proposed Facility A Utilisation, on the date which is three Business Days before the Utilisation Date (or if later, on the date the Agent receives the Utilisation Request) of that proposed Facility A Utilisation; and

(ii) in relation to an outstanding Facility A Utilisation, on the date the Agent receives a Utilisation Request in respect of any proposed new Facility A Utilisation,

adjusted to reflect any repayment, prepayment, consolidation or division of a Facility A Utilisation; and

(b) if, in relation to Facility B, the Bank Guarantee requested is not denominated in the Facility B Base Currency, the amount of that Bank Guarantee converted into the Facility B Base Currency at the Agent's Spot Rate of Exchange:

(i) for a proposed Bank Guarantee, on the date which is three Business Days before the Utilisation Date (or if later, on the date the Agent receives the Utilisation Request) of that proposed Bank Guarantee; and

(ii) in relation to an outstanding Bank Guarantee, on the date the Agent receives a Utilisation Request in respect of any proposed new Bank Guarantee;

(c) if, in relation to Facility C, the amount requested is not denominated in the Facility C Base Currency, that amount converted into the Facility C Base Currency at the Agent's Spot Rate of Exchange:

(i) for a proposed Facility C Utilisation, on the date which is three Business Days before the Utilisation Date (or if later, on the date the Agent receives the Utilisation Request) of that proposed Facility C Utilisation; and

(ii) in relation to an outstanding Facility C Utilisation, on the date the Agent receives a Utilisation Request in respect of any proposed new Facility C Utilisation,

adjusted to reflect any repayment, prepayment, consolidation or division of a Facility C Utilisation.

BBSY Bid means in relation to any Loan in Australian dollars:

(a) the applicable Screen Rate as of the Specified Time for Australian dollars and, subject to Clause 11.1(e) (*Selection of Interest Periods*), for a period equal in length to the Interest Period of that Loan; or

(b) as otherwise determined pursuant to Clause 12.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, BBSY Bid shall be deemed to be zero.

Beneficial Ownership Certification means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

Beneficial Ownership Regulation means 31 C.F.R. § 1010.230.

Beneficiaries has the meaning given to it in the Security Trust Deed.

Benefit Arrangement means an "employee benefit plan," within the meaning of Section 3(3) of ERISA, which is neither a Plan nor a Multiemployer Plan and which is maintained, sponsored or contributed to by any member of the ERISA Group.

Benefit Plan means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

Black Lung Act means collectively, the Black Lung Benefits Revenue Act of 1977, as amended and the Black Lung Benefits Reform Act of 1977, as amended.

Borrower means an Original Borrower or an Additional Borrower unless it has ceased to be a Borrower in accordance with Clause 27 (*Changes to the Obligors*).

Borrower Affiliate means the Borrower, any Affiliates of the Borrower, any trust of which it or any of its Affiliates is a trustee, any partnership of which it or any of its Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, it or any of its Affiliates.

Break Costs means the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Market or acquiring a bill of exchange accepted by a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

It is an amount payable in lieu of interest which would otherwise have been paid and is payable in the same currency as the relevant Loan or Unpaid Sum.

Buchanan Mine means the Obligors' underground mine located near the town of Oakwood in Buchanan County, in the State of Virginia, in the United States of America.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Sydney and Brisbane and, for transactions to be effected or amounts owing in US dollars, London, New York, Brisbane and Sydney.

CAH Loan Agreement means the loan agreement dated 29 March 2018 between Coronado Curragh Pty Limited, Curragh Queensland Mining Pty Ltd, Curragh Coal Sales Co. Pty. Ltd. and Coronado Australia Holdings Pty Limited.

Change of Control means, after the Listing Date, the occurrence of any of the following:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), including any group acting for the purpose of acquiring, holding or disposing of Securities (within the meaning of Rule 13d under the Exchange Act) (in each case other than the Energy & Minerals Group and its Affiliates) shall be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of Capital Stock having more, directly or indirectly, than 50% of the total voting power of all outstanding Capital Stock of Parent; or

(b) any person alone or together with its associates (as defined in section 12 of the Corporations Act) other than the Energy & Minerals Group and its Affiliates has voting power (as defined in s610 of the Corporations Act) in the Parent of more than

50%, or otherwise controls the Parent (where, in this paragraph (ii), “control” has the meaning given in s50AA of the Corporations Act).

For the purposes of this definition:

Affiliate as to any Person shall mean any other Person which directly or indirectly controls, is controlled by, or is under common control with such Person. Control, as used in this definition, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust, as the case may be.

Capital Stock shall mean with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

Coal Act means the Coal Industry Retiree Health Benefits Act of 1992, as amended.

Commitment means a Facility A Commitment, a Facility B Commitment or a Facility C Commitment.

Commodity Exchange Act means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

Compliance Certificate means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

Compulsory Acquisition means an actual or proposed compulsory acquisition, resumption, appropriation or confiscation of, or freezing, restraining or forfeiture order in connection with, assets under legislation or otherwise, including a restriction or order under which compensation is payable in connection with assets.

Confidential Information means all information relating to a Borrower, any Obligor, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

(a) any Group Member or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any Group Member or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 41 (*Confidentiality*); or

(B) is identified in writing at the time of delivery as non-confidential by any Group Member or any of its advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate or Reference Bank Quotation.

Confidentiality Undertaking means a confidentiality undertaking substantially in a form as set out in Schedule 8 (*Form of Confidentiality Undertaking*) or in any other form agreed between a Borrower and the Agent.

Consol Arrangements means the arrangements and transactions embodied in the Royalty arrangement documented in the “Membership Interest and Asset Purchase Agreement” between, among others, Coronado IV LLC and Consol Energy Inc in relation to the Buchanan mine.

Consolidated Net Income mean consolidated net income (or loss) of the Group, excluding (without duplication):

(a) the effect of non-cash compensation expenses related to common stock and other equity securities issued to employees;

(b) the effect of any extraordinary or non-recurring gains, losses or expenses (including fees) (including IPO Costs and costs and expenses, including fees, incurred in connection with the consummation of the transactions contemplated under the Finance Documents);

(c) the gains or losses on discontinued operations or disposal of discontinued operations or costs and expenses associated with the closure of any mines (including any reclamation or disposal obligations);

(d) equity earnings or losses of Affiliates (other than earnings or losses of a Group Member);

(e) non-cash charges due to cumulative effects of changes in accounting principles;

(f) non-cash unwind of the below market contract in the Stanwell Arrangements;

(g) non-cash impact of the unwind of the Stanwell Reserve Area/Stanwell Rebate (as those terms are contemplated by the Stanwell Arrangements); and

(h) non-cash gains/losses related to hedge book or interest rate swap revaluation.

Contamination shall mean the presence or Release or threat of Release of Regulated Substances in, at, on, under or emanating to or from any property, whether owned or leased, of any Obligor or any Subsidiary of an Obligor, which pursuant to Environmental Health and Safety Laws requires notification or reporting to a Governmental Agency, or which pursuant to Environmental Health and Safety Laws requires performance of a Remedial Action or which otherwise constitutes a violation of Environmental Health and Safety Laws.

Contested Tax means a Tax payable by an Obligor where that Obligor is diligently contesting its liability to pay that Tax in good faith.

Corporations Act means the *Corporations Act* 2001 (Cth).

Cross Charge means any Security given by an Obligor who is party to a joint venture over any of its interest in that joint venture to another party (or parties) to that joint venture to secure the due payment of amounts payable or obligations incurred and/or the performance of any other obligations, under or in respect of that joint venture.

Curragh Intercompany Loans means any of the following, if and for so long as they are subordinated in accordance with the terms of the Curragh Intercompany Subordination Deed:

(a) the loan made by Coronado Australia Holdings Pty Limited to Coronado Curragh Pty Ltd pursuant to the CAH Loan Agreement;

(b) the loan made by the Parent to Coronado Curragh Pty Limited pursuant to the Parent Loan Agreement; and

(c) any loan made by an Obligor to another Obligor.

Curragh Intercompany Subordination Deed means a subordination deed in the form of the subordination deed delivered to the Agent as a condition precedent under Part I of Schedule 2 (*Conditions precedent*) or any other form of subordination deed agreed between the Agent (acting on the instructions of the Majority Lenders) and the Parent.

Curragh Mine means the Obligors' open-pit mines located in Queensland's Bowen Basin, in Australia and the subject of the Australian Mining Tenements.

Debt Purchase Transaction means, in relation to a person, a transaction where such person:

(a) acquires by way of assignment, novation or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of, or allowing it to control the exercise of rights relating to,

any Commitment or amount outstanding under this Agreement.

Default means:

(a) an Event of Default; or

(b) any event or circumstance specified in Clause 25 (Events of Default) which would (with the expiry of a grace period or the giving of notice, the making of any determination under the Finance Documents, or any combination of any of the foregoing) be an Event of Default.

Defaulting Finance Party means any Finance Party (other than a Lender which is a Borrower Affiliate):

(a) which (in any capacity) has failed to make a payment when due under this Agreement or has notified a Party that it will not make such a payment, except where:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within 3 Business Days of its due date; or

(ii) the Finance Party is disputing in good faith whether it is contractually obliged to make the payment in question;;

(b) which (in any capacity) has otherwise rescinded or repudiated a Finance Document; or

(c) which is a Lender which has failed to issue a Bank Guarantee (or has notified the Agent or a Borrower (which has notified the Agent) that it will not issue a Bank Guarantee) in accordance with Clause 6.5 (*Issue of Bank Guarantees*) or which has failed to pay a claim (or has notified the Agent or a Borrower (which has notified the Agent) that it will not pay a claim) in accordance with (and as defined in) Clause 7.1 (*Claims under a Bank Guarantee*); or

(d) which:

(i) is or is adjudicated to be insolvent;

(ii) applies or resolves to be wound up, given protection against creditors or placed in bankruptcy or any analogous process; or

(iii) is subject to the appointment of a liquidator, administrator, manager, trustee in bankruptcy or any analogous process,

unless, in the case of paragraphs (a) and (c) above:

(iv) its failure to pay or to issue a Bank Guarantee, is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within 3 Business Days of its due date; or

(v) the Finance Party is disputing in good faith whether it is contractually obliged to make the payment in question;

Disruption Event means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

Distribution means any of the following paid by a person to a shareholder or Affiliate of that person:

(a) a distribution (whether of cash or other assets) by way of dividend, charge, interest, fee, payment or other distribution on, or buy back, return of capital, redemption, repurchase, retirement or repayment on or in respect of, any Marketable Security or loan; and

(b) any management or similar fees.

EBITDA means for any period of determination with respect to the Group for such period of determination:

(a) Consolidated Net Income; plus

(b) the sum of the following, without duplication and to the extent deducted in determining Consolidated Net Income:

(i) Interest Expense (net of interest income),

(ii) income tax expense,

(iii) depreciation, depletion and amortization of property, plant, equipment and intangibles,

(iv) non-cash debt extinguishment costs,

(v) non-cash impairment charges or asset write-offs and non-cash charges due to cumulative effects of changes in accounting principles, plus

(c) cash dividends or distributions received from Affiliates (other than received from Group Members to the extent not included in determining Consolidated Net Income).

All items included in the definition of EBITDA shall be determined in each case for the applicable Person for the period of determination on a consolidated basis in accordance with US GAAP.

Environment means components of the earth, including:

(a) land, surface and subsurface, strata, sediment, indoor and outdoor air, and water, including surface water, groundwater and drinking water; and

(b) any layer of the atmosphere;

and includes interacting natural ecosystems that include components referred to in the foregoing. **Environmental** has the like meaning.

Environmental Approval means any permits, licenses, franchises, certificates, approvals and other similar authorisations (or waivers in lieu thereof) required under any applicable Law pertaining to the Environment.

Environmental Health and Safety Claim means any administrative, regulatory or judicial action, suit, claim, written notice of noncompliance or violation, written notice of liability or potential liability, written request for information, demand letter or proceeding relating to any Environmental Health and Safety Laws, any Environmental Health and Safety Permit, any Regulated Substances, any Contamination, the performance of any Remedial Action.

Environmental Health and Safety Complaint means any written notice or complaint by any Person or Governmental Agency setting forth allegations relating to or a cause of action arising under any Environmental Health and Safety Laws for personal injury or property damage, natural resource damage, contribution or indemnity for the costs associated with the performance of a Remedial Action, civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Environmental Health and Safety Laws or any order, notice of violation, citation, subpoena, request for information or other written notice or demand of any type issued by a Governmental Agency pursuant to any Environmental Health and Safety Laws.

Environmental Health and Safety Laws mean, collectively, any applicable federal, state, local or foreign statute, Law (including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC § 9601 et seq, the Resource Conservation and Recovery Act, 42 USC § 6901 et seq, the Hazardous Materials Transportation Act, 49 USC § 1801 et seq, the Toxic Substances Control Act, 15 USC § 2601 et seq, the Federal

Water Pollution Control Act, 33 USC § 1251 et seq, the Federal Safe Drinking Water Act, 42 USC § § 300f-300j, the Federal Air Pollution Control Act, 42 USC § 7401 et seq, the Oil Pollution Act, 33 USC § 2701 et seq, the Federal Insecticide, Fungicide and Rodenticide Act, 7 USC §§ 136 to 136y, the Occupational Safety and Health Act, 29 USC § § 651 et seq related to Regulated Substances, the Mine Safety and Health Act, 30 USC § § 801 et seq, related to Regulated Substances, the Surface Mining Control and Reclamation Act 30 USC §§ 1201 et seq, the Atomic Energy Act, 42 USC § 2011 et seq, the National Historic Preservation Act, 16 USC § 470 et seq, the Endangered Species Act, 16 USC § 1531 et seq, the Wild and Scenic Rivers Act, 16 USC §§ 1271-1278, the Environmental Protection (Impact of Proposals) Act 1974 (rep, to the extent applicable) of Australia, the Environment Protection and Biodiversity Conservation Act 1999 of Australia, the Work Health and Safety Act 2011 of Australia, the Environmental Protection Act 1994 of Queensland, Australia, the Work Health and Safety Act 2011 of Queensland, Australia, the Coal Mining Safety and Health Act 1999 of Queensland, Australia, each as amended, or any equivalent state or local statute, and any amendments thereto), code, consent decree, settlement agreement, directive or any binding judicial or agency interpretation, policy or guidance, in each case regulating: (i) pollution or pollution control; (ii) protection of human health from exposure to Regulated Substances; (iii) protection of the Environment (including mining reclamation obligations and related financial assurance requirements); (iv) employee health and safety in the workplace related to Regulated Substances (but excluding workers compensation and wage and hour laws); and (v) the presence, use, management, generation, manufacture, processing, extraction, mining, treatment, recycling, refining, reclamation, labelling, transport, storage, collection, distribution, Release or threat of Release of Regulated Substances.

Environmental Health and Safety Orders shall mean all decrees, orders, directives, judgments, opinions, rulings writs, injunctions, settlement agreements or consent orders issued by or entered into with a Governmental Agent relating or pertaining to Contamination, Environmental Health and Safety Laws, Environmental Health and Safety Permits, Regulated Substances or Remedial Actions.

Environmental Health and Safety Permit shall mean any applicable Permit required under any of the Environmental Health and Safety Laws.

Environmental Liability means any claim, action, damage, loss, liability, obligation, cost, charge, expense, outgoing or payment relating to any actual or alleged Environmental Health and Safety Laws, Environmental Approval or exposure to or release of any Regulated Substance, including but not limited to

- (a) any investigation or remediation required by any Environmental Health and Safety Laws;
- (b) any claim by any third party pursuant to any Environmental Health and Safety Laws;
- (c) any action, order, declaration or notice by a Governmental Agency under an Environmental Health and Safety Laws; or
- (d) any agreement between any Group Member and any:

- (i) owner or occupier of land; or
- (ii) Governmental Agency,

to which liability is assumed or imposed with respect to any of the foregoing.

ERISA shall mean the Employee Retirement Income Security Act of 1974 (US), as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA Group shall mean, at any time, the Parent and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control or treated as a single employer under Section 414(b) or (c) of the US Tax Code.

Event of Default means any event or circumstance specified as such in Clause 25 (*Events of Default*).

Exchange Act means the United States *Securities Exchange Act* of 1934, as amended.

Excluded Interest Expense means:

- (a) any interest and amounts in the nature of interest or of similar effect to interest:
 - (i) paid or payable by in respect of any Limited Recourse Financial Indebtedness; or
 - (ii) accruing, but not paid by the Group (determined on a consolidated basis) on Financial Indebtedness which is Subordinated Debt;
- (b) any capitalised interest of a Group Member (if and for so long as that capitalised interest is subordinated in accordance with the terms of the Curragh Intercompany Subordination Deed); and
- (c) any non-cash unwinding of the effects of discounting on provisions or any other non-cash interest expense that is not associated with interest bearing liabilities which is shown as an interest expense in the Financial Statements of the Group for the relevant period.

Excluded Subsidiary means a Subsidiary of the Parent:

- (a) which is not a wholly-owned Subsidiary; or
- (b) which is a Project Company.

Excluded Swap Obligation means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a Security to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such Security becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or Security is or becomes illegal.

Existing Arrangements Intercreditor Deed means an intercreditor deed of that name dated 25 October 2018 between the Security Trustee, Stanwell Corporation Limited, Wesfarmers Limited, Coronado Australia Holdings Pty Ltd, the Parent, Coronado Curragh Pty Limited, Curragh Queensland Mining Pty Ltd and Curragh Coal Sales Co. Pty. Ltd. To avoid doubt, and without limitation, this document must contain undertakings from the Security Trustee in favour of Stanwell Corporation Limited in terms substantially the same as those given to it by Wilmington Trust, National Association, in Clause 2 of the Deed Poll dated 29 March 2018.

Expiry Date means, for a Bank Guarantee, the last day of its Term.

Facility means Facility A, Facility B or Facility C.

Facility A means the multicurrency revolving credit facility made available under this Agreement as described in Clause 2.1(a) (*The Facilities*).

Facility A Base Currency means US dollars.

Facility A Base Currency Amount means, in relation to a Facility A Loan, the amount of the Loan if denominated in Facility A Base Currency or, if the amount requested is denominated in Australian dollars, that amount converted into Facility A Base Currency at the Agent's Spot Rate of Exchange.

Facility A Commitment means:

(a) in relation to an Original Lender, the amount in the Facility A Base Currency set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Facility A Base Currency of any Facility A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

Facility A Lender means:

(a) each Original Lender who is shown in Part II of Schedule 1 as having a Facility A Commitment; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 26 (*Changes to the Lenders*) with a Facility A Commitment,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

Facility A Loan means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

Facility B means the multicurrency revolving bank guarantee facility made available under this Agreement as described in Clause 2.1(b) (*The Facilities*).

Facility B Base Currency means Australian dollars.

Facility B Base Currency Amount means, in relation to a Bank Guarantee, the face value of the Bank Guarantee if denominated in Facility B Base Currency or, if the amount is denominated in US dollars, that amount converted into Facility B Base Currency at the Agent's Spot Rate of Exchange.

Facility B Commitment means:

(a) in relation to an Original Lender, the amount in Facility B Base Currency set opposite its name under the heading "Facility B Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in Facility B Base Currency of any Facility B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

Facility B Lender means:

(a) each Original Lender who is shown in Part II of Schedule 1 as having a Facility B Commitment; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 26 (*Changes to the Lenders*) with a Facility B Commitment,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

Facility B Utilisation means a Bank Guarantee requested and issued under Facility B.

Facility C means the multicurrency revolving credit facility made available under this Agreement as described in Clause 2.1(c) (*The Facilities*).

Facility C Base Currency means US dollars.

Facility C Base Currency Amount means, in relation to a Facility C Loan, the amount of the Loan if denominated in Facility C Base Currency or, if the amount requested is denominated in Australian dollars, that amount converted into Facility C Base Currency at the Agent's Spot Rate of Exchange.

Facility C Commitment means:

(a) in relation to an Original Lender, the amount in the Facility C Base Currency set opposite its name under the heading "Facility C Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Facility C Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Facility C Base Currency of any Facility C Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

Facility C Lender means:

(a) each Original Lender who is shown in Part II of Schedule 1 as having a Facility C Commitment; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 26 (*Changes to the Lenders*) with a Facility C Commitment,

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

Facility C Loan means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

Facility Initiation Date means 15 September 2018.

Facility Office means each office of each Lender shown as such in Part II of Schedule 1 (or in any relevant Transfer Certificate, as the case may be), or such other addresses in Australia or the United States of America, as applicable, as the Agent (on behalf of a Lender) or a Lender otherwise specifies in consultation with the Parent, being the offices in Australia and the United States of America through which a Lender will perform its obligations under this Agreement.

FATCA means:

(a) sections 1471 to 1474 of the US Tax Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

FATCA Application Date means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the US Tax Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the US Tax Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.;

FATCA Deduction means a deduction or withholding from a payment under a Finance Document required by FATCA.

FATCA Exempt Party means a Party that is entitled to receive payments free from any FATCA Deduction.

Fee Letter means any letter or letters dated on or after the Facility Initiation Date setting out any of the fees referred to in Clause 13 (*Fees*), and any letter that amends or replaces any of them.

Finance Document means:

- (a) this Agreement;
- (b) any Fee Letter;
- (c) any Compliance Certificate;
- (d) the Security Trust Deed;
- (e) any Recognition Certificate;
- (f) any Transaction Security Document;
- (g) the Existing Arrangements Intercreditor Deed;
- (h) the Curragh Intercompany Subordination Deed;
- (i) the Deed of Undertaking from the Security Trustee in favour of Winged Horse Pty Ltd as trustee for the Pegasus Royalty Unit Trust;
- (j) any Accession Letter;
- (k) any Accession Deed;
- (l) any Resignation Letter;
- (m) any Hedging Agreement;

(n) any document designated by the Agent or Security Trustee in connection with the appointment and performance of a US Security Agent;

(o) any document amending or amending and restating any of the above; and

(p) any other document designated as such by the Agent and the Borrowers.

Finance Lease means any lease:

(a) which effectively transfers from the lessor to the lessee substantially all the risks and benefits incident to ownership of the leased property without transferring the legal ownership; or

(b) the liabilities under which are required to be capitalised on the lessee's balance sheet according to US GAAP as in effect on the Facility Initiation Date.

Finance Party means the Agent, the Arranger, the Security Trustee, any US Security Agent appointed under a Finance Document or a Lender.

Financial Covenant means each financial covenant in Clause 23.1 (*Financial covenants*).

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability under a Finance Lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing of money, which would, in accordance with US GAAP, be treated as a liability in the audited consolidated Financial Statements of the Group;

(g) any deferred purchase price agreement in relation to any asset or service, excluding:

(i) any such deferred purchase price agreement which provides for a deferred purchase price of no more than 180 days; and

(ii) any other deferred purchase price agreement in respect of any asset or service entered into in the ordinary course of business;

(h) (for the purposes of Clause 25.5 (*Cross-default*) only) any close out amount, early termination amount or any other amount payable in respect of any Treasury Transaction which has been closed out or terminated;

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary bank guarantee or any other instrument issued by a bank or financial institution; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

Despite the above, Financial Indebtedness shall not include any liabilities of any person under any lease that is not a Finance Lease.

Financial Statements means:

(a) a statement of comprehensive income (otherwise known as a statement of financial performance or profit and loss statement);

(b) a statement of financial position;

(c) a statement of cash flow; and

(d) a statement of changes in equity,

together with any notes to those documents and any accompanying reports, statements, declarations and other documents or information.

Flood Laws means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (v) Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

Funding Rate means any individual rate notified by a Lender to the Agent pursuant to Clause 12.4(a)(ii) (*Cost of funds*).

General Security Deed means the General Security Deed entered into by each Australian Obligor with the Security Trustee after the Facility Initiation Date by which the Australian Obligors grant security over all their present and after acquired property.

Good Operating Practice means the exercise of skill, prudence and operating practice which would reasonably and ordinarily be expected from a reputable, skilled and experienced owner and operator engaged in the same business as the Obligors under similar circumstances in compliance with all applicable legislation, industry codes of practice, Authorisations and all relevant documents relating to the Obligors' business.

Governmental Agency means any government or any governmental, semi-governmental or judicial entity or authority in any relevant jurisdiction. It also includes any self-regulatory organisation established under statute or any stock exchange.

Greenbrier Mine means the underground bord and pillar mine and the surface contour and highwall mining operations located in the Greenbrier and Nicholas Counties of West Virginia, in the United States of America.

Group means the Parent and its Subsidiaries for the time being.

Group Member means an entity that is a member of the Group.

Group Structure Diagram means the diagram showing the structure of the Group, provided to the Agent with the Parent's verification certificate as a condition precedent under Part I of Schedule 2, as replaced from time to time under Clause 22.4(i) (*Information: miscellaneous*).

Guarantee means the guarantee, undertaking and indemnity given under Clause 20 (*Guarantee*).

Guarantor means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 27 (*Changes to the Obligors*).

Head Company means the head company (as defined in the Tax Act) of a Tax Consolidated Group.

Hedge Counterparty means a Lender or an Affiliate of a Lender that is, or has become, a party to the Security Trust Deed as a Hedge Counterparty in accordance with the provisions of the Security Trust Deed.

Hedging Agreement means any master agreement, confirmation, schedule or other agreement or trade entered into or to be entered into by a Borrower or other Obligor and a Hedge Counterparty for the purpose of Treasury Transactions required or permitted to be entered into by this Agreement.

Hedging Policy means any board approved policy describing the hedging arrangements to be entered into for the purpose of entering into Treasury Transactions in connection with carrying on the Group's business in a prudent and responsible manner.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Indirect Tax means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

Interest Expense means all interest and amounts in the nature of interest or of similar effect to interest (including amounts other than principal payable under the Finance Documents) paid or payable by the Group (determined on a consolidated basis) including:

(a) any dividend or distribution payable on any Marketable Security which is Financial Indebtedness;

(b) the interest component of rentals in respect of Finance Lease obligations;

(c) the face amount of bills of exchange or other financial instruments drawn, issued, endorsed or accepted by any Group Member less their net proceeds after discount or issue and payment of any acceptance, endorsement, underwriting or similar fee; and

(d) all line, facility, letter of credit, guarantee and similar fees and all fees and other amounts of a regular or recurring nature payable in relation to Financial Indebtedness but not establishment, arrangement and other fees payable once only on the initial provision of financial accommodation,

plus or minus the amount of any net payments by or to a Group Member under any interest rate Treasury Transaction.

It excludes any Excluded Interest Expense.

Interest Period means, in relation to a Loan, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

Interpolated Screen Rate means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time for the currency of that Loan.

IPO means the proposed initial public offering and listing on the ASX of securities in the Parent.

IPO Costs means third party costs and expenses (including all value added taxes) (including adviser, joint lead manager and other syndicate fees) incurred by the Parent or any Subsidiary of the Parent (or recharged to the Parent by Coronado Group LLC) relating to the IPO.

Ipsso Facto Event means a Borrower is the subject of:

(a) an announcement, application, compromise, arrangement, managing controller, or administration as described in section 415D(1), 434J(1) or 451E(1) of the Corporations Act; or

(b) any process which under any law with a similar purpose may give rise to a stay on, or prevention of, the exercise of contractual rights.

Issuing Bank means, in relation to a Bank Guarantee, a Facility B Lender that has issued or is to issue that Bank Guarantee under Facility B.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves from time to time.

Labor Contracts mean all employment agreements, employment contracts, collective bargaining agreements and other agreements among any Obligor or Subsidiary of an Obligor and its employees.

Law means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Agency, foreign or domestic.

Lender means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 26 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

LIBOR means, in relation to any Loan:

- (a) the applicable Screen Rate as of the Specified Time for the currency of that Loan and, subject to Clause 11.1(e) (Selection of Interest Periods), for a period equal in length to the Interest Period of that Loan; or
 - (b) as otherwise determined pursuant to Clause 12.1 (*Unavailability of Screen Rate*),
- and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

Limited Recourse Financial Indebtedness means any Financial Indebtedness incurred in connection with a Project where the provider of the indebtedness only has recourse, in respect of the Parent and its Subsidiaries, to all or any of the following:

- (a) the Project Assets;
- (b) shares in a Project Company;
- (c) the Project Company or Project Companies, provided that (other than in the case of fraud, wilful misconduct or negligence of the Project Company), if the Project Assets do not comprise all or substantially all of a Project Company's business or interests the recourse is limited to recoveries in respect of the Project Assets and the provider of the Financial Indebtedness or any agent appointed by the provider of the Financial Indebtedness has no right to take any step towards its winding up or dissolution or the appointment of a liquidator, administrator, administrative receiver or similar officer in respect of it or its assets; and

(d) the giver of any Surety that is Permitted Financial Accommodation under paragraph (e) of that definition.

Listing Date means the first day that the securities in the Parent are able to be traded on the ASX.

Loan means a Facility A Loan or a Facility C Loan, as the context requires.

Logan Mine means the underground and surface mining operations located in the Counties of Boone, Logan and Wyoming in West Virginia, in the United States of America.

Majority Lenders means at any time:

(a) if there are only two Lenders, then all Lenders; or

(b) where a Lender or Lenders whose Commitments aggregate at least 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated at least 66 2/3% of the Total Commitments immediately prior to the reduction). Where a Lender's Commitment has been reduced to zero, but it has an outstanding participation in any outstanding Utilisations, then for this purpose its Commitment will be taken to be the aggregate amount of its participation.

For the purposes of this definition, "Commitments" and "Total Commitments" are to be calculated by converting any Commitments and Utilisations denominated in Australian dollars into US dollars at the Agent's Spot Rate of Exchange.

Margin means, in respect of Facility A and Facility C:

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

Any change in Margin arising by reason of the delivery of a Compliance Certificate will take effect on the first day of the next applicable Interest Period occurring after the date of receipt by the Agent of the applicable Compliance Certificate. If a Compliance Certificate is not delivered when due, for the purposes of determining the applicable Margin, Net Debt to EBITDA will be assumed to be greater than 2.00 times until a Compliance Certificate is delivered.

Marketable Security has the meaning given to securities in section 92(3) of the Corporations Act, but also includes:

(a) an undertaking referred to in the exceptions in paragraphs (a) and (b) of the definition of debenture in the Corporations Act;

- (b) a unit or other interest in a trust or partnership;
- (c) a negotiable instrument; and
- (d) a right or an option in respect of a Marketable Security, whether issued or unissued, including any of the above.

Material Adverse Effect means a material adverse effect on:

- (a) the financial condition of the Group taken as a whole; or
- (b) the ability of the Obligors taken as a whole to perform their obligations under the Finance Documents; or
- (c) the validity or enforceability of the whole or any material part of any Finance Document or the ranking of any Security granted or purported to be granted pursuant to the Finance Documents or any material rights or remedies of a Finance Party under the Finance Documents.

Material Contract means each of the following:

- (a) Stanwell Amended Coal Supply Agreement dated 6 November 2009 between Stanwell Corporation Limited and Coronado Curragh Pty Ltd, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016;
- (b) Curragh Mine New Coal Supply Deed between Stanwell Corporation Limited and Coronado Curragh Pty Ltd dated 14 August 2018 including any agreement arising from the binding term sheet attached thereto;
- (c) Take or pay agreement dated 27 September 2011 between Coronado Curragh Pty Ltd and WICET Pty Ltd;
- (d) Coal Handling Agreement dated 1 June 2004 between Coronado Curragh Pty Ltd and Gladstone Ports Corporation;
- (e) Wiggins Island Rail Project Deed (2011) between Coronado Curragh and Aurizon Network Pty Ltd dated 5 September 2011, as amended from time to time;
- (f) Rail Transportation Agreement between Aurizon Operations Limited and Coronado Curragh Pty Ltd dated 11 November 2011, as amended from time to time;
- (g) QR Coal Transport Agreement between Aurizon Operations Limited and Coronado Curragh Pty Ltd dated 31 May 2004, as amended from time to time;
- (h) each Australian Mining Tenement;
- (i) each lease and the other contractual rights comprising or affecting the property described in Schedule 10 (*Real Property*) and other real property on which infrastructure and equipment necessary for the business as usual operations of an Obligor's mine site is located;

(j) Membership Interest and Asset Purchase Agreement between Consol Energy, Inc, Consol Mining Holding Company LLC, Consol Buchanan Mining Company LLC, Consol Amonate Mining Company LLC, Consol Mining Company LLC, CXN Land LLC, CXN Marine Terminals Inc, CXN RCPC LLC, Consol Pennsylvania Coal Company LLC, Consol Amonate Facility LLC and Coronado IV LLC, dated 26 February 2018;

(k) CONSOL Energy Amendment and Restatement of Master Cooperation and Safety Agreement between Consol Buchanan Mining Company LLC, Coronado IV LLC, CNX Gas Company LLC, Consol Energy Inc. and various CEI Subsidiaries, dated 31 March 2016;

(l) Command Center Services Agreement between Consol Buchanan Mining Company LLC and CNX Gas Company LLC dated 31 March 2016;

(m) Drilling and Related Services Agreement between Consol Buchanan Mining Company LLC and CNX Gas Company LLC, dated 31 March 2016;

(n) Subsidence and Relocation Agreement between Cardinal States Gathering Company, Coronado IV LLC and Coronado Buchanan Mining Company LLC, dated 31 March 2016; and

(o) any other contract or agreement to which an Obligor is a party (other than the Finance Documents) for which breach, non-performance, cancellation or failure to renew would have or would be reasonably likely to have a Material Adverse Effect (which, for the avoidance of doubt, unless otherwise agreed, includes any contract or agreement that replaces any of the above).

Material Subsidiary means any Subsidiary of Parent which at any time (i) has gross revenues equal to or in excess of five percent (5%) of the gross revenues of Parent and its Subsidiaries on a consolidated basis, or (ii) has total assets equal to or in excess of five percent (5%) of the total assets of Parent and its Subsidiaries, in either case, as determined and consolidated in accordance with US GAAP.

Mining Laws means any and all applicable federal, state, local and foreign statutes, laws, regulations, guidance, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions or common law causes of action relating to Mining Operations and activities, or oil, natural gas, minerals, and other hydrocarbons and their constituents production operations and activities. Mining Laws shall include but not be limited to, (i) the Mineral Lands Leasing Act of 1920, the Federal Coal Leasing Amendments Act, the Surface Mining Control and Reclamation Act, all other land reclamation and use statutes and regulations relating to coal mining, the Federal Coal Mine Health and Safety Act, the Black Lung Act and the Coal Act, the Mine Safety and Health Act and the Occupational Safety and Health Act, each as amended, and their state and local counterparts or equivalents; and (ii) Laws of Queensland and the Commonwealth of Australia relating to mining, coal and the environment, each as amended.

Mining Operations shall mean (i) the removal of coal, gas and other minerals or similar resources from the natural deposits or from waste or stock piles by any surface or underground mining methods; (ii) operations or activities conducted underground or on the surface associated with or incident to the preparation, development, operation, maintenance, opening and reopening of an underground or surface mine storage or stockpiling of mined materials, backfilling, sealing and other closure procedures related to a mine or the movement, assembly, disassembly or staging of any mining equipment; (iii) milling; (iv) coal preparation, coal processing or testing; (v) coal refuse disposal, coal fines disposal or the operation and maintenance of impoundments; (vi) the operation of any mine drainage system; (vii) reclamation activities and operations; or (viii) the operation of coal terminals, river or rail load-outs or any other transportation facilities.

Mining Tenement Security means each of:

- (a) the Mortgages required to be on mining tenements pursuant to the terms of this Agreement;
- (b) the Australian Mortgages;
- (c) the General Security Deed;
- (d) each other Transaction Security Document entered into from time to time to comply with Clause 24.20 (*Mining tenements; Further assurances regarding Secured Property*).

Month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

Mortgage means each of the fee and leasehold mortgages, deeds of trust, assignments of leases and rents and other security documents, in each case substantially in the form of (other than as to US Excluded Property definitions) the "Mortgages" (as defined in the Term Loan Facility Agreement) and otherwise in such form reasonably satisfactory to the Security Trustee and the Agent, delivered on or after the Facility Initiation Date with respect to Real Property to be encumbered pursuant to this Agreement or the applicable US Security Document, as each may be amended, supplemented or otherwise modified from time to time.

Multiemployer Plan means any employee benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which the Borrower or any other member of the ERISA Group is then making or accruing an obligation to make contributions

or, within the preceding five plan years, has made or had an obligation to make such contributions.

Multiple Employer Plan means a Plan which has two or more contributing sponsors (including the Borrower or any other member of the ERISA Group) at least two of whom are not under common control, as such a plan is described in Sections 4063 and 4064 of ERISA.

Net Debt means:

(a) the total amount of current and non-current interest bearing loans and borrowings of the Group but excluding leases that are not Finance Leases, Subordinated Debt and Limited Recourse Financial Indebtedness; and

(b) in accordance with US GAAP, the total amount shown as a liability in those Financial Statements for any guarantee or indemnity, or a counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other similar instrument, but only up to that amount shown as a liability (except in relation to Bank Guarantees issued and outstanding under Facility B, of which only 50% of the aggregate face value of all such Bank Guarantees is to be included for the purposes of this paragraph (b)); less

(c) the total amount shown in those Financial Statements as “cash and cash equivalents” but only to the extent such are not subject to any Security (other than a Transaction Security).

To avoid doubt, Net Debt does not include any amount attributable to open Treasury Transactions.

Net Interest Expense means, for a period, Interest Expense for that period, less interest income received by the Group during that period (determined on a consolidated basis).

New Lender has the meaning given to that term in Clause 26 (*Changes to the Lenders*).

Non-Consenting Lender means a Lender that does not agree to consent to a waiver, amendment of, or a consent under, any provision of a Finance Document which has been requested by the Borrower or the Agent where the requested waiver, amendment or consent is one which requires the consent of all Lenders and Lenders whose Commitments aggregate at least 75% of the Total Commitments have voted in favour of the relevant waiver, amendment and consent.

Obligor means a Borrower or a Guarantor.

Obligor Group means the Borrower and the Guarantors.

OFAC means the US Treasury Department’s Office of Foreign Assets Control.

Offshore Associate means an Associate:

(a) which is a non-resident of Australia and does not become a Lender or receive a payment in carrying on a business in Australia at or through a permanent establishment of the Associate in Australia; or

(b) which is a resident of Australia and which becomes a Lender or receives a payment in carrying on a business in a country outside Australia at or through a permanent establishment of the Associate in that country; and

which does not become a Lender and receive payment in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

Original Financial Statements means:

(a) the consolidated Financial Statements for Coronado Curragh Pty Ltd as at 30 June 2018; and

(b) the consolidated Financial Statements for Coronado Group LLC as at 31 December 2017.

Original Obligor means an Original Borrower or an Original Guarantor.

Parent Loan Agreement means the loan agreement dated 25 January 2017 between Coronado Curragh Pty Limited, Curragh Queensland Mining Pty Ltd, Curragh Coal Sales Co. Pty. Ltd. and Wesfarmers Limited, as amended and restated on 22 December 2017, as assigned by Wesfarmers Limited to Coronado Group LLC pursuant to a deed of assignment dated 29 March 2018 and as assigned by Coronado Group LLC to the Parent pursuant to a deed of assignment dated 13 August 2018 and as further amended by deed of amendment dated 31 August 2018.

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Party means a party to this Agreement.

PBGC shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

Permit shall mean any and all permits, approvals, licenses, registrations, consents, notifications, identification numbers, bonds, waivers or exemptions and any other regulatory authorization, in each case, from a Governmental Agency having jurisdiction over the applicable activity.

Permitted Disposal means each of the following:

(a) a disposal of trading stock or inventory in the ordinary course of the Group's business on ordinary commercial terms;

(b) the disposal of any agreement, mining licence, mining or mineral lease or fee property, permit or other asset in the ordinary course of the Group's business on

commercial terms so long as the aggregate book value of the assets to be disposed of and the assets already disposed of in any 12 month period under this paragraph and paragraphs (c) and (j) below does not exceed 10% of Total Tangible Assets;

(c) the disposal of an interest in a joint venture or joint venture vehicle, agreement, licence, permit or other asset in the ordinary course of the Group's business on commercial terms so long as the aggregate book value of the assets to be disposed of and the assets already disposed of in any 12 month period under this paragraph and paragraph (b) above and paragraph (j) below does not exceed 10% of Total Tangible Assets;

(d) a disposal of assets in contemporaneous exchange for other assets comparable or superior as to type, value and quality or for cash which is applied in or towards the purchase of assets comparable or superior as to type, value and quality;

(e) a disposal of obsolete, damaged, used or worn out assets or assets (excluding assets of the kind described in paragraphs (b) and (c) above) no longer required for the purpose of the relevant Obligor's business or operations;

(f) the payment of cash for any asset acquired in the ordinary course of business;

(g) the investment of funds which are not immediately required in the relevant Obligor's business in accordance with the Group's established money market treasury policies or the realisation of such investments;

(h) the application of the proceeds of an issue of securities (whether debt or equity) for the purpose stated in the prospectus or other offering document relating to that issue;

(i) any disposal by a non-Obligor Group Member to an Obligor (including any inter-company debt forgiveness, from time to time), provided the disposal is on arm's length terms and for fair market value or on terms and for value more favourable to the Obligor, or any disposal by a non-Obligor Group Member to another non-Obligor Group Member;

(j) a disposal comprised in or which occurs as part of any sale and lease-back, forward sale, stock loan or repurchase transaction so long as the aggregate book value of the assets to be disposed of and the assets already disposed of in any 12 month period under this paragraph and paragraphs (b) and (c) above does not exceed 10% of Total Tangible Assets; and

(k) a disposal which also constitutes or arises as a result of any Permitted Security,

in the case of each of the above (other than paragraph (k) insofar as it relates to any disposal by a non-Obligor Group Member to another non-Obligor Group Member), where the relevant transaction was entered into in good faith, for fair market value and on an arm's length basis; and

(l) the payment of cash for any payment permitted under Clause 24.12 (Distributions);

(m) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Agency or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement, and transfers of properties that have been the subject of a Compulsory Acquisition;

(n) any disposal by way of cash constituted by or comprised in the Consol Arrangements;

(o) any disposal constituted by or comprised in the Stanwell Arrangements;

(p) any disposal by way of cash constituted by or comprised in the Wesfarmers Arrangements;

(q) any disposal by way of cash constituted by or comprised in the Winged Horse Arrangements; and

(r) a disposal not falling within any of the above to which the Agent (acting on the instructions of the Majority Lenders) has consented in writing.

Permitted Financial Accommodation means:

(a) except where such is prohibited under the laws of incorporation or formation of the relevant Group Members, a loan or other accommodation made available by a Group Member to or for the benefit of employees or directors or officers of a Group Member to acquire shares in a Group Member in an amount in aggregate for all employees and directors not exceeding US\$5,000,000;

(b) any deposit funds of an Obligor with a bank in the ordinary course of its business;

(c) any trade credit not exceeding 180 days provided, or otherwise accommodated by an Obligor to acquire goods and services on extended terms in the ordinary course of trading;

(d) the Curragh Intercompany Loans and any other accommodation made by an Obligor to another Obligor;

(e) accommodation including a Surety made by an Obligor to a Project Company (or (in the case of a Surety in connection with a Project Company) so long as the giving of that accommodation does not result in a breach of Clause 22.7 (Financial covenants) and the aggregate accommodation made available by Obligors under this paragraph and paragraph (f) together does not exceed 5% of Total Tangible Assets at any time;

(f) accommodation provided to a partnership, joint venture, non-wholly owned subsidiary or other entity contemplated by Clause 24.18 (*Partnerships and joint ventures*) so long as that accommodation is provided by an Obligor and does not result in a breach of Clause 22.7 (Financial covenants) and the aggregate accommodation made available by Obligors under this paragraph and paragraph (e) together does not exceed 5% of Total Tangible Assets at any time; and

(g) accommodation (not being accommodation which is permitted under paragraph (e) or which is prohibited under the laws of incorporation of the relevant Group Members) made by an Obligor to a Group Member which is not an Obligor provided that such accommodation does not exceed A\$5,000,000 in aggregate for all financial accommodation provided under this paragraph (f).

Permitted Financial Indebtedness means each of the following:

- (a) any Financial Indebtedness created under a Finance Document;
- (b) any Financial Indebtedness owing by a Group Member to another Group Member which is Permitted Financial Accommodation provided Financial Indebtedness owing by an Obligor (including without limitation any member of the Obligor Group) to any Group Member other than a member of the Obligor Group must be subordinated pursuant to an Curragh Intercompany Subordination Deed;
- (c) any Financial Indebtedness raised via the issuance of bonds, notes, debentures or other instruments of that type in the domestic, United States of America, European or other debt capital markets;
- (d) any Financial Indebtedness in respect of Finance Leases and hire purchase agreements entered into in the ordinary course of business;
- (e) any Financial Indebtedness which is guaranteed or otherwise supported by an export credit agency;
- (f) any Financial Indebtedness raised under transactional banking facilities;
- (g) any Financial Indebtedness which is Subordinated Debt;
- (h) any Financial Indebtedness (including, without limitation, reimbursement obligations in respect of letters of credit and bank guarantees) on account of any demand, request or requirement of any Governmental Agency for any surety bond, letter of credit or other financial assurance pursuant to any Environmental Health and Safety Laws, or any related permit, in each case, in the ordinary course of business or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances;
- (i) any Financial Indebtedness owing by a non-Obligor Group Member to another non-Obligor Group Member;
- (j) any Financial Indebtedness in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued to support performance obligations and trade letters of credit (other than obligations in respect of other Financial Indebtedness) in the ordinary course of business and to the extent it is secured by cash or cash equivalents;
- (k) any Financial Indebtedness under any Treasury Transaction;

- (l) any Financial Indebtedness constituted by or comprised in the Wesfarmers Arrangements;
- (m) in addition to the above, unsecured Financial Indebtedness in aggregate for all Obligor not exceeding 5% of Total Tangible Assets; and
- (n) in addition to the above, any Financial Indebtedness to which the Agent (acting on the instructions of the Majority Lenders) has consented in writing.

For the avoidance of doubt, Permitted Financial Indebtedness also includes any Financial Indebtedness incurred as Limited Recourse Financial Indebtedness.

Permitted Security means each of the following:

- (a) any Security which secures the Obligations of an Obligor under a Finance Document;
- (b) any Security expressly permitted under a provision of a Finance Document (including, any Security provided by a Security Provider in favour of the Security Trustee);
- (c) any Security under a Cross Charge;
- (d) any Security under present commercial or present or future statutory royalty agreements in connection with a Project so long as, at any time, the aggregate amount secured by a Security described in this paragraph (d) when aggregated with the amounts referred to in paragraph (f) and paragraph (q) does not exceed 5% of Total Tangible Assets;
- (e) a lien arising by operation of law (other than under the PPSA) in the ordinary course of day to day trading and not securing Financial Indebtedness where it duly pays the indebtedness secured by that lien other than indebtedness contested in good faith;
- (f) any Security granted to a Governmental Agency over funds deposited as security in support of an Obligor's obligations in respect of the abandonment of a Project so long as, at any time, the aggregate amount so deposited and subject to a Security described in this paragraph (f) when aggregated with the amounts referred to in paragraph (d) and paragraph (q) does not exceed 5% of Total Tangible Assets;
- (g) any Security over the assets of a company which becomes a Group Member after the Facility Initiation Date and which:
 - (i) is in existence at the date the company becomes a Group Member and has not been created in anticipation of that company becoming a Group Member, provided that the Security is discharged within 180 days after the date the company becomes a Group Member; or
 - (ii) that the company is contractually bound to enter into at the time it becomes a Group Member and has not become so bound in anticipation of the company becoming a Group Member, provided that the Security is discharged within 180 days after its creation,

and, in each case, the principal amount secured has not increased in contemplation of, or since the acquisition of, that company;

(h) a Security which is over any asset acquired by a Group Member after the Facility Initiation Date and is in existence at the date of such acquisition and has not been created in anticipation of such acquisition, but only to the extent of the indebtedness secured by any such Security at the date of such acquisition, and provided that the Security is discharged within 180 days after the asset is acquired;

(i) a Security which is a netting or set-off arrangement entered into by any Group Member:

(i) in the ordinary course of its or the Group's transactional banking arrangements on a bank's standard terms and conditions (or on terms more favourable to Group Members) for the purpose of netting debit and credit balances; or

(ii) under any Treasury Transaction on market standard terms and conditions (or terms and conditions more favourable to Group Members);

(j) a Security provided for by one of the following transactions so long as the transaction does not secure payment or performance of an obligation:

(i) a transfer of an account or chattel paper in respect of which a Group Member is the transferor; or

(ii) a commercial consignment in respect of which a Group Member is the consignee; or

(iii) a PPS lease in respect of which a Group Member is the lessee; or

(k) all Security securing any part of the Curragh Intercompany Loans if and for so long as the priority of such Security is regulated by the Curragh Intercompany Subordination Deed;

(l) any Security for Contested Taxes granted to a Governmental Agency and as to which appropriate reserves have been established in accordance with US GAAP or other appropriate accounting principles;

(m) any Security given in the ordinary course of business to secure payment of reclamation liabilities, worker's compensation, or to participate in any fund in connection with worker's compensation, unemployment insurance, or other social security programs (including Security to secure letters of credit or bank guarantees issued to assure payment of such obligations);

(n) any Security over cash or cash equivalents in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued to support performance obligations and trade letters of credit (other than obligations in respect of other Financial Indebtedness) in the ordinary course of business;

(o) good-faith pledges or deposits made in the ordinary course of business to secure performance of bids (including bonus bids), tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder or other amounts as may be customary, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business (including liens on such good-faith pledges or deposits to secure letters of credit issued to assure payment of such obligations);

(p) encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;

(q) all other Security so long as the aggregate principal amount of indebtedness secured by all such other Security when aggregated with the amounts referred to in paragraph (d) and paragraph (f) does not exceed at any time, 5% of Total Tangible Assets;

(r) a Security comprised in or constituted by a Finance Lease that is limited to the asset being leased;

(s) a Security securing Financial Indebtedness and obligations incurred in connection with the financing by the Parent or a Subsidiary of the Parent (either alone or together with a co-venturer or group of co-venturers, either directly or through a special purpose finance vehicle) of all or part of the purchase price of new assets:

(i) of the Parent or a Subsidiary of the Parent; and/or

(ii) in which the Parent, a Subsidiary of the Parent or a co-venturer or co-venturers of the Parent or a Subsidiary of the Parent has or have or will have an interest, either directly or indirectly,

provided that:

(iii) any such Security shall be confined solely to the assets acquired and/or the shares, units or other interests held by any Group Member in any Subsidiary of the Parent which holds the relevant acquired assets or interest in the relevant assets (including the proceeds of any dividends, distributions, return on capital or similar rights, the proceeds of or rights to payments in respect of intercompany loans or any other compensation, proceeds, amounts or assets received or receivable by the Parent or any subsidiary of the Parent in connection with such shareholding, unitholding or other interest); and

(iv) any such Security will cease to be Permitted Security as and from the date which is 120 days after the date of the relevant acquisition;

(t) any Security securing Limited Recourse Financial Indebtedness over any assets referred to in paragraphs (a) or (b) of the definition of Limited Recourse Financial Indebtedness; and

(u) any Security constituted by or comprised in the Stanwell Arrangements if and for so long as the priority of such Security is regulated by the Existing Arrangements Intercreditor Deed;

(v) any Security constituted by or comprised in the Wesfarmers Arrangements if and for so long as the priority of such Security is regulated by the Existing Arrangements Intercreditor Deed;

(w) any Security by way of caveat constituted by or comprised in the Winged Horse Arrangements;

(x) a Security securing indemnity obligations to an export credit agency in respect of a guarantee or other support provided by that agency;

(y) any Security securing Subordinated Debt for so long as the priority arrangements are satisfactory to the Agent;

(z) any Security existing as at the Listing Date to the extent it affects US Excluded Property; and

(aa) a Security not falling within paragraphs (a) to (z) above which is created with the consent in writing of the Agent (acting on the instructions of Majority Lenders).

Person means any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

Personal Information means information or an opinion about an identified individual or an individual who is reasonably identifiable.

Plan means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the US Tax Code and either (i) is maintained by any member of the ERISA Group for any employees of any member of the ERISA Group, or (ii) has at any time within the preceding five years been maintained by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group.

PPSA means the Personal Property Securities Act 2009 (Cth).

Premises means any property owned, leased or occupied by any Group Member or which is used by any Group Member to carry on any activities.

Prime Bank means a bank determined by ASX Benchmarks Pty Limited (or any other person which takes over the administration of the Screen Rate for Australian dollars) as being a Prime Bank or an acceptor or issuer of bills of exchange or negotiable certificates of deposit for the purposes of calculating that Screen Rate. If ASX Benchmarks Pty Limited or such other person ceases to make such determination, the Prime Banks shall be the Prime Banks last so appointed.

Privacy Statement means the current version of each Lender's privacy statement as required under the Australian Privacy Principles set out in the Privacy Act 1998 (Cth), as provided to the Borrower from time to time.

Prohibited Transaction means any prohibited transaction as defined in Section 4975 of the US Tax Code or Section 406 of ERISA.

Producing Unincorporated Joint Venture means any unincorporated joint venture of a member of the Group that is generating income.

Production means, in relation to a period, the volume of coal produced and available for sale from a mine during that period.

Project means any particular project of the Parent or any Subsidiary of the Parent relating to the ownership, creation, development, operation, exploration, investigation or exploitation of any assets in the coal sector acquired by the Parent or any Subsidiary of the Parent after the Facility Initiation Date.

Project Assets means any assets used exclusively for and in connection with a Project.

Project Company means any entity which is a Subsidiary of the Parent (other than one which is a Subsidiary of the Parent as at the Facility Initiation Date) and is established or maintained following the Facility Initiation Date solely for the purpose of the acquisition, development or operation of a Project, either alone or in conjunction with other parties that are non-Group Members and which owes Limited Recourse Financial Indebtedness.

However, upon a Project Company ceasing to have any Limited Recourse Financial Indebtedness it will cease to be a Project Company and will be taken into account for the purposes of compliance with Clause 24.16 (*Composition of Obligor Group*).

Prospectus means the prospectus to be issued by Coronado Group LLC and the Parent, dated 22 October 2018 and lodged with the Australian Securities and Investments Commission on or about that date.

PTE means a prohibited transaction class exemption issued by the US Department of Labor, as any such exemption may be amended from time to time.

Qualified ECP Guarantor means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding US\$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Quarter means the period of 3 calendar months ending on each of 31 March, 30 June, 30 September and 31 December each year.

Quotation Day means, in relation to any period for which an interest rate is to be determined:

- (a) if the currency is Australian dollars, the first day of that period; and
- (b) if the currency is US dollars, 2 Business Days before the first day of that period.

Real Property means, individually as the context requires, the real property (other than as set forth in the proviso below) that is owned, leased or licensed by an Obligor, including, but not limited to surface, coal and other mineral rights, interests, mining leases, exploration permits, mineral development licenses, and other related mining tenements and coal leases associated with the properties described in Schedule 10 (*Real Property*), and “Real Property” shall mean, collectively, as the context requires, all of the foregoing; provided, however, “Real Property” shall not include (i) US Excluded Property, (ii) any asset that shall have been released from the Transaction Security pursuant to the express provisions of the Finance Documents or (iii) any “building” or “mobile home” (each as defined in Regulation H as promulgated by the Federal Reserve Board under the Flood Laws).

Reclamation Laws means all applicable federal, state, local and foreign statutes, laws, regulations, guidance, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions or common law causes of action relating to mining reclamation or reclamation liabilities.

Recognition Certificate has the meaning given in the Security Trust Deed.

Reference Bank Quotation means any quotation supplied to the Agent by a Reference Bank.

Reference Bank Rate means:

- (a) in relation to BBSY Bid, the sum of:
 - (i) the following rates:
 - (A) the arithmetic mean of the rates (rounded upwards to 4 decimal places) as supplied to the Agent at its request by the Reference Banks as the mid discount rate (expressed as a yield percent to maturity) observed by the relevant Reference Bank for marketable parcels of Australian dollar denominated bank accepted bills and negotiable certificates of deposit accepted or issued by Prime Banks, and which mature on the last day of the relevant period; or
 - (B) (if there is no observable market rate for marketable parcels of Prime Bank Australian dollar securities referred to in paragraph (A) above), the arithmetic mean of the rates (rounded upwards to 4 decimal places) as supplied to the Agent at its request by the Reference Banks as the rate at which the relevant Reference Bank could borrow funds in Australian dollars in the Australian interbank market for the relevant period were it to do so by asking for and then accepting interbank offers for deposits in reasonable market sizes and for that period; and
 - (ii) 0.05% per annum;

(b) the arithmetic mean of the rates (rounded upwards to 4 decimal places) as supplied to the Agent at its request by the Reference Banks in relation to LIBOR as either:

(i) if:

(A) the Reference Bank is a contributor to the applicable Screen Rate; and

(B) it consists of a single figure,

the rate (if any and applied to the relevant Reference Bank and the relevant currency and period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or

(ii) in any other case, the rate at which the relevant Reference Bank could fund itself in the relevant currency for the relevant period with reference to the unsecured wholesale funding market.

Reference Banks means:

(a) in relation to BBSY Bid, the principal office in Sydney of any three of the following:

(i) Australia and New Zealand Banking Group Limited;

(ii) Commonwealth Bank of Australia;

(iii) National Australia Bank Limited; and

(iv) Westpac Banking Corporation; and

(b) in relation to LIBOR, the principal Sydney offices of:

(i) Australia and New Zealand Banking Group Limited;

(ii) Commonwealth Bank of Australia;

(iii) National Australia Bank Limited; and

(iv) Westpac Banking Corporation.

Regulated Substances means, without limitation, any substance, material or waste, regardless of its form or nature, defined under Environmental Health and Safety Law as a "hazardous substance," "pollutant," "pollution," "contaminant," "hazardous or toxic substance," "extremely hazardous substance," "toxic chemical," "toxic substance," "toxic waste," "hazardous waste," "special handling waste," "industrial waste," "residual waste," "solid waste," "municipal waste," "mixed waste," "infectious waste," "chemotherapeutic waste," "medical waste," "regulated substance" or words of similar import, or any other material, substance or waste, regardless of its form or nature, which is regulated by Environmental Health and Safety Law due to its radioactive, ignitable, corrosive, reactive, explosive, toxic, carcinogenic or infectious properties or nature, or which otherwise is regulated by any Environmental Health and Safety Law including, without limitation,

petroleum and petroleum products (including crude oil and any fractions thereof), natural gas, coalbed methane gas, synthetic gas and any mixtures thereof, asbestos and asbestos containing materials, urea formaldehyde, polychlorinated biphenyls, mercury and radioactive substances.

Related Fund in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

Release means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the Environment or within, from or into any building, structure, facility or fixture, including all mines and other subsurface structures.

Relevant Group means the Parent and its Subsidiaries, excluding any Project Company.

Relevant Market means:

(a) in relation to Australian dollars, the Australian interbank market for bank accepted bills and negotiable certificates of deposits; and

(b) in relation to US dollars, the London interbank market.

Relevant Nominating Body means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Remedial Action means any investigation, identification, preliminary assessment, characterization, delineation, feasibility study, cleanup, corrective action, removal, remediation, risk assessment, fate and transport analysis, in-situ treatment, the treatment of discharges or seeps, containment, operation and maintenance or management in-place, control, abatement or other response actions to Regulated Substances and any closure or postclosure measures, or reclamation activities associated therewith.

Repeating Representations means each of the representations set out in Clauses 21.1 (*Status*) to 21.8 (*No default*), 21.10 (*No misleading information*), 21.12 (*Financial Statements*) to 21.34 (*Projects*) and paragraphs (b) and (c) of Clause 21.36 (*Group Structure Diagram*).

Replacement Benchmark means a benchmark rate which is:

(a) formally designated, nominated or recommended as the replacement for a Screen Rate by:

(i) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (ii) above;

(b) in the opinion of the Majority Lenders and the Original Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or

(c) in the opinion of the Majority lenders and the Original Borrower, an appropriate successor to a Screen Rate.

Reportable Event means a reportable event described in Section 4043 of ERISA or regulations thereunder with respect to a Plan or a Multiemployer Plan (other than any such event as to which the thirty-day notice period is waived); provided that, in the case of any such reportable event with respect to a Multiemployer Plan, such event shall only be deemed a Reportable Event for purposes of this Agreement if the Borrowers have knowledge of such event.

Representative means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Reserves means the Mineral Resources and Ore Reserves (as those terms are defined in the JORC Code) of coal within the Mining Tenements.

Reserves Statement means a statement given in accordance with the JORC Code showing, amongst other things, the Mineral Resources and Ore Reserves (as those terms are defined in the JORC Code) of coal within the Mining Tenements as at a given date.

Resignation Letter means a letter substantially in the form set out in Schedule 6 (*Form of Resignation Letter*).

Review Event means any of the following events:

(a) a Change of Control occurs without the prior consent of the Agent (acting on the instructions of all Lenders); or

(b) the Parent is delisted from the ASX or an application is made by a competent person to delist the Parent from the ASX; or

(c) trading in the Parent’s shares on the ASX is suspended for 7 consecutive trading days, unless due to a pending market announcement not related to financial difficulties of the Parent; or

(d) the Reserves as at the Termination Date as forecast in the most recent 5 year forecast provided pursuant to Clause 22.2 (Compliance Certificate and other information) are less than 60% of the Reserves as disclosed in the Prospectus; or

(e) any Environmental Liability of or relating to any Group Member occurs, is subsisting or is otherwise identified or determined to exist, in each case that will have or is reasonably likely to have a Material Adverse Effect.

Rollover Loan means one or more Loans under the same Facility:

- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Loan;
- (c) made or to be made to the same Borrower for the purpose of refinancing that maturing Loan; and
- (d) made in the same currency as the maturing Loan.

Sanctioned Country means, at any time, a country or territory which is itself the subject or target of any Sanctions (currently, Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine).

Sanctioned Person means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the US Department of State, the United Nations Security Council, the European Union, any Member State of the European Union, any Governmental Authority of Australia, or the Hong Kong Special Administrative Region, or the United Kingdom (irrespective of its status vis-à-vis the European Union), (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons.

Sanctions means economic or financial sanctions, trade embargoes or similar measures enacted, administrated or enforced by the United States of America, Australia, the United Nations Security Council, Hong Kong Special Administrative Region and/or the European Union or any present or future state thereof and/or the French Republic, and/or Her Majesty's Treasury or any other relevant sanctions authority or by any agency of the above.

Screen Rate means:

- (a) in relation to BBSY Bid:

- (i) the Australian Bank Bill Swap Reference Rate (Bid) administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that rate) for the relevant period displayed on page BBSY of the Thomson Reuters Screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in the place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with a Borrower; and

- (ii) if the rate described in sub-paragraph (i) above is not available, the sum of:

- (A) the Australian Bank Bill Swap Reference Rate administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that rate) for the relevant period displayed on page BBSW of the Thomson Reuters Screen (or any replacement

Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in the place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with a Borrower; and

(B) 0.05% per annum,

and for the purposes of determining the rate as at a time, any subsequent correction, recalculation or republication by the administrator after that time shall be included; and

(b) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers.

Screen Rate Replacement Event means, in relation to a Screen Rate:

(a) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders and the Original Borrower materially changed; or

(b)

(i)

(A) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;

(ii) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;

(iii) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or

(c) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:

(i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Original Borrower) temporary; or

(ii) that Screen Rate is calculated in accordance with any such policy or arrangement for a period of no less than the period opposite that Screen Rate in Schedule 9A (*Screen Rate contingency periods*); or

(iii) in the opinion of the Majority Lenders and the Original Borrower, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

Secured Money has the meaning given to that term in the Security Trust Deed.

Secured Property means all of the assets of the Obligors which from time to time are the subject of the Transaction Security.

Security means a mortgage, charge, pledge, license, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any "security interest" as defined in the PPSA or the US Uniform Commercial Code.

Security Provider means an Obligor that is a party to a Transaction Security.

Security Trust means the trust established by the Security Trust Deed.

Security Trust Deed means the deed entitled "Security Trust Deed" dated 23 October 2018 and made between, among others, the Borrower, and Westpac Administration Pty Limited (ACN 008 617 203) (as Security Trustee).

Security Trustee means Westpac Administration Pty Limited (ACN 008 617 203) or such other person appointed from time to time as the trustee of the Security Trust.

Selection Notice means a notice substantially in the form set out in Part III of Schedule 3 (*Requests*) given in accordance with Clause 11 (*Interest Periods*) in relation to Facility A or Facility C.

Specified Time means a time determined in accordance with Schedule 9 (*Timetables*).

Stanwell Arrangements means the arrangements and transactions embodied in:

(a) the Stanwell Amended Coal Supply Agreement dated 6 November 2009 between Stanwell Corporation Limited and Coronado Curragh Pty Ltd, as amended by the ACSA Deed of Amendment entered into on or about 21 November 2016; and

(b) the Curragh Mine New Coal Supply Deed between Stanwell Corporation Limited and Coronado Curragh Pty Ltd dated 14 August 2018 including any agreement arising from and consistent with the binding term sheet attached thereto.

Subordinated Debt means all debt of a Group Member under which:

(a) the Agent is satisfied that the creditor's rights are subordinated to the rights of the Finance Parties under the Finance Documents in a form and substance satisfactory to the Agent; and

(b) (without limiting paragraph (a) above), such debt must meet the following criteria (as a minimum):

(i) as at the time it is originally incurred it has a maturity date that falls at least 180 days after the maturity date for the Financial Indebtedness owed pursuant to the Finance Documents;

(ii) it is not subject to prepayment events, other than events of default (however defined, but only for the purpose of capitalising interest) (or such events have been approved by the Finance Parties in writing); and

(iii) it is on terms which do not impose more onerous obligations (including in relation to Financial Covenants) on the Obligors than those under the Finance Documents unless the Finance Parties also agree to make corresponding changes to the Finance Documents (or advise the Parent that they do not require such changes).

Subsidiary has the meaning given in the Corporations Act 2001, but as if body corporate includes any entity. It also includes (a) an entity required by current accounting practice to be included in the consolidated annual Financial Statements of that entity or would be required if that entity were a corporation and (b) with respect to any entity (herein referred to as the "**parent**"), any corporation, partnership, association or other business entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, Controlled (as defined in the definition of Change of Control) or held by the parent or one or more subsidiaries of the parent or (ii) whose accounts are consolidated with the accounts of the parent or one or more subsidiaries of the parent in such parent's or subsidiary's US Securities and Exchange Commission filings (or the filings of any Governmental Agency succeeding to any or all of its functions). Unless the context otherwise requires, Subsidiary shall mean a Subsidiary of Parent.

Surety means an obligation or offer to provide funds (including by subscription or purchase) or otherwise be responsible in respect of an obligation or indebtedness, or the financial condition or insolvency, of another person. It includes a guarantee, indemnity, letter of credit or legally binding letter of comfort, or an obligation or offer to purchase an obligation or indebtedness of another person.

Swap Obligation means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

Tangible Net Worth means total shareholders’ equity in the Group, less intangible assets, non-current deferred tax assets and non-current prepayments (each determined in accordance with US GAAP and as shown in the most recent consolidated Financial Statements for the Group delivered to the Agent under Clause 22.1 (*Financial Statements*), and after adding back:

- (a) liabilities related to below-market contract obligations;
- (b) any difference between the actual amount of interest bearing loans and borrowings of the Group and their fair market value as shown in the Financial Statements; and
- (c) any asset or liability related to the Stanwell Reserve Area (as that term is contemplated by the Stanwell Arrangements).

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty, interest or addition to tax payable in connection with any failure to pay or any delay in paying any of the same).

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), as the context requires.

Tax Agreements means the Tax Funding Agreement and the Tax Sharing Agreement.

Tax Consolidated Group means a Consolidated Group or an MEC Group as defined in the Tax Act.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

Tax Funding Agreement means a tax funding agreement between each member of the Tax Consolidated Group which includes:

- (a) reasonably appropriate arrangements for the funding of tax payments by the Head Company, having regard to the position of each member of the Tax Consolidated Group;
- (b) an undertaking from each member of the Tax Consolidated Group to compensate each other member adequately for loss of tax attributes (including tax losses and tax offsets) as a result of being a member of the tax Consolidated Group; and

(c) an undertaking from the Head Company to pay all group liabilities (as described in section 721-10 of the Tax Act) of the Tax Consolidated Group before the members of the Tax Consolidated Group make any payments to the Head Company under the agreement.

Tax Sharing Agreement means, for any jurisdiction, any tax sharing agreement in relation to the sharing of tax liabilities in that jurisdiction between one or more Group Members in that jurisdiction, including an agreement between each member of the Tax Consolidated Group which takes effect as a tax sharing agreement under section 721-25 of the Tax Act and which complies with the Tax Act and any law, official directive, request, guideline or policy (whether or not having the force of law issued in connection with the Tax Act).

Term means each period determined under this Agreement for which the Issuing Bank is under a liability under a Bank Guarantee.

Term Loan B Facility means the US\$550,000,000 “Term Loan B Facility” under and as defined in the Term Loan Facility Agreement.

Term Loan C Facility means the US\$150,000,000 “Term Loan C Facility” under and as defined in the Term Loan Facility Agreement.

Term Loan Facility Agreement means the Term Loan Syndicated Facilities Agreement dated as March 29, 2018 (as amended by Amendment No. 1 dated as of May 5, 2018) between Coronado Group LLC, a Delaware limited liability company, Coronado Australia Holdings Pty Limited, an Australian company, Coronado Curragh LLC, a Delaware limited liability company, the lenders party thereto from time to time, Deutsche Bank AG New York Branch, in its capacity as administrative agent and Wilmington Trust, National Association, in its capacity as collateral trustee.

Termination Date means 15 February 2023.

Total Tangible Assets means the total assets shown as such in the most recent consolidated Financial Statements of the Group delivered to the Agent under Clause 22.1 (*Financial Statements*) after deducting intangible assets and deferred tax assets.

Total Commitments means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments. For the purposes of this definition, the Total Facility B Commitments are to be calculated by converting all Facility B Commitments into US dollars at the Agent’s Spot Rate of Exchange.

Total Facility A Commitments means the aggregate of the Facility A Commitments, being US\$350,000,000 at the Amendment Effective Date.

Total Facility B Commitments means the aggregate of the Facility B Commitments, being A\$370,000,000 at the Amendment Effective Date.

Total Facility C Commitments means the aggregate of the Facility C Commitments, being US\$200,000,000 at the Amendment Effective Date.

Transaction Security means the Security created or expressed to be created in favour of, or held for the benefit of, the Security Trustee pursuant to the Transaction Security Documents.

Transaction Security Documents means each of:

- (a) the General Security Deed;
- (b) each Australian Mortgage;
- (c) each Mining Tenement Security;
- (d) each US Security Document; and
- (e) any other Finance Document under which a Security is created or expressed to be created in favour of the Security Trustee.

Transfer Certificate means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and a Borrower.

Transfer Date means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

Treasury Transaction means any interest rate swap, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative transaction or product entered into in connection with protection against, or benefit from, fluctuation in any rate, currency, commodity or price.

Unpaid Sum means any sum due and payable but unpaid by an Obligor under the Finance Documents.

US or United States means, in each case, the United States of America.

US Borrower means a Borrower which is incorporated, organised or formed under the laws of the United States or any state or commonwealth thereof (including the District of Columbia).

US Excluded Property means, solely with respect to the assets of US Security Providers:

- (a) assets subject to certificates of title (other than mining tenements) not in excess of \$100,000;
- (b) the assets of any Group Member who is not an Obligor (but only if and for so long as it is not an Obligor);

(c) voting equity interests in excess of 65% of the voting equity interests of any Subsidiary of the Parent that is a first-tier CFC or first-tier CFC Holdco (excluding any Subsidiary (including a successor entity) that is a Guarantor), where:

(i) “CFC” means “controlled foreign corporation” within the meaning of Section 957(a) of the Internal Revenue Code (provided, however, that for purposes of the Finance Documents, neither the Borrower, nor any Subsidiary of the Borrower, including their successors, will be deemed to be a CFC); and

(ii) CFC Holdco means a Subsidiary (and any successor entity of such Subsidiary) that has no material assets other than the capital stock (or capital stock and indebtedness) of one or more foreign subsidiaries that are CFCs

provided that no such Subsidiary is an Obligor incorporated in Australia;

(d) the assets with respect to which any pledge or security interests thereof would be:

(i) prohibited by law or would require consent of any Governmental Authority, or

(ii) in the case of equity interests of non-wholly owned Subsidiaries or joint ventures permitted by Clause 24.18 (*Partnerships and joint ventures*), prohibited by the organizational documents of such non-wholly owned Subsidiary or joint venture, except to the extent such prohibition is ineffective or rendered unenforceable under applicable law (including the US Uniform Commercial Code) or principles of equity (provided, however, that the proceeds of any such equity interests shall not be US Excluded Property);

(e) real property existing on the Listing Date, whether owned or leased or licensed by any Group Member, including but not limited to surface, coal and other mineral rights, interests and coal leases, mining leases, exploration permits, mineral development licences, and other related mining tenements, other than the real property listed in Schedule 10 (*Real Property*) or required to ensure the representation in Clause 21.43 (*Surface Facilities*) is correct;

(f) real property that does not contain proven reserves or material operations;

(g) any:

(i) owned real property acquired after the Listing Date with a fair market value not exceeding \$500,000; and

(ii) buildings or other structures situated on any real property described in the foregoing paragraph (i);

(h) any real property lease:

(i) where the terms of the lease do not permit the grant of a security interest, provided that (x) with respect to any such real property lease as of the Listing Date, the Obligors comply with Clause 4.5 (*Conditions subsequent – other*)

in relation to obtaining consent and (y) with respect to any such real property lease entered into after the Listing Date, the Obligors comply with Clause 24.20 (*Mining tenements; After-Acquired Property; Further assurances regarding Secured Property*) (it being understood that, in each case, no Obligor will be required to pay any fee or pay any other consideration or agree to any commercial change that would be detrimental to any Obligor to obtain any such consent); (z) the representation in Clause 21.43 (Surface Facilities) remains correct at all times; or

(ii) entered into after the Listing Date with a Obligor as lessee, and with the lessor being a Person that is not a Obligor or Affiliate thereof, with annual minimum royalties, rents or any similar payment obligations, not exceeding \$500,000;

(i) any contract or lease agreement (other than a real property lease agreement) if the grant of a security interest in such contract or lease agreement is prohibited by the terms of such contract or lease agreement or would give another party thereto any rights of termination or acceleration, except to the extent that:

(i) the term in such contract or lease providing for such prohibition or right of termination or acceleration is ineffective or rendered unenforceable under applicable law (including the US Uniform Commercial Code) or principles of equity; or

(ii) any consent or waiver has been obtained that would permit a Transaction Security to attach notwithstanding the prohibition or restriction on the pledge of or security interest in such contract or lease agreement;

(j) any property which is subject to a Permitted Security pursuant to documents which prohibit the applicable Obligor from granting any other Security in such property or to the extent the grant of a security interest therein would violate or invalidate such documents or would create a termination right in favour of any other party thereto (other than to the extent that any such prohibition would be rendered ineffective pursuant to the US Uniform Commercial Code or any other applicable law or principles of equity and other than to the extent all necessary consents to the creation, attachment and perfection of Transaction Security thereon have been obtained), and, in any event, immediately upon the ineffectiveness, lapse or termination of such terms that prohibit such Obligor from granting any other Security in such property or the obtainment of such consents to the creation, attachment and perfection of Transaction Security thereon, such property shall cease to constitute an Excluded Property;

(k) any intent-to-use trademark applications prior to the filing, and acceptance by the United States Patent and Trademark Office, of a “Statement of Use” or “Amendment to Allege Use” with respect thereto, if any, to the extent that, and solely during the period in which, the grant of a security interest therein prior to such filing and acceptance would impair the validity or enforceability of such intent-to-use trademark applications or the resulting trademark registrations under applicable federal law;

(l) letter of credit rights, except to the extent a security interest therein can be perfected by a US Uniform Commercial Code filing;

(m) commercial tort claims below \$500,000 in the aggregate for all of the Group in aggregate;

(n) margin stock;

(o) equity interests in JEP Mining LLC;

(p) any of the following accounts,

(i) any deposit account that is used solely for payment of payroll, bonuses, other compensation and related expenses, in each case, for employees or former employees;

(ii) escrow accounts to the extent the use of such escrowed funds is permitted under the Finance Documents and the amount on deposit therein in connection with any letter of intent in respect of a purchase that would reasonably be expected to result in an acquisition or other investment that would not cause or result in an Event of Default;

(iii) fiduciary or trust accounts for the benefit of third parties (other than Obligors);

(iv) zero-balance accounts, so long as the balance in such account is zero at the end of each Business Day; and

(v) any other deposit accounts with an aggregate daily balance as at the end of each Business Day of less than \$1,000,000 in the aggregate for all such deposit accounts;

(q) assets or property (other than the real property listed in Schedule 10 (*Real Property*) or real property necessary to ensure the representation in Clause 21.43 (Surface Facilities) is correct) as to which creating or perfecting a security interest therein would be expected to result in material adverse tax consequences to any Group Member; and

(r) assets or property as to which in the reasonable determination of the Agent the cost of creating or perfecting a security interest therein is excessive in relation to the benefit to the Finance Parties to be afforded thereby;

provided, however that no assets or other property that would be required to constitute “Collateral” securing the obligations of the obligors under the Term Loan Facility Agreement as of the Facility Initiation Date shall constitute “US Excluded Property” under any Finance Document.

US GAAP means the generally accepted accounting principles in the United States as are in effect from time to time and applied on a consistent basis as to classification of items and amounts.

US Guarantee Agreement means the Guarantee Agreement substantially in the form of the “Guaranty Agreement” (as defined in the Term Loan Agreement) and otherwise in form and substance reasonably satisfactory to the Agent executed and delivered by the US Guarantors party thereto for the benefit of the Finance Parties pursuant to Clause 4 (*Conditions of Utilisation*), as the same may be supplemented, amended, restated, replaced, or modified from time to time, in accordance with the terms hereof and thereof.

US Guarantor means a Guarantor which is incorporated, organised or formed in the United States or any state or commonwealth thereof (including the District of Columbia).

US Person means an entity which is incorporated, organised or formed under the laws of the United States of America or any state or commonwealth thereof (including the District of Columbia).

US Security Agent means any Person appointed from time to time by or behalf of the Agent or the Security Trustee as a co-agent, co-security trustee, sub-agent, sub-security trustee or attorney-in-fact under the US Security Documents to act as agent, collateral agent, trustee, security trustee, collateral trustee or similar capacity with respect to the Security Trust in favour of, or held for the benefit of, the Beneficiaries under the US Security Documents.

US Security Agreement means the Security Agreement substantially in the form (other than as to US Excluded Property definitions) of the “U.S. Security Agreement” (as defined in the Term Loan Facility Agreement) and otherwise in form and substance reasonably satisfactory to the Security Trustee executed and delivered by the US Security Providers party thereto for the benefit of the Security Trustee and the Beneficiaries, as the same may be supplemented, amended, restated, replaced, or modified from time to time, in accordance with the terms hereof and thereof.

US Security Documents means:

- (a) the US Security Agreement;
- (b) the US Guarantee;
- (c) each Mortgage;
- (d) each Intellectual Property Security Agreement (as defined in the US Security Documents);
- (e) any supplement to any of the foregoing delivered to the Security Trustee pursuant to the terms hereof or of any other Transaction Security Document;
- (f) the Perfection Certificate (as defined in the US Security Agreement); and
- (g) each of the other instruments and documents with respect to the Transaction Security that is governed by the laws of the United States or any state or commonwealth thereof (including the District of Columbia).

US Security Provider means a Security Provider which is a US Person.

US Tax Code means the United States Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder.

US Uniform Commercial Code means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state of the US the laws of which are required to be applied to the Secured Property.

USA PATRIOT Act means the US Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. No. 107-56, 115 Stat. 272 (2001).

Utilisation means a utilisation of a Facility.

Utilisation Date means the date of a Utilisation, being the date on which the relevant Loan is to be made or the relevant Bank Guarantee is to be issued.

Utilisation Request means a notice substantially in the form set out in Part I (for Facility A or Facility C) or Part II (for Facility B) (as applicable) of Schedule 3 (*Requests*).

Wesfarmers Arrangements means the arrangements and transactions embodied in the Value Share Mechanism Deed entered into between Coronado Curragh Pty Ltd and Wesfarmers Limited on 29 March 2018, pursuant to which Wesfarmers Limited has lodged a caveat in respect of each Mining Tenement held by Coronado Curragh, securing its rights under the Value Share Mechanism Deed.

Winged Horse Arrangements means the arrangements and transactions embodied in the Royalty Deed dated 31 August 2010 (as amended, novated or assigned), pursuant to which Winged Horse Pty Limited as trustee for the Pegasus Royalty Unit Trust and B. McDonald (No. 2) Pty Limited are entitled to a royalty with respect to any coal produced from any mine covering some or all of MDL 162.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) the "**Agent**", the "**Arranger**", any "**Finance Party**", any "**Hedge Counterparty**", any "**Lender**", any "**Issuing Bank**", any "**Obligor**", any "**Party**" or the "**Security Trustee**" shall be construed so as to include its executors, administrators, successors, substitutes (including by novation) and assigns to, or of, its rights and/or obligations under the Finance Documents or Finance Documents;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) a "**group of Lenders**" includes all the Lenders;

(v) "**guarantee**" means (other than in Clause 20 (*Guarantee*)) (A) any guarantee, bank guarantee, bond, indemnity or similar assurance against loss, or (B) any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) the "**Interest Period**" of a Bank Guarantee shall be construed as a reference to the Term of that Bank Guarantee;

(viii) a "**person**" or "**entity**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality) or two or more of them and any reference to a particular person or entity (as so defined) includes a reference to that person's or entity's executors, administrators, successors, substitutes (including by novation) and assigns;

(ix) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation and if not having the force of law, with which responsible entities in the position of the relevant Party would normally comply;

(x) a Utilisation made or to be made to a Borrower includes a Bank Guarantee issued on its behalf;

(xi) a provision of Law or a regulation is a reference to that provision as amended or re-enacted and all statutory and regulatory provisions consolidating, amending, replacing, supplementing, superseding or interpreting that provision;

(xii) a time of day is a reference to Sydney time; and

(xiii) the words "**including**", "**for example**" or "**such as**" when introducing an example do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

(b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Borrower providing "cash cover" for a Bank Guarantee means a Borrower paying an amount in the currency of the Bank Guarantee to the Issuing Bank of such Bank Guarantee who must apply the amount in accordance with Clause 25.1 (Cash cover).

(f) A Default (other than an Event of Default) is "continuing" if it has not been remedied to the satisfaction of all Lenders acting reasonably or waived and an Event of Default or Review Event is "continuing" if it has not been remedied to the satisfaction of all Lenders acting reasonably or waived.

(g) A Borrower "**repaying**" or "**prepaying**" a Bank Guarantee means:

(i) that Borrower providing cash cover for that Bank Guarantee;

(ii) that Borrower making a payment under Clause 7.1 (Claims under a Bank Guarantee) in respect of the Bank Guarantee or a Borrower reimbursing an amount paid by the Issuing Bank under the Bank Guarantee under Clause 7.2 (Indemnities);

(iii) the maximum amount payable under the Bank Guarantee being reduced or cancelled in accordance with its terms;

(iv) the Issuing Bank being satisfied that it has no further liability under that Bank Guarantee; or

(v) if the Issuing Bank has given its prior consent, providing a back-to-back bank guarantee, bank guarantee or similar from a bank which, along with the terms (including fees and identity of the issuer) of such bank guarantee, bank guarantee or similar instrument, must be acceptable to the Issuing Bank in its absolute discretion,

and the amount by which a Bank Guarantee is repaid or prepaid under paragraphs (i), (ii), (iii) and (v) above is the amount of the relevant cash cover, payment, reimbursement, reduction or cancellation. When under this Agreement a Borrower is obliged to repay or prepay a Bank Guarantee, it must:

(A) provide cash cover for the outstanding amount of the Bank Guarantee (less the total amount paid by the Issuing Bank under the Bank Guarantee); and

(B) pay under Clause 7.1 (*Claims under a Bank Guarantee*) or Clause 7.2 (*Indemnities*) an amount equal to the total amount paid by the Issuing Bank under the Bank Guarantee,

except to the extent that the amount of the Bank Guarantee has been repaid or prepaid by another means.

(h) An amount borrowed includes any amount utilised by way of Bank Guarantee.

(i) Amounts outstanding under this Agreement include amounts actually or contingently outstanding under or in respect of any Bank Guarantee.

(j) An outstanding amount of a Bank Guarantee at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Bank Guarantee at that time.

(k) A Borrower's obligation on Utilisations becoming "due and payable" includes the Borrower repaying any Bank Guarantee in accordance with paragraph (g) above.

(l) With respect to any US limited liability company, any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by any such limited liability company, or an allocation of assets to a series of any such limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of any US limited liability company shall constitute a separate Person hereunder (and each division of any such limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

(m) Notwithstanding anything to the contrary in this Agreement or any other Finance Document, any references contained herein or therein to the Security Trustee shall be deemed to be a reference to the Security Trustee party hereto and any co-agents or co-security trustee (including any US Security Agent), sub-agents or sub-security trustee (including any US Security Agent) and attorneys-in-fact appointed by such Security Trustee or Agent pursuant to the terms of this Agreement or any other Transaction Security Document (including, without limitation, the US Security Agreement), as applicable.

1.3 Currency symbols and definitions

(a) “A\$”, “AUD” and “Australian dollars” denote the lawful currency of Australia.

(b) “US\$”, “USD” and “US dollars” denote the lawful currency of the United States of America.

1.4 Obligors' agent

(a) All communications and notices under the Finance Documents to and from the Obligors may be given to or by the Original Borrower and each Obligor irrevocably authorises each Finance Party to give those communications to the Original Borrower.

(b) Each Obligor (other than a Borrower) irrevocably appoints the Original Borrower to act on its behalf as its agent in connection with the Finance Documents and irrevocably authorises the Original Borrower on its behalf to:

(i) supply all information relating to itself as contemplated by any Finance Document to any Finance Party;

(ii) give and receive all communications and notices (including any Utilisation Request or Selection Notice) and instructions under the Finance Documents; and

(iii) agree and sign all documents under or in connection with the Finance Documents (including any amendment, novation, supplement, extension or restatement of or to any Finance Document) without further reference to, or the consent of, that Obligor.

(c) An Obligor shall be bound by any act of the Original Borrower under this Clause 1.4 (*Obligors' agent*) irrespective of whether the Obligor knew about it or whether it occurred before the Obligor became an Obligor under any Finance Document.

(d) To the extent that there is any conflict between any communication or notice by the Original Borrower on behalf of an Obligor and any other Obligor, those of the Original Borrower shall prevail.

1.5 Security Trustee limitation of liability

(a) The Security Trustee enters into and performs the Finance Documents to which it is a party and the transactions they contemplates only in its capacity as the trustee of the Security Trust (and not in its personal capacity, or in its capacity as trustee of any other trust other than the Security Trust), except where expressly stated otherwise. This applies also in respect of any past and future conduct (including omissions) relating to this agreement or those transactions.

(b) Under and in connection with the Finance Documents and those transactions and conduct:

(i) the Security Trustee's liability (including for negligence) is strictly limited, and can only be enforced against the Security Trustee, to the extent to which it can be satisfied out of the Security Trust assets or the Security Trustee is actually indemnified for the liability. This limitation will not apply to any obligation or liability of the Security Trustee only to the extent it is not so satisfied because there is a reduction in the extent of the Security Trustee's indemnification out of the Security Trust assets caused by the Security Trustee's fraud, gross negligence or wilful misconduct. The Security Trustee need not pay any such liability out of other assets;

(ii) another party may only do the following with respect to the Security Trustee (but any resulting liability remains subject to the limitations in this Clause):

(A) prove and participate in, and otherwise benefit from, any form of insolvency administration of the Security Trustee but only with respect to Security Trust assets;

(B) exercise rights and remedies with respect to Security Trust assets, including set-off;

(C) enforce its security (if any) and exercise contractual rights; and

(D) bring any proceedings against the Security Trustee seeking relief or orders that are not inconsistent with the limitations in this Clause,

and may not:

(E) bring other proceedings against the Security Trustee;

(F) take any steps to have the Security Trustee placed in any form of insolvency administration or to have a receiver or receiver and manager appointed or see to have the Security Trustee wound up, or prove in any winding up of the Security Trustee; or

(G) seek by any means (including set-off) to have a liability of the Security Trustee to that party (including for negligence) satisfied out of any assets of the Security Trustee other than Security Trust assets;

(H) have an administrator appointed to the Security Trustee;

(I) obtain a judgment against the Security Trustee for the payment of money;

(J) carry out any distress or execution on any property of the Security Trustee;
or

(K) exercise any:

(1) right of set-off;

(2) right to combine or consolidate accounts; or

(3) banker's lien,

against the Security Trustee, other than in respect of the Security Trust, in connection with the Security Trustee's obligations under the Finance Documents.

(c) Paragraphs (a) and (b) apply despite any other provision in any Finance Document but do not apply with respect to any liability of the Security Trustee to another party (including for negligence) to the extent that the Security Trustee has no right or power to have Security Trust assets applied towards satisfaction of that liability, or its right or power to do so is subject to a deduction, reduction, limit or requirement to make good, in either case because of the Security Trustee's fraud, gross negligence or wilful misconduct.

(d) The limitation in paragraph (b)(i) is to be disregarded for the purposes (but only for the purposes) of the rights and remedies described in paragraph (b)(ii), and interpreting this agreement and any security for it, including determining the following:

(i) whether amounts are to be regarded as payable (and for this purpose damages or other amounts will be regarded as a payable if they would have been owed had a suit or action barred under paragraph (b)(ii) been brought);

- (ii) the calculation of amounts owing; or
- (iii) whether a breach or default has occurred,

but any resulting liability will be subject to the limitations in this Clause.

(e) Nothing in paragraph (c) above shall make the Security Trustee liable to any claim for an amount greater than the amount which the other parties would have been able to claim and recover from the Security Trust assets in relation to the relevant liability if the Security Trustee's right of indemnification out of the assets of the Security Trust had not been prejudiced by the Security Trustee's fraud, gross negligence or wilful misconduct.

(f) This Clause applies despite any other provision of any Finance Document or any principle of equity or law to the contrary.

1.6 Liability must be limited and must be indemnified

The Security Trustee is not obliged to do or not do anything in connection with the Finance Document (including enter into any transaction or incur any liability) unless:

(a) the Security Trustee's liability is limited in a manner which is consistent with Clause 1.5(*Security Trustee limitation of liability*);

(b) the Security Trustee is indemnified (or otherwise put in funds) to its reasonable satisfaction against any liability or loss arising from, and any costs, charges and expenses (including those incurred in connection with advisers) properly incurred in connection with, doing or not doing that thing; and

(c) it has received the relevant instructions from the relevant Beneficiaries.

1.7 Administration in connection with Facility B

Despite any other provision of this Agreement and while no Default subsists, any notice, request, correspondence, payment or administration mechanics (including in relation to fees, principal, interest and exchange rates) in connection with Facility B or Bank Guarantees issued under Facility B may be given, made or operated directly between the relevant Borrower and the Facility B Lender or Issuing Bank without reference to the Agent, unless the Borrower and the Issuing Bank or Facility B Lender agree otherwise and, where applicable, any references to the Agent in this Agreement will be read as references to that Issuing Bank or Facility B Lender.

1.8 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to this Agreement, each party acknowledges and accepts that any liability of any party to any other party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

In this clause:

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time.

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"Write-down and Conversion Powers" means in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule.

SECTION 2

THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement:

(a) **Facility A:** the Facility A Lenders make available to the Borrowers a US dollar based revolving credit facility for Loans drawable in US dollars and Australian dollars, in an aggregate amount equal to the Total Facility A Commitments; and

(b) **Facility B:** the Facility B Lenders make available to the Borrowers an Australian dollar based revolving bank guarantees facility drawable in US dollars and Australian dollars in an aggregate amount equal to the Total Facility B Commitments.

(c) **Facility C:** the Facility C Lenders make available to the Borrowers a US dollar based revolving credit facility for Loans drawable in US dollars and Australian dollars, in an aggregate amount equal to the Total Facility C Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and for the avoidance of doubt, any part of a Utilisation or any other amount owed by an Obligor which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3. PURPOSE

3.1 Purpose

(a) **Facility A:** Utilisations under Facility A may only be used:

(i) to refinance the Term Loan B Facility, the Term Loan C Facility and the ABL Facility; and

(ii) for working capital requirements and for general corporate purposes of the Group.

(b) **Facility B:** Bank Guarantees drawn under Facility B may only be issued in favour of beneficiaries (which may include the issuers of existing instruments) in support of the business operations of the Group.

(c) **Facility C:** Utilisations under Facility C may only be used for working capital requirements and for general corporate purposes of the Group.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

Subject to Clause 4.5 (*Conditions subsequent – other*), the Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part I of Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent acting on the instructions of all Lenders. The Agent shall notify a Borrower and the Lenders promptly upon being so satisfied.

The Parties acknowledge and agree that the obligations under this clause 4.1 were satisfied prior to the Borrower delivering the first Utilisation Request.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of:

(i) a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan; and

(ii) in the case of any other Utilisation, no Default or Review Event is continuing or would result from the proposed Utilisation;

(b) the Repeating Representations to be made by each Obligor are true in all material respects and not misleading; and

(c) despite Clause 8.2 (*Repayments for currency equalisation*), the relevant Facility Commitment is not and will not be exceeded based on a currency conversion at the Agent's Spot Rate of Exchange (where applicable).

4.3 Maximum number of Utilisations

A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 10 or more Loans would be outstanding. There is no limit to the number of Bank Guarantees that may be outstanding at any time.

4.4 Condition subsequent – Tax Consolidation

If not done before the first Utilisation of a Facility, the Parent must deliver to the Agent in form and substance satisfactory to the Agent (acting on the instructions of all Lenders) within 40 Business Days after the Listing Date, a certified copy of the Tax Sharing Agreement and the Tax Funding Agreement to which Coronado Australia Holdings Pty Limited and all of its Australian incorporated wholly-owned Subsidiaries are party.

The Parties acknowledge and agree that the obligations under this clause 4.4 have been satisfied.

4.5 Conditions subsequent – other

(a) If any of the conditions precedent described in Part I of Schedule 2 (*Conditions precedent*), other than those identified in paragraph (b) below, have not been received by the Agent in form and substance satisfactory to the Agent acting on the instructions of all Lenders by the proposed Listing Date, then they shall cease to be conditions precedent to the first Utilisation Request and, subject to Clause 4.5(c), they must instead be received by the Agent in form and substance satisfactory to the Agent acting on the instructions of all Lenders (each acting reasonably) by no later than the 45th day after the Listing Date together with such other documents referred to in item 1 of Part I of Schedule 2 (*Conditions precedent*) to enable the delivery of such opinions referred to in item 3 of Part I of Schedule 2 (*Conditions precedent*) as the Finance Parties may require with respect to the items being delivered as conditions subsequent. To that extent a condition subsequent arising pursuant to this paragraph (a) is the execution of a Finance Document, then subject to Clause 4.5(c), the opinions described in item 3 of Part I of Schedule 2 (*Conditions Precedent*) must also be delivered in connection with those Finance Documents no later than the 45th day after the Listing Date.

(b) Paragraph (a) does not apply to the matters described in the following items in Part I of Schedule 2 (*Conditions precedent*) and those items shall always remain conditions precedent, unless the Agent (acting on the instructions of all the Lenders) agrees otherwise in writing:

(i) item 1(a), (b) and (c) (insofar as (c) relates to property of Obligors incorporated in Australia);

(ii) item 2(a), (b), (c), (e) (insofar as (e) relates to Security to be granted by Obligors incorporated in Australia but except if and to the extent the reason why any part of (e) cannot be satisfied over a Relevant Asset is the absence of a Security Consent), (f), (g), (h), (i) and (j) (insofar as (i) and (j) relate to Security to be granted by Obligors incorporated in Australia), (k) and (l);

(iii) item 3;

(iv) item 4 (except if and to the extent the reason why any part of this item cannot be satisfied over a Relevant Asset is the absence of Security Consent); and

(v) item 5(a), (b), (c), (d), (e), (f), (g) (insofar as (g) relates to the Winged Horse Arrangements and Wesfarmers Arrangements) , (h), (i) (except in relation to reliance letters), (j) and (k).

(c) If by the 120th day after the Listing Date (or any later date stipulated by the Agent) any Security Consent has not been obtained and as a consequence Security over the Relevant Asset as contemplated by a Transaction Security Document has not been perfected to the satisfaction of the Agent acting on the instructions of the Majority Lenders (each acting reasonably), then:

(i) that failure, of itself, will not constitute an Event of Default or Review Event;

(ii) the Obligors must promptly (and, in any case, no later than 5 Business Days after the 120th day after the Listing Date (or any later date stipulated by the Agent)) provide to the Agent sufficient information in reasonable detail about each missing Security Consent together with details of the reasonable commercial endeavours undertaken to obtain the Security Consents; and

(iii) the Obligors must, on request from the Agent from time to time (acting on the instructions of the Majority Lenders), again use reasonable commercial endeavours to obtain that Security Consent and perfect the Security over that Relevant Asset, and must respond promptly to requests by the Agent for information concerning progress in that regard together with details of the reasonable endeavours undertaken to obtain the Security Consents.

(d) In this Clause, Clause 24.20 (*Mining tenements; After-Acquired Property; Further assurances regarding Secured Property*) and Part II of Schedule 2 (*Conditions precedent*), “**Security Consent**” means a consent or permission from a Governmental Agency, a landlord, a lessor or another person (not being a Group Member), without which an Obligor may not give or perfect the Security over an asset that is contemplated by a Transaction Security Document without contravening a law or breaching a contract, or without which any such Security would be ineffective or invalid. “**Relevant Asset**” means the asset contemplated by a Transaction Security Document in respect of which a Security Consent is required. To avoid doubt, it is acknowledged that, in using reasonable commercial endeavours to obtain a Security Consent, no Obligor will be required to pay any fee or pay any other consideration or agree to any commercial change that would be detrimental to any Obligor.

4.6 US Excluded Property

(a) Despite anything to the contrary in the Finance Documents, nothing in the Finance Documents obliges the Obligors to provide to the Security Trustee or any other Finance Party any Security over any US Excluded Property, or makes the giving of any such Security a condition to the provision of financial accommodation under the Finance Documents.

(b) If any US Excluded Property is affected by any Transaction Security, the Security Trustee must do all things reasonably requested by the Parent to release that property from that Transaction Security.

4.7 Group Restructure

The Finance Parties consent to the restructure of the Group described in the document set out in Schedule 11 (*Restructure - Steps Paper*) by 31 October 2018.

SECTION 3 UTILISATION

5. UTILISATION - LOANS

5.1 Utilising Facility A and Facility C

(a) A Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

(b) This Clause 5 does not apply to Utilisations by way of Bank Guarantees, in respect of which, Clause 6 (*Utilisation – Bank Guarantees*) applies.

5.2 Completion of a Utilisation Request for Loans

(a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies whether the Loan is requested under Facility A or Facility C;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*);

(iv) the proposed Interest Period complies with Clause 11 (*Interest Periods*);

(v) it is signed by an Authorised Officer of a Borrower.

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request under Facility A or Facility C must be US dollars or Australian dollars.

(b) The amount of the proposed Loan must be an amount whose Base Currency Amount is not more than Available Facility for Facility A or Facility C (as the case may be) and must be:

(i) if in US dollars, a minimum of US\$1,000,0000 and a whole multiple of US\$500,000 or, if less, the Available Facility for Facility A or Facility C (as the case may be); and

(ii) if in Australian dollars, a minimum of A\$1,000,0000 and a whole multiple of A\$500,000 or, if less, the Available Facility for Facility A or Facility C (as the case may be).

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, and subject to Clause 8.1 (*Repayment of Facility A and Facility C Loans*):

(i) if the requested Utilisation is from Facility A, each Facility A Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office; and

(ii) if the requested Utilisation is from Facility C, each Facility C Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to:

(i) for each Facility A Loan, the proportion borne by its Facility A Available Commitment to the Available Facility for Facility A immediately prior to making the Loan; and

(ii) for each Facility C Loan, the proportion borne by its Facility C Available Commitment to the Available Facility for Facility C immediately prior to making the Loan.

5.5 Cancellation of Facility A and Facility C Commitments

(a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility A.

(b) The Facility C Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility C.

6. UTILISATION - BANK GUARANTEES

6.1 Utilising Facility B

(a) Facility B may only be utilised by way of Bank Guarantees.

(b) Clause 5 (Utilisation - Loans) does not apply to Utilisations by way of Bank Guarantees.

(c) In determining the amount of the Available Facility for the purposes of this Agreement the Available Commitment of a Lender will be calculated ignoring any cash cover or any back-to-back bank guarantee or other instrument provided for outstanding Bank Guarantees.

(d) The Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B.

6.2 Delivery of a Utilisation Request for Bank Guarantees

A Borrower may request a Bank Guarantee to be issued by delivery to the Issuing Bank (with a copy to the Agent) of a duly completed Utilisation Request not later than 11:00am (Sydney time) on the third Business Days before proposed Utilisation Date. A Borrower must use its reasonable commercial endeavours to ensure, that each Issuing Bank has, to the extent practicable, an amount of Bank Guarantees issued by it outstanding that is proportionate to its Facility B Commitment.

6.3 Completion of a Utilisation Request for Bank Guarantees

Each Utilisation Request for a Bank Guarantee is irrevocable and will not be regarded as having been duly completed unless:

- (a) it specifies that it is for a Bank Guarantee;
- (b) the proposed Utilisation Date is a Business Day within the Availability Period for Facility B;
- (c) the currency and amount of the Bank Guarantee comply with Clause 6.4 (*Currency and amount*);
- (d) the form of Bank Guarantee is attached and is in the form that has been agreed in writing by the Issuing Bank;
- (e) if the Bank Guarantee is to have an Expiry Date (which it need not), it specifies that fact and the Expiry Date of the Bank Guarantee must fall on or before the Termination Date;
- (f) the delivery instructions for the Bank Guarantee are specified;
- (g) the identity of the beneficiary of the Bank Guarantee is approved by the Issuing Bank;
- (h) the underlying contract or agreement or obligation in respect of which the Bank Guarantee is issued is specified; and
- (i) it is signed by an Authorised Officer of a Borrower.

6.4 Currency and amount

(a) The currency specified in a Utilisation Request, and the denomination of a Bank Guarantee, to be issued under Facility B may be either Australian dollars or US dollars. A Bank Guarantee may only be issued in one currency.

(b) The amount of the proposed Bank Guarantee must not be more than the Issuer's Available Commitment for Facility B.

6.5 Issue of Bank Guarantees

(a) If the conditions set out in this Agreement have been met, the Issuing Bank shall issue the Bank Guarantee on the Utilisation Date.

(b)

(i) The Issuing Bank will only be obliged to comply with paragraph (a) above if on the date of the Utilisation Request and on the proposed Utilisation Date, no Default or Review Event is continuing or would result from the proposed Utilisation; and

(ii) the Repeating Representations to be made by each Obligor are true in all material respects.

(c) The Issuing Bank has no duty to enquire of any person whether or not any of the conditions set out in paragraph (b) above have been met. The Issuing Bank may assume that those conditions have been met unless it is expressly notified to the contrary by the Agent. The Issuing Bank will have no liability to any person for issuing a Bank Guarantee based on such assumption.

(d) The Issuing Bank is solely responsible for the form of the Bank Guarantee that it issues. The Agent has no duty to monitor the form of that document.

(e) Subject to paragraph (j) of Clause 29.7 (*Rights and discretions*), each of the Issuing Bank and the Agent shall provide the other with any information reasonably requested by the other that relates to a Bank Guarantee and its issue.

(f) The Issuing Bank may issue a Bank Guarantee in the form of a SWIFT message or other form of communication customary in the relevant market but has no obligation to issue that Bank Guarantee in any particular form of communication.

6.6 Notification of the Agent

The Issuing Bank shall, upon request, provide to the Agent details of all Bank Guarantees issued under this Agreement including details of the initial face value of each Bank Guarantee, the tenor, the Expiry Date, the relevant Borrower and the beneficiary under that Bank Guarantee.

6.7 Reduction or expiry of Bank Guarantee

If the amount of any Bank Guarantee is wholly or partially reduced or it is repaid or prepaid or it expires prior to its Expiry Date, the relevant Issuing Bank and the Borrower that requested the issue of that Bank Guarantee shall promptly notify the Agent of the details upon becoming aware of them.

6.8 Bank Guarantee which does not expire before Termination Date

A Bank Guarantee may be issued with or without an Expiry Date. If a Bank Guarantee does not have an Expiry Date, or the Expiry Date of the Bank Guarantee is after the Termination Date, the Borrower that requested the issue of that Bank Guarantee shall repay or prepay the Bank Guarantee on the Termination Date.

7. BANK GUARANTEES

7.1 Claims under a Bank Guarantee

(a) Each Borrower irrevocably and unconditionally authorises the Issuing Bank to pay any claim made or purported to be made under a Bank Guarantee requested by it and which appears on its face to be in order and to make any payment under Clause 7.4 (*Restrictions on voluntary pay-out of Bank Guarantees*), each of a claim or payment under Clause 7.4 (*Restrictions on voluntary pay-out of Bank Guarantees*) is a "**claim**".

(b) The relevant Borrower shall pay to the Issuing Bank an amount equal to the amount of any claim on the day on which the Issuing Bank pays that claim. If the Borrower does not pay this amount to the Issuing Bank on the date on which the Issuing Bank pays the claim then, subject to clauses 7.1(c) and 7.1(d), interest shall accrue on the

amount from that date up to the actual date of payment in accordance with Clause 10.3 (*Default interest*).

(c) If under this Agreement, a Borrower is obliged to pay or indemnify the Issuing Bank for amounts paid or payable under a claim under a Bank Guarantee, and the Borrower does not discharge that obligation on or before the day on which the Issuing Bank pays that claim, the Borrower shall (unless the Borrower notifies the Issuing Bank otherwise) be deemed to have requested:

(i) if that Bank Guarantee is denominated in Australian dollars, a Loan under Facility A or Facility C in Australian dollars; or

(ii) if that Bank Guarantee is denominated in US dollars, a Loan under Facility A or Facility C in US dollars,

in accordance with paragraph (d) below.

(d) On the date the Issuing Bank pays a claim made under a Bank Guarantee, the Borrower shall be deemed to have delivered to the Agent a duly completed Utilisation Request requesting a Loan under Facility A (or, if there is insufficient Available Facility under Facility A, then under Facility C) in Australian dollars (if that Bank Guarantee is denominated in Australian dollars) or US dollars (if that Bank Guarantee is denominated in US dollars):

(i) for an amount equal to the amount of the claim (if applicable, less any cash cover);

(ii) for an Interest Period of 3 Months or such other period of up to 6 Months as notified by the relevant Borrower to the Agent prior to the Utilisation Date; and

(iii) with a Utilisation Date on the third Business Day after the Issuing Bank pays the relevant claim.

The proceeds of the Loan shall be used to reimburse the Issuing Bank for the amount paid in response to the relevant claim. Interest accrues on the amount paid by the Issuing Bank from (and including) the date of payment to (but excluding) the date it receives the Loan proceeds, in accordance with clause 7.1(b).

(e) Each Borrower acknowledges that the Issuing Bank:

(i) may make payments under a Bank Guarantee by any means that it determines;

(ii) may make any payments under a Bank Guarantee despite any direction by the Borrower to the Issuing Bank not to pay, any dispute between the Borrower and the Issuing Bank as to the Issuing Bank's obligation to pay, any dispute between the Borrower and the beneficiary of the Bank Guarantee or any claim by the Borrower that a claim under the Bank Guarantee is not valid;

(iii) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim;

(iv) may refuse to make a payment under a Bank Guarantee (in its absolute discretion) where it considers that a claim under, or any other document presented under the Bank Guarantee, does not comply with the terms of the Bank Guarantee; and

(v) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

(f) The obligations of a Borrower under this Clause 7.1 will not be affected by:

(i) the sufficiency, accuracy or genuineness of any claim or any other document;

(ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document;

(iii) any act of any Governmental Agency, court, arbitral body, agency or authority or the application of any law or regulation affecting any Bank Guarantee; or

(iv) any failure by any person to obtain any Authorisation required or desirable in connection with any Bank Guarantee.

7.2 Indemnities

(a) Without prejudice to each Borrower's obligation under Clause 7.1 (*Claims under a Bank Guarantee*), each Borrower shall immediately on demand indemnify the Issuing Bank against any cost, loss or liability incurred by the Issuing Bank (otherwise than by reason of the Issuing Bank's gross negligence or wilful misconduct) in acting as the Issuing Bank under any Bank Guarantee requested by that Borrower (including as a result of the Issuing Bank making a payment under Clause 7.4 (*Restrictions on voluntary pay-out*)).

(b) The obligations of each Borrower under this Clause 7.2 (*Indemnities*) are continuing obligations and will extend to the ultimate balance of sums payable by the Borrower in respect of any Bank Guarantee, regardless of any intermediate payment or discharge in whole or in part.

(c) The obligations of any Borrower under this Clause 7.2 (*Indemnities*) will not be affected by any act, omission, matter or thing which, but for this Clause 7.2 (*Indemnities*), would reduce, release or prejudice any of its obligations under this Clause 7.2 (*Indemnities*) (without limitation and whether or not known to it or any other person) including:

(i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Bank Guarantee or any other person;

(ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any Group Member;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets

of, any Obligor, any beneficiary under a Bank Guarantee or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Bank Guarantee or any other person;

(v) any amendment (however fundamental) or replacement of a Finance Document, any Bank Guarantee or any other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Bank Guarantee or any other document or security; or

(vii) any insolvency or similar proceedings.

7.3 Rights of contribution

No Obligor will be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this Clause 7.

7.4 Restrictions on voluntary pay-out of Bank Guarantees

Despite the terms of any issued Bank Guarantee, an Issuing Bank may cancel a Bank Guarantee, by paying to the beneficiary of the relevant Bank Guarantee the outstanding amount of the Bank Guarantee or any lesser amount specified by the beneficiary, but only if:

(a) an Event of Default is continuing; or

(b) the Issuing Bank would be entitled to exercise its rights under Clause 9.2 (*Illegality in relation to Bank Guarantee*) or Clause 33.11 (*Anti-Money Laundering*).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

8. REPAYMENT

8.1 Repayment of Facility A and Facility C Loans

(a) Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

(b) Without prejudice to each Borrower's obligation under paragraph (a) above, if:

(i) one or more Loans are to be made available to a Borrower under the same Facility (whether Facility A or Facility C):

(A) on the same day that a maturing Loan is due to be repaid by that Borrower; and

(B) in the same currency as the maturing Loan; and

(C) in whole or in part for the purpose of refinancing the maturing Loan; and

(ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

(A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

(1) the relevant Borrower will only be required to make a payment under Clause 33.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and

(2) each Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under Clause 33.1 (*Payments to the Agent*) in respect of its participation in the new Loans; and

(B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

(1) the relevant Borrower will not be required to make a payment under Clause 33.1 (*Payments to the Agent*); and

(2) each Lender will be required to make a payment under Clause 33.1 (*Payments to the Agent*) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan.

8.2 Repayments for currency equalisation: Facility A

(a) On the last day of each Quarter, on receipt of a Utilisation Request in respect of Facility A and on each Utilisation Date in respect of Facility A the Agent may recalculate the Facility A Base Currency Amount of each Loan denominated in Australian dollars by notionally converting the outstanding amount of that Loan into Facility A Base Currency using the Agent's Spot Rate of Exchange on the date of calculation.

(b) If at any time the aggregate Facility A Base Currency Amount of all Loans outstanding under Facility A (after converting Loans denominated in Australian dollars in accordance with paragraph (a)) (the **Aggregate Base Currency Amount**) exceeds 110% of the Facility A Commitment then a Borrower shall:

(i) (subject to paragraph (ii) below), within 5 Business Days of written notice from the Agent, ensure that Loans are prepaid in an amount equal at least to the difference between the Aggregate Base Currency Amount and the Facility A Commitment; or

(ii) if prepaying Loans in the time specified in paragraph (i) above would cause the Borrower to incur Break Costs, the Borrower may instead pay an amount equal at least to the difference between the Aggregate Base Currency Amount and the Facility A Commitment to a blocked suspense account of the Agent to be applied in prepayment of Loans on the last day of the current Interest Period for such Loans.

8.3 Cash cover for currency equalisation: Facility B

(a) On the last day of each Quarter, on receipt of a Utilisation Request in respect of Facility B and on each Utilisation Date in respect of Facility B the Agent may recalculate the Facility B Base Currency Amount of each outstanding Bank Guarantee issued by a Facility B Lender that is denominated in US dollars by notionally converting the outstanding amount of each such Bank Guarantee into Facility B Base Currency using the Agent's Spot Rate of Exchange on the date of calculation.

(b) If at any time the aggregate Facility B Base Currency Amount of all outstanding Bank Guarantees issued by a Facility B Lender under Facility B (after converting Bank Guarantees denominated in US dollars in accordance with paragraph (a)) (the **Aggregate Base Currency Amount**) exceeds 110% of that Lender's Facility B Commitment then the Borrower shall within 5 Business Days of written notice from the Agent, pay cash cover in Australian dollars to that Lender in an amount equal at

least to the difference between the Aggregate Base Currency Amount and its Facility B Commitment, to be held on the terms of Clause 25.21 (*Cash cover*). If the Facility B Lender (exercising its rights under clause 1.7 (*Administration in connection with Facility B*)) issues a notice under this clause rather than the Agent, that Lender must give a copy of that notice to the Agent at the same time.

8.4 Repayments for currency equalisation: Facility C

(a) On the last day of each Quarter, on receipt of a Utilisation Request in respect of Facility C and on each Utilisation Date in respect of Facility C the Agent may recalculate the Facility C Base Currency Amount of each Loan denominated in Australian dollars by notionally converting the outstanding amount of that Loan into Facility C Base Currency using the Agent's Spot Rate of Exchange on the date of calculation.

(b) If at any time the aggregate Facility C Base Currency Amount of all Loans outstanding under Facility C (after converting Loans denominated in Australian dollars in accordance with paragraph (a)) (the **Aggregate Base Currency Amount**) exceeds 110% of the Facility C Commitment then a Borrower shall:

(i) (subject to paragraph (ii) below), within 5 Business Days of written notice from the Agent, ensure that Loans are prepaid in an amount equal at least to the difference between the Aggregate Base Currency Amount and the Facility C Commitment; or

(ii) if prepaying Loans in the time specified in paragraph (i) above would cause the Borrower to incur Break Costs, the Borrower may instead pay an amount equal at least to the difference between the Aggregate Base Currency Amount and the Facility C Commitment to a blocked suspense account of the Agent to be applied in prepayment of Loans on the last day of the current Interest Period for such Loans.

8.5 Bank Guarantees outstanding on the Termination Date

In respect of each Bank Guarantee issued under Facility B that remains outstanding on the Termination Date, the Borrower must place cash cover with the Issuing Bank, to the value of that bank's potential liability under that Bank Guarantee and in the same currency as that liability, to be held on the terms of Clause 25.21 (*Cash cover*) or otherwise repay or prepay that Bank Guarantee.

8.6 Term out of Defaulting Finance Party's Facility A Utilisations or Facility C Utilisations

(a) When a Facility A Lender or a Facility C Lender becomes a Defaulting Finance Party, the participation of that Lender in the Loans then outstanding denominated in any currency will be treated as a separate Facility A Utilisation or Facility C Utilisation (as the case may be) denominated in that currency (the "**Separate Loans**") and the maturity date of that Utilisation will be automatically extended to the Termination Date.

(b) A Borrower may prepay any such Utilisation if it gives at least 5 Business Days' prior notice to the Agent, who shall promptly notify the relevant Defaulting Finance Party.

(c) If the Borrower makes a prepayment of a Facility A Utilisation or Facility C Utilisation (as the case may be), a Borrower to whom a Separate Loan is outstanding may prepay that Separate Loan by giving not less than 5 Business Days' prior notice to the Agent. The proportion borne by the amount of the prepayment of the Separate Loan to the amount of the Separate Loans shall not exceed the proportion borne by the amount of the prepayment of the Facility A Utilisation to the Facility A Utilisations or the Facility C Utilisation to the Facility C Utilisations (as the case may be). The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (c) to the Defaulting Finance Party concerned as soon as practicable on receipt.

(d) Interest in respect of any such Utilisation will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Agent (for the account of that Defaulting Finance Party) on the last day of each such Interest Period.

9. PREPAYMENT AND CANCELLATION

9.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful (or impossible as a result of a change in law or regulation after the Facility Initiation Date) for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Utilisation:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrowers, each Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to Clause 9.4(b) (*Restrictions*), each Borrower shall repay that Lender's participation in the Utilisations made to that Borrower on the last day of the Interest Period for each Utilisation occurring after the Agent has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

9.2 Illegality in relation to Bank Guarantee

If, in any applicable jurisdiction, it becomes unlawful (or impossible as a result of a change in law or regulation) for the Issuing Bank to issue or leave outstanding any Bank Guarantee:

- (a) the Issuing Bank shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrowers, the Issuing Bank shall not be obliged to issue any Bank Guarantee;
- (c) the Borrowers shall use their best endeavours to procure the release of each Bank Guarantee issued by the Issuing Bank and outstanding at such time on or before the

date specified by the Issuing Bank in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law); and

(d) if that results in there being no Facility B Commitments, Facility B shall cease to be available for the issue of Bank Guarantees.

9.3 Voluntary cancellation

The Borrowers may, if they gives the Agent not less than 3 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part of an Available Facility, subject, in the case of part cancellations, to:

(a) **Facility A:** it being in a minimum amount of US\$1,000,000 and an integral multiple of US\$500,000; and

(b) **Facility B:** it being in a minimum amount of A\$1,000,000 and an integral multiple of A\$500,000.

(c) **Facility C:** it being in a minimum amount of US\$1,000,000 and an integral multiple of US\$500,000.

Any cancellation under this Clause 9.3 shall reduce the Commitments of the Lenders rateably under that Facility.

9.4 Voluntary prepayment of Loans

(a) A Borrower to which a Facility A Loan has been made may, if it gives the Agent not less than 3 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of any Facility A Loan (but, if in part, being an amount that reduces the Facility A Base Currency Amount of the Loan by a minimum amount of US\$100,000).

(b) A Borrower to which a Facility C Loan has been made may, if it gives the Agent not less than 3 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of any Facility C Loan (but, if in part, being an amount that reduces the Facility C Base Currency Amount of the Loan by a minimum amount of US\$100,000).

9.5 Restrictions

(a) Any notice of cancellation or prepayment given under this Clause 9 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the relevant currency amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid in the relevant currency and, subject to any Break Costs, without premium or penalty.

(c) Unless a contrary indication appears in this Agreement, any part of Facility A or Facility C which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

9.6 Right of replacement or repayment and cancellation in relation to a single Lender or Issuing Bank

(a) If:

(i) a Lender is a Non-Consenting Lender;

(ii) an Obligor becomes obliged to pay any amount in accordance with Clause 9.1 (*Illegality*) to any Lender;

(iii) a Lender becomes an Affected Lender (as defined in Clause 12.3 (*Market disruption*)) and no substitute basis for determining the rate of interest payable to the Lender is agreed at the end of the period provided for by Clause 12.4(b) (*Cost of funds*);

(iv) any sum payable to any Lender by an Obligor is required to be increased under Clause 14.2(c) (*Tax gross-up*);

(v) any Lender claims any sum from the Borrower under Clause 14.3 (*Tax indemnity*) or Clause 16.1 (*Increased costs*); or

(vi) a Facility B Lender is not or ceases to be an “approved security provider” as defined in section 36 of the *Financial and Performance Management Standard 2009* (Qld),

the Borrower may:

(vii) in the case of sub-paragraph (a)(i), within 120 days after the relevant Lender becoming a Non-Consenting Lender; or

(viii) in all other cases, whilst the circumstance giving rise to the requirement for that increase or claim continues,

give the Agent and the relevant Lender:

(ix) notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans; or

(x) notice of its intention to replace that Lender in accordance with paragraph (d) below.

(b) On receipt of a notice of cancellation referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in each Loan and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(d) If any of the circumstances set out in paragraph (a) above apply to a Lender, the Borrower may, on 10 Business Days' prior notice to the Agent and that Lender,

replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 26 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (including credit derivatives) in any such case selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 26 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

(e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:

- (i) the Borrower shall have no right to replace the Agent;
- (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
- (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
- (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer; and
- (v) in the case of any replacement of a Lender resulting from payments required to be made pursuant to paragraph (a)(iv) above or a claim for compensation under paragraph (a)(v) above, such transfer of rights and obligations pursuant to paragraph (d) above will result in a reduction in such payments or compensation thereafter.

(f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

9.7 Right of cancellation in relation to a Defaulting Finance Party

(a) The Borrowers may give the Agent 5 Business Days' notice of cancellation of each Available Commitment of a Lender that is, and continues to be, a Defaulting Finance Party.

(b) On the notice becoming effective, each Available Commitment of the Defaulting Finance Party will reduce to zero.

- (c) The Agent shall notify all the Lenders as soon as practicable after receiving the notice.

9.8 Review Event

If a Review Event occurs:

(a) The Borrowers shall promptly notify the Agent upon becoming aware of that event. If the Agent becomes aware of a Review Event that has not been notified, it may give the Borrowers a notice of that Review Event.

(b) Once a notice is given under paragraph (a), a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan) for so long as the Review Event continues.

(c) The Obligors and the Lenders must enter into negotiations for a period of up to 30 days after a notice is given under paragraph (a), with a view to agreeing terms on which:

- (i) if the Review Event is a Change of Control, all Lenders; or
- (ii) in any other case, the Majority Lenders,

would be prepared to offer to provide, fund or maintain all or any of the Facilities.

(d) If agreement is reached, the Obligors must promptly do all acts and execute all documents as the Majority Lenders reasonably require to document, or to protect, preserve or secure the Finance Parties' rights and interests under, such agreement.

(e) If agreement is not reached within 30 days after a notice is given under paragraph (a), or if (in the opinion of the Majority Lenders) any of the Obligors do not do all acts and execute all documents as the Majority Lenders reasonably require to document, or to protect, preserve or secure for the Finance Parties' rights and interests under, any agreement, the Agent, acting on the instruction of:

- (i) any Lender if the Review Event is a Change of Control; or
- (ii) the Majority Lenders in any other case,

may by giving written notice to the Borrower:

(iii) cancel the whole or any part of a Facility whereupon it will be immediately cancelled; and

(iv) declare that all or any part of the outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents is due and payable whereupon it will be due and payable within 60 days.

(f) If the Borrower fails to prepay all amounts payable under Clause (e) within 60 days, that failure will constitute an Event of Default.

(g) To avoid doubt, neither the failure to reach agreement nor the giving of a notice under this Clause 9.8 constitutes an Event of Default.

SECTION 5 COSTS OF UTILISATION

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) in relation to any Loan in:
 - (i) Australian dollars, BBSY Bid; and
 - (ii) US dollars, LIBOR.

10.2 Payment of interest

The Borrower to which a Loan has been made shall pay accrued interest in the relevant currency on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six-monthly intervals after the first day of the Interest Period).

10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is the sum of 2 per cent per annum and the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 (*Default interest*) shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be the sum of 2 per cent per annum and the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

(a) The Agent shall promptly notify the relevant Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

(b) The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Loan.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

(a) A Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.

(b) Each Selection Notice for a Loan is irrevocable and must be delivered to the Agent by the Borrower to which that Loan was made not later than the Specified Time.

(c) If a Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will, be the same duration as the Interest Period just ended.

(d) Subject to this Clause 11 (*Interest Periods*), a Borrower may only select Interest Periods of:

(i) 1, 2, 3 or 6 Months for Loans denominated in US dollars; and

(ii) 1, 2, 3 or 6 Months for Loans denominated in Australian dollars,

or another period agreed by the Majority Lenders.

(e) For any Interest Period of less than 3 months, BBSY Bid or LIBOR (as applicable) will be the 3 Month BBSY Bid or 3 Month LIBOR (as applicable) and any reference to the length of an Interest Period in Clause 12 (*Changes to the Calculation of Interest*) will be construed on this basis.

(f) An Interest Period for a Loan shall not extend beyond the Termination Date.

(g) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

11.2 Non-Business Days

(a) If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 Consolidation and division of Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods:

(i) relate to Loans made to the same Borrower under the same Facility;

(ii) in the same currency; and

(iii) end on the same date,

those Loans will, unless that Borrower (or a Borrower on its behalf) specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

(b) Subject to Clause 4.3 (*Maximum number of Utilisations*) and Clause 5.3 (*Currency and amount*), if a Borrower (or a Borrower on its behalf) requests in a Selection Notice that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided with amounts specified in that Selection Notice, being an aggregate amount equal to the amount of the Loan immediately before its division.

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Unavailability of Screen Rate

(a) *Interpolated Screen Rate*: If no Screen Rate is available for BBSY Bid or LIBOR (as the case may be) for the Interest Period of a Loan, the applicable BBSY Bid or LIBOR (as the case may be) shall be the Interpolated Screen Rate for a period equal in length, subject to Clause 11.1(e) (*Selection of Interest Periods*), to the Interest Period of that Loan.

(b) *Reference Bank Rate*: If no Screen Rate is available for BBSY Bid or LIBOR (as the case may be) for:

- (i) the currency of a Loan; or
- (ii) the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate,

the applicable BBSY Bid or LIBOR (as the case may be) shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length, subject to Clause 11.1(e) (*Selection of Interest Periods*), to the Interest Period of that Loan.

(c) *Cost of Funds*: If paragraph (b) above applies but no Reference Bank Rate is available for the relevant currency and Interest Period there shall be no BBSY Bid or LIBOR (as the case may be) for that Loan and Clause 12.4 (*Cost of funds*) shall apply to that Loan for that Interest Period.

12.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if BBSY Bid or LIBOR (as the case may be) is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about noon (Sydney time) on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for that Interest Period.

12.3 Market disruption

If before 5pm (Sydney time) on the Business Day after the Quotation Day for the relevant Interest Period the Agent receives notifications from Lender or Lenders (whose participations in a Loan exceed 35 per cent of that Loan) that as a result of market circumstances not limited to it (whether or not those circumstances, or their effect on the Lender's cost of funds, subsist on the date it becomes a Lender), the cost to it of funding its participation in that Loan (from whatever source it may reasonably select) would be in excess of BBSY Bid or LIBOR (as the case may be) (in which case an "**Affected Lender**" will be a Lender which gives such a notification), then Clause 12.4 (*Cost of funds*) shall apply to the participation in the Loan of each Affected Lender for the relevant Interest Period.

12.4 Cost of funds

(a) If this Clause 12.4 (*Cost of funds*) applies, the rate of interest on each relevant Lender's share of the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii)

(A) in the circumstances described in Clause 12.3 (*Market disruption*), the rate notified to the Agent by the relevant Affected Lender; and

(B) in the circumstances described in Clause 12.1 (*Unavailability of Screen Rate*), the rate of interest notified to the Agent by the Lender,

to be that which expresses as a percentage rate per annum, the cost to the Lender of funding its participation in that Loan from whatever source it may reasonably select. That rate is to be notified as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period.

(b) If this Clause 12.4 (*Cost of funds*) applies and the Agent or a Borrower so requires, the Agent and a Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and a Borrower, be binding on all Parties.

12.5 Agent's role

The Agent shall promptly notify the Borrowers if there is a market disruption event under Clause 12.3 (*Market disruption*) and of the identity of any Lender or Lenders giving a notice under that Clause.

12.6 Break Costs

(a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent or the Borrower, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Commitment fee

(a) The Borrowers shall pay:

(i) to the Agent for the account of each Facility A Lender, a fee (in US dollars) computed at the rate of 50 per cent of the applicable Margin per annum on that Lender's Available Commitment under Facility A for the Availability Period applicable to Facility A; and

(ii) subject to Clause 1.7 (*Administration in connection with Facility B*) to a Facility B Lender, a fee (in Australian dollars) computed at the rate of 50 per cent of the applicable Margin per annum on that Lender's Available Commitment under Facility B for the Availability Period applicable to Facility B.

(iii) to the Agent for the account of each Facility C Lender, a fee (in US dollars) computed at the rate of 50 per cent of the applicable Margin per annum on that Lender's Available Commitment under Facility C for the Availability Period applicable to Facility C.

(b) The accrued commitment fee is payable in arrears on the last day of each Quarter during the relevant Availability Period, on the last day of the Availability Period, and on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

13.2 Arrangement and underwriting fee

The Borrowers shall pay to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter.

13.3 Establishment Fee

The Borrowers shall pay to the Agent an establishment fee in the amount and at the times agreed in a Fee Letter.

13.4 Agency and Security Trustee fee and US Security Agent fee

(a) The Borrowers shall pay to the Agent and the Security Trustee (for their own respective account) an agency fee and security trustee fee in the amount and at the times agreed in a Fee Letter.

(b) The Borrowers shall pay to any US Security Agent appointed from time to time an agency fee (for the US Security Agent's own account) in the amount and at the times agreed in a Fee Letter.

13.5 Fees payable in respect of Bank Guarantees

(a) Each Borrower shall pay to the Issuing Bank a Bank Guarantee fee, computed at:

- (i) for a Bank Guarantee that is a performance guarantee, a rate equal to 70 per cent of the Margin applicable to a Loan (where "performance guarantee" means an instrument under which the obligation to pay is triggered by the relevant Obligor's failure to perform an obligation in favour of a third party other than a payment obligation); and
- (ii) for a Bank Guarantee that is a financial guarantee, a rate equal to the Margin applicable to a Loan (where "financial guarantee" means an instrument under which the obligation to pay is triggered by the relevant Obligor's failure to perform a payment obligation in favour of a third party. A Bank Guarantee lodged in lieu of cash or other liquid financial instruments is to be categorised as a "financial guarantee" for these purposes)

on the outstanding amount of each requested Bank Guarantee and in the currency of that Bank Guarantee, for the period from the issue of that Bank Guarantee until its Expiry Date or if the Bank Guarantee does not have an Expiry Date, until the Bank Guarantee is repaid in one of the ways set out in Clauses 1.2(g)(ii) to 1.2(g)(iv).

(b) The accrued Bank Guarantee fee on a Bank Guarantee shall be payable on the last day of each Quarter.

(c) If a Borrower provides cash cover in respect of any Bank Guarantee:

(i) the Bank Guarantee fee shall continue to be payable until the expiry of the Bank Guarantee; and

(ii) each Borrower shall be entitled to apply interest accrued on the cash cover to pay the fees described in paragraph (i) above provided that no Event of Default is continuing.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS UP AND INDEMNITIES

14.1 Definitions

- (a) In this Clause 14 (*Tax Gross Up and Indemnities*):

"Protected Party" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Credit" means a credit against, relief or remission for, or repayment of any Tax.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax Gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

14.2 Tax Gross-up

- (a) Each Obligor shall make all payments to be made by it under the Finance Documents without any Tax Deduction unless such Tax Deduction is required by law.

(b) The Borrowers or a Finance Party shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. If the Agent receives such notification from a Finance Party it shall notify a Borrower and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor or an applicable withholding agent except in relation to a Tax described in Clause 14.4 (*Exclusions*), the Obligor shall pay an additional amount together with the payment so that, after making any Tax Deduction (including Tax Deduction applicable to the additional amount payable under this Clause), the Finance Party receives an amount equal to the sum which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction to the relevant taxing authority within the time allowed and in the minimum amount required by law.

(e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence satisfactory to that Finance Party, acting reasonably, that the Tax Deduction has been made and/or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 Tax indemnity

- (a) Subject to Clause 14.4 (*Exclusions*) and except if they are compensated for by the payment of an additional amount under Clause 14.2 (*Tax gross-up*), the Borrowers

shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document or a transaction or payment under it. A certificate as to the amount of such loss, liability or cost suffered for or on account of Tax delivered to a Borrower by a Protected Party, or by the Agent on its own behalf or on behalf of a Protected Party, shall be conclusive absent manifest error.

(b) A Protected Party making or intending to make a claim pursuant to Clause 14.3(a) shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(c) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Exclusions

(a) Clauses 14.2 (*Tax gross-up*) and 14.3 (*Tax indemnity*) shall not apply:

(i) with respect to any Tax assessed on a Finance Party if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction; or

(ii) with respect to Australian Withholding Tax on interest or amounts in the nature of interest paid or payable in respect of Utilisations under Facility A or Facility B; or

(iii) (where the relevant Finance Party is an Australian resident, or a non-resident carrying on business in Australia or through a permanent establishment of the non-resident in Australia) if the Tax is imposed because that Finance Party has not supplied an appropriate tax file number, an Australian business number or other exemption details; or

(iv) with respect to a Tax which would not be required to be deducted by the Obligor if, the Commissioner of Taxation of the Commonwealth of Australia had not given a notice under section 260-5 of Schedule 1 of the Australian *Taxation Administration Act 1953* (Cth) or section 255 of the Tax Act requiring the relevant Obligor to deduct that Tax from any payment to be made by the Obligor to the Finance Party; or

(v) with respect to a Tax Deduction required to be made for a US federal withholding tax, to the extent any such Tax Deductions imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (x) the Lender acquires such interest in the Loan or (y) such Lender changes its Facility Office, except in each case of (x) and (y) to the extent that, pursuant to Clause 14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Facility Office; or

(vi) if the Tax Deduction is required to be made as a result of a breach by the Finance Party of any of its obligations under Clause 15 (*US Tax Matters*);

(vii) if the Tax Deduction is required to be made as a result of any representation or warranty given by the Finance Party (and not its predecessors) under Clause 15.3 (*US Tax Matters*) being untrue; or

(viii) to the extent the relevant loss, liability or cost relates to a FATCA Deduction required to be made by a Party.

14.5 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines in its absolute discretion that:

(a) a Tax Credit is attributable to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

subject to Clause 30 (*Conduct of Business by the Finance Parties*), the Finance Party shall pay an amount to the Obligor which that Finance Party determines in its absolute discretion will leave it (after that payment) in the same after-Tax position as it would have been in had the circumstances not arisen which caused the Tax Payment to be required to be made by the Obligor. If an Obligor at any time requests that a Finance Party make a determination under this Clause the Finance Party must do so in good faith and provide the Borrower with the results of that determination in writing, within reasonable time of the request (it being understood that the determination shall be made in the Finance Party's absolute discretion).

14.6 Stamp duties and Taxes

The Borrowers shall:

(a) pay; and

(b) within three Business Days of demand, indemnify each Finance Party against any cost, expense, loss or liability that Finance Party incurs in relation to,

all stamp duty, registration, documentary or other similar Tax payable in respect of any Finance Document except Transfer Certificates (other than Transfer Certificates executed

pursuant to Clause 9.6 (*Right of replacement or repayment and cancellation in relation to a single Lender or Issuing Bank*).

14.7 Indirect Tax

(a) All payments to be made by an Obligor under or in connection with any Finance Document have been calculated without regard to Indirect Tax. If all or part of any such payment is the consideration for a taxable supply or chargeable with Indirect Tax then, when the Obligor makes the payment:

(i) it must pay to the Finance Party an additional amount equal to that payment (or part) multiplied by the appropriate rate of Indirect Tax; and

(ii) the Finance Party will promptly provide to the Obligor a tax invoice complying with the relevant law relating to that Indirect Tax.

(b) Where a Finance Document requires an Obligor to reimburse or indemnify a Finance Party for any costs or expenses, that Obligor shall also at the same time pay and indemnify that Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses save to the extent that that Finance Party is entitled to repayment or credit in respect of the Indirect Tax. The Finance Party will promptly provide to the Obligor a tax invoice complying with the relevant law relating to that Indirect Tax.

14.8 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

- (i) any law or regulation;
- (ii) any fiduciary duty; or
- (iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

14.9 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify a Borrower and the Agent and the Agent shall notify the other Finance Parties.

15. US TAX MATTERS

15.1 Finance Party's Obligations

(a) Without limiting the generality of Clause 14.4 (*Exclusions*):

(i) each Lender (other than where a Lender is a "United States Person" within the meaning of Section 7701(a)(30) of the US Tax Code) shall, subject to Clause 15.1(a)(iii), deliver to the Borrower (and/or such other Obligor as the Borrower designates) and the Agent two duly executed copies (or such other number as may be specified by the Borrower in order to comply with then applicable requirements of US law) of whichever of the following US Internal Revenue Service Forms is applicable, namely W-8BEN, W-8BEN-E, W-8-ECI, W-8-IMY or any successor to any such form including (if applicable) certification by each relevant Lender under the applicable income tax treaty to which the United States is a party (and, where that Lender is (through its relevant Facility Office) claiming exemption from US federal income and withholding tax under Section 871(h) or 881(c) of the US Tax Code a statement that it is not a person described in Section 881(c)(3) of the US Tax Code) and/ or such other forms, certificates and documentation as may be necessary or appropriate to establish,

in each case, whether it is entitled to receive payments under the Facilities without a Tax Deduction for US federal income or withholding tax or with a Tax Deduction at a reduced rate;

(ii) each Lender, where it is a “United States Person” within the meaning of Section 7701(a)(30) of the US Tax Code, shall, subject to Clause 15.1(a)(iii), deliver to the Borrower (and/or such other Obligor as the Borrower designates) and the Agent the appropriate number of copies of duly executed US Internal Revenue Service Form W-9 or any successor to that form;

(iii) each Lender is not obliged to deliver any form(s) under Clause 15.1(a)(i) or (ii) above if, and to the extent that, as a result of the introduction of, or change in, or change in the interpretation or application by any relevant authority of, any law, treaty or regulation or any practice or concession of the US Internal Revenue Service after the Facility Initiation Date, such Lender is not legally entitled to complete the form(s) in a manner which will enable the Borrower to make payments to, or for, such Lender (through its relevant Facility Office) without deduction or withholding in respect of Taxes in the United States of America or with a Tax Deduction at a reduced rate; and

(iv) each Lender (copying in the Agent at all times) shall deliver the forms, certificates and documentation described in this Clause 15.1(a) to the Borrower at the following times:

(A) on or prior to becoming a party to this Agreement;

(B) upon a change in circumstances (other than the mere passage of time) requiring a new or additional form, certificate or documentation; and

(C) when reasonably requested by the Borrower.

(b) If any form, document or request for information referred to in Clause 15.1(a) or 15.1(c) requires the disclosure of information, other than information necessary to compute the Tax payable and such information as is required to be provided on the withholding forms, certificates and documents (including all attachments, revisions, updates and replacements currently required) that the relevant Lender is required to provide at the time it becomes a party to, or acquires an interest in, this Agreement which information each Lender reasonably considers to be confidential, that Lender shall not be obligated to include in such form or document such confidential information provided, however that the identity of any person shall not be considered confidential if such information is required to avoid or reduce withholding taxes.

(c) Each Lender shall promptly provide, upon reasonable request from the Borrower any additional information that the Borrower needs in order for the Borrower to determine the amount of any applicable withholding taxes, if applicable.

15.2 Register of Loans

(a) The Agent shall maintain a register (the US Register) for the registration and transfer of the Loans, and shall enter the names and addresses of the registered holders of the

Loans, the transfers of the Loans and the names and addresses of the transferees of the Loans. Each Lender, to the extent such Lender sells participations to any Person in all or a portion of such Lender's rights and/or obligations under this Agreement but remains solely responsible to the other Parties hereto for the performance of such Lender's obligations, shall maintain a register (the Participant Register) on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Finance Documents. The entries in the US Register and the Participant Register shall be conclusive absent manifest error.

(b) A Borrower and any Lender (as to its own Loans) shall be provided reasonable opportunities to inspect the US Register from time to time upon reasonable prior notice. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Finance Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the US Treasury Regulations (or any successor regulations).

(c) A Borrower shall treat any registered holder as the absolute owner of any Loans held by such holder, as indicated in the US Register, for the purpose of receiving payment of all amounts payable with respect to such Loans and for all other purposes. Each Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Solely for the purposes of this Clause 15.2 and for US federal income tax purposes, the Agent and each Lender shall be the Borrower's non-fiduciary agent for purposes of maintaining the US Register and the Participant Register.

(e) This Clause 15.2 shall be construed so that the Loans are at all times maintained in "registered form" meaning:

(i) the Loans are registered obligations and the right, title and interest of each Lender and its assignees or participants in and to such Loans, shall be transferable only upon notation of such transfer in the US Register or the Participant Register; and

(ii) the right to principal and interest is transferable only through an entry on the books of the obligation's Lender or Agent.

15.3 US Representations

(a) If a Lender is a US Person, that Lender warrants, represents and undertakes to a Borrower that at all times it is, and (except solely as a result of a change in law of the type described in Clause 16 (*Increased costs*)) shall be, a "United States person" for US federal withholding tax purposes.

(b) The warranties, representations and undertakings in this Clause 15.3 survive execution of this Agreement and apply at all times during the currency of this Agreement.

16. INCREASED COSTS

16.1 Increased costs

(a) Subject to Clause 16.3 (*Exceptions*) a Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation;

(ii) compliance with any law or regulation,

made after the Facility Initiation Date. This includes any law or regulation with regard to capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement "**Increased Costs**" means:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital (including as a result of any Tax on capital or reduction in the rate of return on capital as more capital is required to be allocated);

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

(c) In this Agreement "**Basel III**" means:

(i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(ii) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

16.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 16.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify a Borrower.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

16.3 Exceptions

Clause 16.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by an Obligor;
- (b) attributable to a FATCA Deduction required to be made by a Party;
- (c) compensated for by Clause 14.3 (Tax indemnity) (or would have been compensated for under Clause 14.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in Clause 14.4 (Exclusions) applied); or
- (d) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
- (e) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the Facility Initiation Date (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

17. OTHER INDEMNITIES

17.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (i) making or filing a claim or proof against that Obligor;
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, expense, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First

Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

17.2 Other indemnities

The Borrowers shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, expense, loss or liability (including legal fees) incurred by that Finance Party as a result of:

- (a) the occurrence of any Default;
- (b) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Obligor or with respect to the transactions contemplated or financed under this Agreement;
- (c) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, expense, loss or liability arising as a result of Clause 31 (Sharing among the Finance Parties);
- (d) funding, or making arrangements to fund, its participation in a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone);
- (e) issuing or making arrangements to issue a Bank Guarantee requested by a Borrower in a Utilisation Request but not issued by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (f) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower or a Borrower; or
- (g) an amount being paid or payable by that Finance Party to the Agent or another Finance Party under Clause 29.11 (*Lenders' indemnity to the Agent*); or
- (h) security being provided by that Finance Party to the Agent under Clause 29.7(j) (*Rights and discretions*) or Clause 29.11(d) (*Lenders' indemnity to the Agent*) including costs and expenses in providing that security and, if the security is cash, a Borrower shall pay interest on the amount provided from the date of provision in the manner provided in Clause 10.3 (Default interest); or
- (i) any Environmental Liability of or relating to any Group Member, including any failure by any Group Member to comply with any Environmental Health and Safety Law or any Environmental Approval,

in each case only to the extent that the cost, loss or liability does not arise as a result of any gross negligence, wilful misconduct or fraud on the part of the relevant Finance Party, its Affiliates or any of its employees.

17.3 Indemnity to the Agent

The Borrowers shall promptly indemnify the Agent against any cost, expense, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (c) instructing lawyers, accountants, tax advisers, surveyors or other experts or professional advisers as permitted under this Agreement.

18. MITIGATION BY THE FINANCE PARTIES

18.1 Mitigation

(a) Each Finance Party shall, in consultation with a Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or its Commitment being cancelled pursuant to, any of Clause 9.1 (*Illegality*) or, in respect of the Issuing Bank, Clause 9.2 (*Illegality in relation to Bank Guarantee*), Clause 14 (*Tax Gross Up and Indemnities*) (other than Clause 14.7 (*Indirect Tax*)) or Clause 16 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

18.2 Limitation of liability

(a) The Borrowers shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 18.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 18.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

19. COSTS AND EXPENSES

19.1 Transaction expenses

The Borrowers shall promptly on demand pay the Agent and the Arranger the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and registration of:

- (a) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (b) any other Finance Documents executed after the Facility Initiation Date.

This Clause overrides any provision to the contrary contained in a Priority Deed.

19.2 **Amendment costs**

If (a) an Obligor requests an amendment, waiver or consent or makes or initiates a request or demand under the PPSA or (b) an amendment is required pursuant to Clause 33.10 (*Change of currency*), a Borrower shall, within three Business Days of demand, reimburse the Agent and each other Finance Party for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or other Finance Party in responding to, evaluating, negotiating or complying with that request or requirement.

19.3 **Enforcement costs**

The Borrowers shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with:

(a) the enforcement of, or the preservation of any rights under, any Finance Document (including the cost in carrying out the audit in accordance with Clause 24.17(c) (*Environmental matters*)); and

(b) any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the Transaction Security.

19.4 **Restrictions**

The Borrower is not obliged to make a payment under Clause 19.1 (*Transaction expenses*) or 19.2 (*Amendment costs*), while any one or more of the following subsists in respect of that payment:

(a) the Borrower (acting reasonably) does not receive documentary evidence which substantiates the costs or expenses claimed by a Finance Party; or

(b) the costs or expenses claimed by that Finance Party are attributable to the internal management time of the Finance Party (unless such costs or expenses attributable to internal management time are contemplated in any Fee Letter to which that Finance Party is a party).

SECTION 7 GUARANTEE

20. GUARANTEE

20.1 Guarantee

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that:

(i) whenever an Obligor does not pay any amount when due under or in connection with any Finance Document (or anything which would have been due if the Finance Document or the amount was enforceable, valid and not illegal), immediately on demand by the Finance Party that Guarantor shall pay that amount as if it was the principal obligor; and

(ii) if an Ipso Facto Event is continuing, then immediately on demand by the Agent that Guarantor shall: (A) pay all Loans, accrued interest and all other amounts referred to in Clause 25.20 (*Consequences of Event of Default*) as if it was the principal obligor; and (B) provide full cash cover for all Bank Guarantees except to the extent they have been paid or prepaid;

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, expense, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount of the cost, expense, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

Each of paragraphs (a), (b)(i), (b)(ii) and (c) is a separate obligation. None is limited by reference to the other.

Excluded Swap Obligations are excluded from the obligations in this Clause 20.1 (*Guarantee*).

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Guarantor to honour all of its obligations under this Guarantee in respect of Swap Obligations such that they are not Excluded Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Clause 20 (*Guarantee*) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Clause 20 (*Guarantee*), or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Each Qualified ECP Guarantor intends that this Clause 20 (*Guarantee*) constitute, and this Clause 20 (*Guarantee*) shall be deemed to constitute, a “keepwell, support,

or other agreement” for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

20.2 Continuing guarantee

This Guarantee is a continuing obligation and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

20.3 Reinstatement

If any payment to or any discharge, release or arrangement given or entered into by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced for any reason (including as a result of insolvency, breach of fiduciary or statutory duties or any similar event) in whole or in part, then the liability of each Guarantor under this Clause 20 (*Guarantee*) will continue or be reinstated as if the discharge, release or arrangement had not occurred and any relevant security shall be reinstated.

20.4 Waiver of defences

The obligations of each Guarantor under this Clause 20 (*Guarantee*) will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 20 (*Guarantee*) (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or other concession or consent granted to, or composition with, any Obligor or other person;
- (b) the release or resignation of any other Obligor or any other person;
- (c) any composition or arrangement with any creditor of any Obligor or other person;
- (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (h) any set off, combination of accounts or counterclaim;

- (i) any insolvency or similar proceedings; or
- (j) this Agreement or any other Finance Document not being executed by or binding against any other Obligor or any other party.

References in Clause 20.1 (*Guarantee*) to obligations of an Obligor or amounts due will include what would have been obligations or amounts due but for any of the above, as well as obligations and amounts due which result from any of the above.

20.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 20 (*Guarantee*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

20.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received or recovered (by set off or otherwise) by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) without limiting paragraph (a), refrain from applying any moneys received or recovered (by set off or otherwise) from any Guarantor or on account of any Guarantor's liability under this Clause 20 (*Guarantee*) in discharge of that liability or any other liability of an Obligor, and claim or prove against anyone in respect of the full amount owing by the Obligors.

20.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 20 (*Guarantee*):

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of or provider of security for any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a Guarantee under Clause 20.1 (*Guarantee*);

(e) to exercise any right of set-off against any Obligor;

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party;
and/or

(g) in any form of administration of an Obligor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process) prove for or claim, or exercise any vote or other rights in respect of, any indebtedness of any nature owed to it by the Obligor.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 33 (*Payment Mechanics*).

20.8 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other Security taken pursuant to, or in connection with, any Finance Document where such rights or Security are granted by or in relation to the assets of the Retiring Guarantor.

20.9 Additional security

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

21. REPRESENTATIONS

Each Obligor (except where expressly noted otherwise) makes the representations and warranties set out in this Clause 21 (*Representations*) to, and for the benefit of, each Finance Party on the Facility Initiation Date and the Amendment Effective Date and makes the Repeating Representations on the other dates set out in Clause 21.37 (*Repetition*).

21.1 Status

(a) It is a corporation, partnership or limited liability company duly organised, validly existing and (where applicable) in good standing and duly incorporated and validly existing under the laws of its jurisdiction of incorporation or organisation (as applicable). It and each of its Subsidiaries is duly licensed or qualified and (where applicable) in good standing in each jurisdiction where the property owned or leased or licensed by it or the nature of the business transacted by it or both makes such licensing or qualification necessary and where the failure to so qualify would reasonably be expected to result in a Material Adverse Effect.

(b) It and each of its wholly owned Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

21.2 Binding obligations

(a) This Agreement has been duly and validly executed and delivered by it, and each other Finance Document which it is required to execute and deliver on or after the date hereof will have been duly executed and delivered by it on the required date of delivery of such Finance Document. The obligations expressed to be assumed by it in each Finance Document to which it is a party are, subject to any necessary stamping, registrations and Authorisations, equitable principles, bankruptcy, insolvency, reorganization, moratorium or other equitable principles and similar laws generally affecting creditors' rights, legal, valid, binding and enforceable obligations.

(b) Without limiting the generality of paragraph (a) above, each Transaction Security Document to which it is a party creates the Security which that Transaction Security Document purports to create and that Security is, subject to any necessary stamping, Authorisations and registration requirements, equitable principles and laws generally affecting creditors' rights, valid and effective.

21.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents including the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it which is material;
- (b) its or any of its wholly owned Subsidiaries constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets where a breach would have or would be reasonably likely to have a Material Adverse Effect.

21.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

21.5 Authorisations

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;

(b) to make the Finance Documents to which it is a party, its legal, valid, binding and enforceable obligations, admissible in evidence in its jurisdiction of incorporation;

(c) to perfect the Transaction Security; and

(d) for it and its Subsidiaries to carry on their business, where failure to obtain that Authorisation would have or would be reasonably likely to have a Material Adverse Effect,

have been obtained or effected and are in full force and effect.

21.6 Governing law and enforcement

(a) The choice of law referred to in a Finance Document as the governing law of that Finance Document will be recognised and enforced in its jurisdiction of incorporation.

(b) Any judgment obtained against it in Queensland in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

21.7 No filings or stamp Taxes

Under the law of its jurisdiction of incorporation it is not necessary in order to ensure that the Finance Documents are and remain legal, valid, binding and enforceable and that the Transaction Security has the ranking and priority which it is expressed to have in the Transaction Security Documents, that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents, except registration of security interests arising under the Finance Documents which are governed by the PPSA or the US Uniform Commercial Code on the personal property securities register established pursuant to the PPSA or with the applicable state governmental authority under the US Uniform Commercial Code, as applicable and except registration of Mining Tenement Security.

21.8 No default

(a) No Event of Default is continuing or may reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its wholly owned

Subsidiaries to which its assets (or the assets of its wholly owned Subsidiaries) are subject which would or would be reasonably likely to have a Material Adverse Effect.

21.9 Disclosure

It has disclosed in writing to the Original Lenders all information known to it which could reasonably be expected to be material to the ability of the Obligor (taken as a whole) to perform their obligations under the Finance Documents or to an Original Lender's assessment of the nature and degree of risk undertaken by it in granting financial accommodation to the Obligor in entering into the Finance Documents. As of the Utilisation Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

21.10 No misleading information

(a) Any factual information provided by or with the authority of an Obligor or any other member of the Group in writing in connection with the Finance Documents and the transactions they contemplate (excluding financial projections) was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated, and there are no undisclosed agreements or other information material to the transactions contemplated by the Finance Documents.

(b) Any financial projections provided by or with the authority of an Obligor or any other Group Member have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) Nothing has occurred and no information has been given or withheld or omitted that results in the information described in this Clause being untrue or misleading in any material respect.

21.11 Original Financial Statements

(a) Its Original Financial Statements were prepared:

(i) in the case of the consolidated Financial Statements for Coronado Curragh Pty Ltd as at 30 June 2018, in accordance with A-IFRS consistently applied unless expressly disclosed to the Finance Parties in writing to the contrary before the Facility Initiation Date; and

(ii) in the case of the consolidated Financial Statements for Coronado Group LLC as at 31 December 2017 in accordance with US GAAP consistently applied unless expressly disclosed to the Finance Parties in writing to the contrary before the Facility Initiation Date.

(b) Its Original Financial Statements give a true and fair view and fairly represent its financial position and performance (consolidated in the case of the Parent) during the financial year ending, in the case of the consolidated Financial Statements for Coronado Curragh Pty Ltd, 30 June 2018 and, in the case of the consolidated Financial Statements for Coronado Group LLC, 31 December 2017, except as expressly disclosed in those Financial Statements.

21.12 Financial Statements

(a) Excluding the Original Financial Statements, its most recent Financial Statements were prepared in accordance with US GAAP consistently applied and as US GAAP applied as at the Facility Initiation Date unless expressly disclosed to the contrary in those Financial Statements.

(b) Excluding the Original Financial Statements, its most recent Financial Statements give a true and fair view and represent its financial position and performance (consolidated in the case of the Parent) during the relevant financial year unless expressly disclosed to the contrary in those Financial Statements.

21.13 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.14 Ranking

The Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents (if any) and it is not subject to any prior ranking or pari passu ranking Security other than any Permitted Security which takes priority under the PPSA or US Uniform Commercial Code (as the context permits) or which is mandatorily required by any other applicable law to have priority (and which has not been subordinated to the Transaction Security under the terms of a Finance Document. Upon the filing of financing statements relating to said Transaction Security in each office and in each jurisdiction where required in order to perfect the Transaction Security described above, the Security created by the US Security Agreement in favor of the Security Trustee for the benefit of the Beneficiaries will constitute fully perfected first priority Security (subject to Permitted Security) on all right, title and interest of the Security Providers in the Secured Property, in each case to the extent perfection can be obtained by filing financing statements. All filing fees and other expenses in connection with each such action have been or will be paid by the Borrowers.

21.15 No proceedings pending

(a) No litigation, arbitration, Tax claim, dispute or administrative or other proceeding is current or pending or, to the best of its knowledge and belief, threatened against it or its wholly owned Subsidiaries, which, to the best of its knowledge and belief, would have or is reasonably likely to have a Material Adverse Effect except:

(i) for which it has set aside sufficient reserves in accordance with US GAAP or other appropriate accounting principles and which are being contested in good faith, unless failure to pay would have or is reasonably likely to have a Material Adverse Effect; and

(ii) as notified in writing by it to the Agent.

(b) Other than as notified to the Agent, no judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any government or other regulatory body which would have or would be reasonably likely to have a Material Adverse Effect has

(to the best of its knowledge and belief) been made against it or any of its wholly owned Subsidiaries.

21.16 Trustee

It does not enter into any Finance Document or hold any property as trustee.

21.17 Authorised signatories

Any person specified as its authorised signatory under Part I of Schedule 2 (*Conditions precedent*) or Clause 22.4 (Information: *miscellaneous*) is authorised to sign Utilisation Requests and other notices on its behalf except where it has previously notified the Agent that the authority has been revoked.

21.18 Tax Matters

(a) After the Parent has complied with Clause 4.4 (*Condition subsequent – Tax Consolidation*), each Obligor which is incorporated in Australia is a member of a Tax Consolidated Group for which the Head Company is Coronado Australia Holdings Pty Limited in accordance with the Tax Agreements.

(b) Except where failure to do so would not reasonably be expected to result in a Material Adverse Effect, all federal, state, local and other Tax returns required to have been filed with respect to each Obligor and each Subsidiary of each Obligor have been filed, and payment or adequate provision has been made for the payment of all Taxes that have or may become due pursuant to said returns or to assessments received, except to the extent that such Taxes are Contested Taxes and for which such reserves or other appropriate provisions, if any, as shall be required by US GAAP or other appropriate accounting principles shall have been made. There are no agreements or waivers extending the statutory period of limitations applicable to any income Tax return of any Obligor or Subsidiary of any Obligor for any period.

21.19 Solvency

There are no reasonable grounds to suspect that it is unable to pay its debts as and when they become due and payable.

21.20 Compliance with laws

Each Obligor and its wholly owned Subsidiaries has complied in all respects with all laws to which it or they may be subject, if failure so to comply would have or would be reasonably likely to have a Material Adverse Effect.

21.21 No benefit to related party

It has not contravened nor will contravene section 208 or 209 of the Corporations Act by entering into any Finance Document to which it is a party or participating in any transaction connected with them.

21.22 Ownership of property

It is the beneficial owner of, and has good title to, or valid leases or licences of, and all appropriate Authorisations to use, all property held by it or on its behalf and all undertakings carried on by it free from any Security except as permitted under Clause 24.5 (*Negative pledge*) and except for minor defects in title that do not interfere with its ability to conduct its

business as conducted or to utilize such property for its intended purpose or represent a material diminution in value of that property upon its sale or transfer.

21.23 Shares

The shares, membership or other interests, or other securities in or issued by any member of the Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional or other documents of entities whose shares, membership or other interests, or other securities are subject to the Security do not and could not restrict or inhibit any transfer or creation or enforcement of the Security.

21.24 No immunity

Neither it nor its assets is immune from the jurisdiction of a court or from legal process in relation to its obligations under the Finance Documents to which it is a party.

21.25 Benefit

It benefits by entering into the Finance Documents to which it is a party.

21.26 Insurance

It, and each member of the Group, has obtained and maintained insurance cover for its assets that is consistent with Good Operating Practice with, in the case of an Obligor, the Security Trustee's interest noted where it is customary to do so.

21.27 Sanctions

It and its Subsidiaries, and its and their respective directors and officers, and to its knowledge, its and their respective employees, agents, affiliates and representatives, are in compliance with Sanctions in all material respects. None of it or any of its Subsidiaries, nor any of its or their respective directors or officers, or to its knowledge, any of its or their respective employees, agents, affiliates or representatives, is a Sanctioned Person. It and its Subsidiaries maintain in effect policies and procedures designed to ensure compliance by the Obligors, each of their Subsidiaries and the respective directors, officers, employees and agents of the Obligors and their Subsidiaries with applicable Sanctions.

21.28 Anti-money laundering, anti-corruption laws

(a) Neither it nor any of its Subsidiaries, nor any of its or their respective directors or officers, or, to its best knowledge, any of its or their respective affiliates, agents or employees, have engaged in any activity or conduct which would violate any Anti-Corruption Laws. It and its Subsidiaries maintain in effect policies and procedures designed to ensure compliance by the Obligors, each of their Subsidiaries and the respective directors, officers, employees and agents of the Obligors and their Subsidiaries with Anti-Corruption Laws.

(b) The operations of the Obligors are, have been and will be conducted at all times in compliance in all material respects with all applicable money laundering statutes of Australia, the United States, and any other applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Agency or body or any arbitrator involving the Obligors with

respect to the Money Laundering Laws is pending or, to the knowledge of the Obligors, threatened.

(c) Notwithstanding any other provisions of a Finance Document to the contrary, a Finance Party is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation, including any Money Laundering Laws or Sanctions.

(d) Each Obligor undertakes to the Agent that if requested by the Agent, it (the **Discloser**) will provide any information or assistance to the Agent that is required by the Agent to satisfy its obligations in relation to any law or regulation including any Money Laundering Laws.

21.29 Environmental

(a) No Group Member has incurred any Environmental Liability, and no act or omission has occurred or is occurring and there is no circumstance relating to any Group Member's assets, operations or business which has given rise or is reasonably likely to give rise to an Environmental Liability affecting any Group Member's assets, operations or business which in each case above has or is reasonably likely to have a Material Adverse Effect.

(b) It and each of its Subsidiaries and Affiliates is in compliance, and has at all times complied, with all Environmental Health and Safety Laws (which compliance includes obtaining, maintaining and complying where failure to do so would have or is reasonably likely to have a Material Adverse Effect.

21.30 No violation of US margin regulations

The borrowings made under any Finance Document, and the use of proceeds thereof, will not violate, or give rise to a violation of, the US Margin Regulations (being regulations T, U and X of the Board of Governors of the Federal Reserve System of the United States from time to time in force, 12 CFR, Parts 220, 221 and 224, respectively).

21.31 US Investment Company Act

None of the Obligors nor any of their Affiliates is, and each Obligor shall ensure that neither it nor any of its Affiliates shall become, an "investment company" or a company "controlled" by an "investment company", as defined in, or subject to rules and regulations promulgated under, the US Investment Company Act of 1940.

21.32 Fraudulent transfers

In respect of any Obligor that is a US Person, and after taking account support from the Parent or any other member of the Group which the directors or officers of that Obligor reasonably believe is assured, the aggregate amount of its debts (including its obligations under the Finance Documents) is less than the aggregate value of its assets; its capital is not unreasonably small to carry on its business as it is being conducted; it has not incurred and does not intend to incur debts beyond its ability to pay as they mature; and it has not made a transfer or incurred any obligation under any Finance Document with the intent to hinder, delay or defraud any of its present or future creditors.

21.33 ERISA

Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect:

(a) the Parent and each other member of the ERISA Group are in compliance with any applicable provisions of ERISA and the Internal Revenue Code with respect to all Benefit Arrangements, Plans, and Multiemployer Plans. There has been no non-exempt Prohibited Transaction with respect to any Benefit Arrangement or any Plan or, to the knowledge of the Parent, with respect to any Multiemployer Plan or Multiple Employer Plan, which could result in any liability of the Parent or any other member of the ERISA Group. The Parent and all other members of the ERISA Group have made when due any and all payments required to be made under any agreement relating to a Multiemployer Plan or a Multiple Employer Plan or any law pertaining thereto. With respect to each Plan and Multiemployer Plan, the Parent and each other member of the ERISA Group (i) have fulfilled their obligations under the minimum funding standards of ERISA and the Internal Revenue Code, (ii) have not incurred nor reasonably expect to incur any liability to the PBGC, and (iii) have not had nor reasonably expect to have asserted against them any penalty for failure to fulfill the minimum funding requirements of ERISA or the Internal Revenue Code. All Plans, Benefit Arrangements and, to the knowledge of the Parent, Multiemployer Plans have been administered in accordance with their terms and applicable law;

(b) neither the Parent nor any other member of the ERISA Group nor the PBGC has instituted or is reasonably expected to institute proceedings to terminate any Plan.

(c) no event requiring notice to the PBGC under Section 303(k)(4) of ERISA has occurred or is reasonably expected to occur with respect to any Plan;

(d) to the extent that any Benefit Arrangement is insured, the Parent and all other members of the ERISA Group have paid when due all premiums required to be paid. To the extent that any Benefit Arrangement is funded other than with insurance, the Parent and all other members of the ERISA Group have made when due all contributions required to be paid;

(e) neither the Parent nor any other member of the ERISA Group has withdrawn or reasonably expects to withdraw from a Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA or has incurred or reasonably expects to incur any liability under Section 4062(e) of ERISA. To the knowledge of the Parent, no Multiemployer Plan or Multiple Employer Plan has been terminated within the meaning of Title IV of ERISA. No Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 430(i)(4) of the Internal Revenue Code or Section 303(i)(4) of ERISA). Neither the Parent nor any other member of the ERISA Group has received any notice concerning the imposition of withdrawal liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Title IV of ERISA) or in "endangered" or "critical" status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); and

(f) neither the Parent nor any other member of the ERISA Group has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

21.34 Projects

Except where non-compliance is subject to a dispute in good faith, each Group Member has complied with all obligations in connection with Projects, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

21.35 Producing Unincorporated Joint Ventures

As at the Facility Initiation Date, each member of the Obligor Group who owns shares in an Obligor that is a participant in a Producing Unincorporated Joint Venture is permitted under the terms of that Producing Unincorporated Joint Venture to create a Security in that shareholding in favour of the Security Trustee.

21.36 Group Structure Diagram

(a) The Group Structure Diagram delivered to the Agent as a condition precedent under Part I of Schedule 2 (*Conditions precedent*), complete and accurate in all material respects on the first Utilisation Date.

(b) The most recent Group Structure Diagram delivered to the Agent under Clause 22.4(i) (*Information: miscellaneous*) is true, complete and accurate in all material respects.

(c) All necessary intra-Group loans, transfers, share exchanges and other steps resulting in the final Group structure are set out in the Group Structure Diagram and have been or will be taken in compliance with all relevant laws and regulations and all requirements of relevant regulatory authorities.

21.37 Intellectual Property

Each Obligor and each Subsidiary of each Obligor owns or possesses all the patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights, without conflict with the rights of others, necessary for the Obligors to own and operate their properties and to carry on their businesses as presently conducted and planned to be conducted by such Obligors and Subsidiaries, except where the failure to so own or possess with or without such conflict would reasonably be expected to result in a Material Adverse Effect.

21.38 Employment Matters

(a) Each of the Obligors and each of their Subsidiaries is, and has been, in compliance with the Labor Contracts and all applicable federal, state and local labor and employment Laws including those related to equal employment opportunity and affirmative action, labor relations, minimum wage, overtime, child labor, medical insurance continuation, worker adjustment and relocation notices, immigration controls and worker and unemployment compensation, except where the failure to comply could not reasonably be expected to result in a Material Adverse Effect. There are no outstanding grievances, arbitration awards or appeals therefrom arising out of the Labor Contracts (as defined in the Term Loan Facility Agreement) or current or threatened strikes, picketing, handbilling or other work stoppages or slowdowns at

facilities of any of the Obligor or any of their Subsidiaries which in any case could reasonably be expected to result in a Material Adverse Effect.

(b) Except as could not reasonably be expected to result in a Material Adverse Effect: (i) each of the Obligor, each of their Subsidiaries and each of the “related persons” (as defined in the Coal Act) of each Obligor and each Subsidiary of each Obligor are in compliance with the Coal Act, to the extent that the Coal Act applies to it; and (ii) none of the Obligor, any Subsidiary of any Obligor nor any related person of any Obligor or its Subsidiaries has any liability under the Coal Act except with respect to premiums or other payments required thereunder which have been paid when due. The Obligor and their Subsidiaries are in compliance in all material respects with the Black Lung Act, to the extent that the Black Lung Act applies to it. None of the Obligor nor any of their Subsidiaries has any liability under the Black Lung Act except with respect to premiums, contributions or other payments required thereunder which have been paid when due.

21.39 Environmental Health and Safety Matters.

(a) The Obligor and their Subsidiaries and their respective operations and facilities are and have been in compliance with all Environmental Health and Safety Laws, including holding and operating in compliance with Environmental Health and Safety Permits, and have submitted timely applications for the issuance or renewal of all such Permits to the extent required to support ongoing or planned operations, except in any such case which could not reasonably be expected to result in a Material Adverse Effect.

(b) There are no actions, suits, proceedings or investigations pending or, to the knowledge of any Obligor, threatened against any Obligor or any Subsidiary of any Obligor at Law or equity before or by any Official Body relating to Environmental Health and Safety Laws or Environmental Health and Safety Permits, and no prior action, suit, proceeding or investigation has resulted in a consent decree, order, settlement or other agreement, except, in each case, which could not reasonably be expected to result in a Material Adverse Effect.

(c) There are no pending or, to the knowledge of any Obligor, threatened Environmental Health and Safety Claims which could reasonably be expected to result Environmental Liability to any Obligor or any Subsidiary, except for any such Environmental Health and Safety Claims which could not reasonably be expected to result in a Material Adverse Effect.

(d) To the knowledge of any Obligor, there are no facts, circumstances, conditions or occurrences (including any Contamination or Release of Regulated Substances) that would be reasonably expected to cause any Obligor or any Subsidiary to incur or be subject to any Environmental Liabilities, (other than ordinary course compliance with Environmental Health and Safety Laws and reclamation, closure and decommissioning obligations) except in each case that could not reasonably be expected to result in a Material Adverse Effect.

(e) No current or anticipated Security on the ownership, occupancy, use or transferability of real property or facilities, whether owned or leased or licensed (other than Permitted Security), authorized by Environmental Health and Safety Laws exist against any real property, whether owned or leased or licensed, of any Obligor or any Subsidiary which could reasonably be expected to result in a Material Adverse Effect.

21.40 Title to Real Property.

Each Obligor and each Subsidiary of each Obligor (i) owns or leases or licenses all Real Property interests that are necessary or appropriate for Parent and its Subsidiaries to conduct their respective operations in all material respects, (ii) and, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, has good and valid title to all of their other respective assets, in the case of both the foregoing items (i) and (ii) of this sentence, free and clear of all Security and encumbrances except Permitted Security, and subject to the terms and conditions of the applicable leases and subject to the terms of the Stanwell Arrangements; provided, however, an Obligor or a Subsidiary of an Obligor shall not be in breach of the foregoing in the event that (x) it fails to own a valid leasehold interest which, either considered alone or together with all other such valid leaseholds which it fails to own, is not material to the continued operations of such Obligor or Subsidiary of such Obligor or (y) such Obligor's or such Subsidiary's interest in a leasehold is less than fully marketable because the consent of the lessor to future assignments has not been obtained.

21.41 Surety Bonds

All surety, reclamation and similar bonds required to be maintained by Parent or any of its Subsidiaries under any Environmental Health and Safety Laws, Reclamation Laws, Mining Laws or any provisions of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound (i) are in full force and effect except for any failure which individually or when taken together with all failures under all such bonds would not reasonably be expected to result in a Material Adverse Effect, and (ii) were not and will not be terminated, suspended, revoked or otherwise adversely affected by virtue of the consummation of the financing (including all Loans made after the Facility Initiation Date) contemplated by this Agreement, provided that certain of such bonds may be terminated, suspended or revoked so long as, taken together, such events could not reasonably be expected to result in a Material Adverse Effect. All required guaranties of, and letters of credit with respect to, such surety, reclamation and similar bonds are in full force and effect except where such failure to be in full force and effect could not reasonably be expected to result in a Material Adverse Effect.

21.42 Mine sites

Except as listed in Schedule 10 (*Real Property*), no mining tenement or interest in Real Property is necessary to enable the mining of the Buchanan Mine, the Greenbrier Mine, the Logan Mine or the Curragh Mine and, subject to Clause 4.5 (*Conditions precedent – other*), each such tenement or interest is subject to a Mining Tenement Security.

21.43 **Surface Facilities**

All Surface Facilities are located on the surface of Real Property that is owned (and not leased) by an Obligor and is subject to a perfected Mining Tenement Security, with the following exceptions:

- (a) all of the Surface Facilities servicing the Logan Mine are on leased land; and
- (b) some small part of the Surface Facilities servicing the Buchanan Mine are on leased land

but in the case of both (a) and (b) the Obligors own the structures, infrastructure and equipment comprising the Surface Facilities. For the purpose of this Clause 21.43, “**Surface Facilities**” means the coal washing and preparation facilities, together with related structures and equipment, which provide coal washing, preparation, storage and loadout services at the Logan Mine, the Buchanan Mine and the Greenbrier Mine.

21.44 **Repetition**

The Repeating Representations are deemed to be made by each Obligor:

- (a) the date of each Utilisation Request and the first day of each Interest Period; and
- (b) in the case of an Additional Obligor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Obligor

with reference to the facts and circumstances then existing; except that the representations and warranties set out in Clauses 21.10(a) (*No misleading information*) and 21.10(b) (*No misleading information*) will be repeated with reference to the facts and circumstances subsisting at the time the relevant information was provided or stated (in the case of Clause 21.10(a)) or at the time the relevant financial projections were prepared (in the case of Clause 21.10(b)).

21.45 **Reliance by Finance Parties**

Each Obligor acknowledges that the Finance Parties have entered into each Finance Document in reliance on the representations and warranties given by it under this agreement.

22. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 22 (*Information Undertakings*) remain in force from the Facility Initiation Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 **Financial Statements**

The Parent shall supply to the Agent:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years its audited consolidated Financial Statements for that financial year; and

(b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years its unaudited consolidated Financial Statements for that financial half year.

22.2 Compliance Certificate and other information

The Parent shall supply to the Agent, with each set of Financial Statements delivered pursuant to Clause 22.1(a) and Clause 22.1(b)(*Financial statements*):

(a) a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22.7 (*Financial covenants*) as at the date as at which those Financial Statements were drawn up. Each Compliance Certificate shall be signed by 2 officers or an officer plus any of the chief executive officer or group chief financial officer of the Parent; and

(b) updated 5 year financial forecasts outlining:

- (i) Production;
- (ii) Reserves;
- (iii) operating expenses;
- (iv) capital expenditure;
- (v) cashflows; and
- (vi) EBITDA.

22.3 Requirements as to Financial Statements

(a) The Parent shall procure that each set of annual Financial Statements delivered by the Parent pursuant to Clause 22.1 (*Financial statements*) shall be audited by the Auditors.

(b) Each set of Financial Statements delivered pursuant to Clause 22.1 (*Financial statements*) shall be certified by a director or chief financial officer or chief executive officer of the relevant company as giving a true and fair view of (in the case of annual Financial Statements for any financial year) or (in other cases) fairly representing its financial condition as at the date as at which those Financial Statements were drawn up.

(c) The Parent shall procure that each set of Financial Statements of an Obligor delivered pursuant to Clause 22.1 (*Financial statements*) is prepared using US GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the previous Financial Statements supplied under this agreement (except if they are the Original Financial Statements) unless, in relation to any set of Financial Statements, it notifies the Agent that there has been a change in US GAAP, the accounting practices or reference periods and its Auditors (or, if appropriate, the Auditors of the Obligor) deliver to the Agent:

(i) a description of any change necessary for those Financial Statements to reflect the US GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Agent to determine whether Clause 23 (*Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those Financial Statements and that Obligor's Original Financial Statements.

(d) Any reference in this Agreement to those Financial Statements shall be construed as a reference to those Financial Statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

22.4 **Information: miscellaneous**

The Parent shall supply to the Agent:

(a) Reserves Statements, contemporaneously with them being provided to the ASX;

(b) with the first Compliance Certificate delivered to the Agent under Clause 22.2(a) (*Compliance Certificate and other matters*), a copy of the Hedging Policy;

(c) promptly, a copy of the amended Hedging Policy promptly after it is changed in a material way from time to time;

(d) all documents dispatched by the Parent to its shareholders (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;

(e) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which would, if adversely determined amount to a judgement, order or penalty in excess of A\$20,000,000 or would have or would be reasonably likely to have a Material Adverse Effect;

(f) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which is made against any member of the Group and which would have or would be reasonably likely to have a Material Adverse Effect;

(g) promptly, such information as the Agent may reasonably require about the Secured Property and compliance of the Obligor with the terms of any Transaction Security Documents; and

(h) promptly, notice of any change in authorised signatories of any Borrower signed by a director or secretary of the Borrower accompanied by specimen signatures of any new signatories;

(i) an updated Group Structure Diagram promptly after there is a change in the structure of the Group that would render the last Group Structure Diagram given to the Agent incorrect;

(j) promptly, notice of any Environmental Liability of or relating to any Group Member, including without limitation any alleged breach of any Environmental Health and Safety Law or Environmental Approval by any Group Member that has given rise or is likely to give rise to expenditure by any Group Member or a claim against any Group Member, in each case that may exceed A\$10,000,000 or a requirement that a Group Member ceases or substantially alters a material activity;

(k) promptly upon request by the Agent, evidence of insurance being maintained as required by this Agreement;

(l) promptly, upon request by the Agent, evidence that no royalty payment required to be paid by an Obligor is in arrears; and

(m) promptly, any other information relating to the financial performance (including for the purposes of testing covenants under Clause 23.1 (*Financial covenants*) or business and operations of the Group reasonably requested by the Agent on behalf of a Lender (including information in relation to Production and Reserves and any other technical information reasonably requested by the Agent which a Group Member has in its possession).

22.5 Notification of Defaults and Review Events

(a) Each Borrower shall notify the Agent of any Default or Review Event (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Borrower is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Parent shall supply to the Agent a certificate signed by a director or chief financial officer or chief executive officer on its behalf certifying that no Default or Review Event is continuing (or if a Default or Review Event is continuing, specifying the Default or Review Event, as applicable, and the steps, if any, being taken to remedy it).

22.6 "Know your customer" checks

The Obligors shall supply promptly all documents and other evidence reasonably requested by the Agent or a Lender in order for the Agent, the Lender or a proposed New Lender under Clause 26 (*Changes to the Lenders*) to carry out all necessary "know your customer" or other similar checks in relation to an Obligor or proposed Additional Obligor under all applicable laws and regulations where such information is not already available to the recipient.

22.7 Producing Unincorporated Joint Ventures

The Obligors shall supply to the Agent promptly upon becoming aware of them, the details of any alleged breach of or dispute under the terms of a Producing Unincorporated Joint Venture which could reasonably be expected to adversely affect the relevant member of the Group's interest in or revenues from that Producing Unincorporated Joint Venture (including without limitation, a dilution or forfeiture of the relevant member of the Group's interest in that Producing Unincorporated Joint Venture).

22.8 Environmental Health and Safety Matters

Each of Parent and the Borrowers shall, and shall cause each of its Subsidiaries to (i) comply with applicable Environmental Health and Safety Laws and Environmental Health and Safety Orders, (ii) obtain, maintain in full force and effect and comply with the terms and conditions of all Environmental Health and Safety Permits; (iii) take commercially reasonable precautions to prevent Contamination on the real property, whether owned or leased, of any Obligor or any Subsidiary of a Obligor; (iv) take commercially reasonable precautions against the imposition, attachment, filing or recording of any Security (other than Permitted Security) or other encumbrance authorized by Environmental Health and Safety Laws (other than Permitted Security) to be imposed, attached or be filed or recorded against the Real Property or any other real property owned or leased by any of them; and (v) perform or pay for performance of any Remedial Actions necessary to (A) respond to any Environmental Health and Safety Orders or Environmental Health and Safety Complaints related to the real property, whether owned or leased, of any Obligor or any Subsidiary of a Obligor, or (B) to manage Contamination at, in, on, under, emanating to or from or otherwise affecting the real property, whether owned or leased, of any Obligor or any Subsidiary of a Obligor; except, in the case of each of clauses (i)-(v) above, as could not reasonably be expected to result in a Material Adverse Effect; provided, in each case, that a failure to take such actions described above shall not be a Default if Parent, the Borrowers or the applicable Subsidiary is in good faith reasonably contesting such matter in the applicable jurisdiction in accordance with applicable Environmental Health and Safety Laws.

23. FINANCIAL COVENANTS

23.1 Financial covenants

The Parent must ensure that at all times:

- (a) the ratio of Net Debt to EBITDA for the preceding 12 month period does not exceed 2.50 times;
- (b) the ratio of EBITDA to Net Interest Expense for the preceding 12 month period is at least 3.00 times; and
- (c) the ratio of Net Debt to Net Debt plus Tangible Net Worth, expressed as a percentage, does not exceed 40%.

When calculating EBITDA for the purposes of the Financial Covenants the following amounts are to be excluded:

- (i) cash flows generated from assets subject to a Security securing Limited Recourse Financial Indebtedness, except to the extent that they have been received by an Obligor as Distributions that have been accounted for as cash in the relevant accounting period; and
- (ii) amounts otherwise included in EBITDA which are attributable to Group Members which are not wholly-owned Subsidiaries of the Parent, except if and to the extent that they have been received by an Obligor as Distributions that have been accounted for as cash in the relevant accounting period.

Further, if a Group Member acquires either an asset, or an entity that becomes a Group Member, and when next tested in accordance with Clause 23.2 (*Testing of covenants*) the Net Debt to EBITDA Financial Covenant or the EBITDA to Net Interest Expense Financial Covenant would otherwise be breached solely because EBITDA does not include the contribution of that asset or entity for all of the 12 month period preceding the date as at which the Financial Covenants are tested, then EBITDA is to be calculated to include the contribution of that asset or entity for all of the 12 month period preceding the date as at which the Financial Covenants are tested (including EBITDA for the period during which that asset or entity was not owned by the Group). Promptly upon request by the Agent, the Parent must provide such documents, certifications, audit reports, projections and other supporting information and evidence as the Agent may require to substantiate the adjustments to EBITDA the subject of this paragraph.

23.2 Testing of covenants

Without limiting the requirement to maintain compliance with the Financial Covenants at all times, the Borrowers shall be required to demonstrate compliance with the Financial Covenants at the following times and on the basis of the following evidence:

- (a) as at 31 December each year, on the basis of:
 - (i) the audited consolidated Financial Statements of the Group as at, and for the financial year ending on, that date; and
 - (ii) the Compliance Certificate,
given to the Agent under this Agreement; and
- (b) as at 30 June each year, on the basis of:
 - (i) the unaudited consolidated Financial Statements of the Group as at, and for the financial half-year ending on, that date; and
 - (ii) the Compliance Certificate,
given to the Agent under this Agreement; and
 - (iii) the consolidated Financial Statements of the Group as at, and for the financial half-year ending on, the immediately preceding 31 December (for the purpose of calculating, in conjunction with the Financial Statements referred to in Clause 23.2(a)(i), EBITDA and Net Interest Expense for the 12 months ending on the half-year reporting date referred to in Clause 23.2(b)(i)).
- (c) If, at any time changes to US GAAP relevant to the Group and/or changes to the Group's accounting treatment (provided such changes in such accounting treatment are certified by the Auditors of the Parent without qualification as resulting in the Financial Statements of the Group presenting a true and fair view of the state of affairs and results of the Group) shall cause either:
 - (i) the mathematical results of any Financial Covenant; or

(ii) the determination of any definition or element used in the calculation of any Financial Covenant,

to be different to the results which would have been derived prior to such changes in accounting in such a manner so as to prejudice the ability of the Obligors to comply with the terms of the Financial Covenants or any definition or element used in the calculation of any Financial Covenant, then the Parent must notify the Agent (or if the changes are identified by the Agent, the Agent must notify the Parent) of the occurrence of such changes in US GAAP and accounting treatments (as soon as the relevant party becomes aware of any such changes, such notification being the Notification Date) and then the Parent and the Agent (acting on the instructions of the Majority Lenders) will enter into discussions to agree appropriate variations to the terms of the Financial Covenants or any definition or element used in the calculation of any Financial Covenant (being the **Relevant Covenants and Definitions**) so that their original effect and intent may be maintained.

(d) If the parties fail to agree on the appropriate variations to the Relevant Covenants and Definitions within 30 days (or such longer period as the Parent and the Agent (acting on the instructions of the Majority Lenders) may agree) of the Notification Date, then from that time, the Parent will provide the Financial Reports, each Compliance Certificate and all other financial information required to be provided under this Agreement together with reconciliation statements necessary to enable the Parent to demonstrate compliance with the Relevant Covenants and Definitions based on the US GAAP prior to the relevant change occurring and there shall be no Default or Event of Default under this Agreement in respect of the Relevant Covenants and Definitions so long as the Parent demonstrates compliance with the Relevant Covenants and Definitions based on the US GAAP prior to the change occurring, notwithstanding that the Parent may not be able to demonstrate such compliance based on the changed US GAAP.

24. GENERAL UNDERTAKINGS

The undertakings in this Clause 24 (*General Undertakings*) remain in force from the Facility Initiation Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

24.1 Authorisations

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect:

(i) any Authorisation required to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document to which it is a party; and

(ii) any Authorisation required for it to carry on its business; and

(b) on request by the Agent, supply certified copies to the Agent of any Authorisation referred to in sub paragraph (a)(i).

24.2 Compliance with laws and payment of Taxes

(a) Each Group Member shall comply in all respects with all laws (including Environmental Health and Safety Laws and Environmental Approvals) to which it is subject, and ensure that each of its Subsidiaries also complies, if failure so to comply would have or would be reasonably likely to have a Material Adverse Effect, except for Anti-Corruption Laws and Sanctions, where compliance is required in all material respects. The Obligors shall, and shall cause each of their Subsidiaries to, maintain in effect policies and procedures designed to ensure compliance by the Obligors, each of their Subsidiaries and the respective directors, officers, employees and agents of the Obligors and their Subsidiaries with Anti-Corruption Laws and applicable Sanctions.

(b) Each Obligor must pay all Taxes (including any Indirect Taxes) when due, other than Contested Taxes as to which appropriate reserves have been established in accordance with US GAAP or other appropriate accounting principles and ensure that each of its wholly owned Subsidiaries does the same.

24.3 Corporate Existence

Each Obligor will do everything necessary to maintain its existence in good standing, and not transfer its jurisdiction of incorporation or enter into any merger or consolidation, other than a solvent liquidation, merger, consolidation or reorganisation.

24.4 Change of business

Each Obligor will ensure that the general nature of the business of the Group is and remains the exploration for and mining of, and marketing and sale of, coal.

24.5 Negative pledge

(a) The Obligors must not create a Security or allow one to exist on the whole or any part of their present or future assets, other than a Permitted Security.

(b) Without limiting paragraph (a), no Obligor shall (unless it is a Permitted Security or otherwise expressly permitted by this Agreement):

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be lease to or re-acquired by an Obligor;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any title retention arrangement in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

(iv) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts, unless in the ordinary course of its banking arrangements or Treasury Transactions; or

(v) enter into any other preferential arrangement having similar effect.

(c) The Obligors must ensure that no Recognition Certificate is delivered to the Security Trustee other than pursuant to Section 9 (*Changes to parties*) of this Agreement or with the consent of the Agent (acting on the instructions of the Majority Lenders).

24.6 Preservation of assets

Each Obligor shall (and the Parent shall ensure that each member of the Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business.

24.7 Material Contracts

(a) The Parent shall not (and shall ensure that each other member of the Group does not):

(i) amend in any way, or waive any requirement of, a Material Contract which would be materially adverse to the interests of the Finance Parties;

(ii) assign or permit any assignment of, or terminate or do anything or fail to do anything which would give rise to another party having the right to terminate, any Material Contract where such assignment or termination would have or would be reasonably likely to have a Material Adverse Effect; or

(iii) fail to procure the extension or renewal on materially comparable terms (or more favourable to the Group) each Material Contract where such failure would have or would be reasonably likely to have a Material Adverse Effect,

in each case, without the prior consent of the Agent acting on the instructions of the Majority Lenders.

(b) The Parent shall ensure that any royalty payments in connection with a mining tenement do not fall into arrears.

24.8 *Pari passu* ranking

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party and the Security Trustee against it under the Transaction Security Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

24.9 Financial accommodation

No Obligor may:

(a) advance money or make available financial accommodation to or for the benefit of; or

(b) give a Surety in connection with an obligation or liability of,

any person who is not also an Obligor unless it is Permitted Financial Accommodation.

24.10 Financial Indebtedness

Each Obligor undertakes not to incur, or to permit any other Group Member to incur any Financial Indebtedness other than Permitted Financial Indebtedness.

24.11 Disposals

(a) No Obligor may enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary, to sell, lease, transfer, create an interest in or otherwise dispose of any asset, other than, subject to paragraph (b), a Permitted Disposal.

(b) No Obligor may enter into a single transaction or a series of transactions (whether related or not) to sell, lease, transfer or otherwise dispose of its right to mine the Curragh Mine or the Buchanan Mine (including but not limited to any sale, lease, transfer or disposal of the Australian Mining Tenement and the Real Property or freehold or leasehold interests in those mines).

(c) The Finance Parties must procure, promptly and in any event no later than 15 Business Days after an Obligor requests it, a full and unconditional release by the Security Trustee of any Security over Secured Property the subject of a Permitted Disposal such release to become effective on occurrence of the relevant disposal, provided that the request is accompanied by a certificate signed by the Parent confirming that:

(i) no Default is continuing or would result from the disposal; and

(ii) there will be no breach of a Financial Covenant at the next testing date under Clause 23.2 (Testing of covenants) based on projected financials for the Group prepared and provided by the Parent (after excluding the assets the subject of the disposal), together with calculations evidencing compliance with Clause 23.2 (*Testing of covenants*).

The Security Trustee need not comply with this Clause if all “Beneficiaries” (as defined in the Security Trust Deed) instruct the Security Trustee that they believe that the statements in the certificate are incorrect in a material respect.

24.12 Distributions

The Parent will not make a Distribution except in accordance with the law and only if an Event of Default is not continuing and will not occur as a result of the Distribution.

24.13 Personal Property Securities Act 2009

(a) If a Finance Document (or a transaction in connection with it) operates as, or gives rise to, a security interest in favour of a Finance Party for the purposes of the PPSA, each Borrower will, at its cost and expense, do anything (including, but not limited to, obtaining consents, signing and producing documents, getting documents completed and signed and supplying information, and procuring any related party to do any of those things) which the Agent (acting in the instructions of the Majority Lenders) reasonably requests and is reasonably necessary for the purposes of:

(i) ensuring that the Finance Document and security interest is fully effective, enforceable and perfected with the contemplated priority; or

(ii) enabling that Finance Party to apply for any registration, or give any notification, in connection with the security interest so that the security interest has the priority intended by the parties at the Facility Initiation Date; or

(iii) enabling that Finance Party to exercise rights in connection with its security interest.

(b) Where any Finance Party has a security interest (as defined in the PPSA) under any Finance Document, to the extent the law permits:

(i) for the purposes of sections 115(1) and 115(7) of the PPSA:

(A) each Finance Party with the benefit of the security interest need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4) of the PPSA; and

(B) sections 142 and 143 of the PPSA are excluded;

(ii) for the purposes of section 115(7) of the PPSA, each Finance Party with the benefit of the security interest need not comply with sections 132 and 137(3);

(iii) each Party waives its right to receive from any Finance Party any notice required under the PPSA (including a notice of a verification statement; and

(iv) if a Finance Party with the benefit of a security interest exercises a right, power or remedy in connection with it, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless the Finance Party states otherwise at the time of exercise. However, this Clause does not apply to a right, power or remedy which can only be exercised under the PPSA.

(c) This does not affect any rights a person has or would have other than by reason of the PPSA and applies despite any other Clause in any Finance Document.

24.14 Anti-money laundering

(a) Each Obligor agrees that a Finance Party may delay, block or refuse to process any transaction without incurring any liability if that Finance Party suspects that:

(i) the transaction may breach any laws or regulations in Australia or any other country;

(ii) the transaction involves any Sanctioned Person; or

(iii) the transaction may directly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country.

If a Finance Party decides to delay, block or refuse to process any transaction on the basis of this Clause it must first give the Parent written notice of that fact and the reasons for it doing so (to the extent giving that information is not prohibited by law).

(b) Each Obligor must provide all information to the Agent which the Agent or a Lender reasonably requires in order to manage its money-laundering, terrorism financing or Sanctions risk or to comply with any laws or regulations in Australia or any other country.

(c) Unless an Obligor has disclosed that it is acting in a trustee capacity or on behalf of another party, each Obligor warrants that it is acting on its own behalf in entering into any Finance Document.

(d) Each Obligor declares and undertakes that the processing of any transaction by a Finance Party in accordance with the Obligor's instructions will not breach any laws or regulations in Australia or any other country in which the Group conducts business.

(e) Each Obligor agrees that:

(i) no person that is a Sanctioned Person will have any legal or beneficial interest in any funds repaid or remitted by the Borrowers to any Finance Party in connection with the Facilities; and

(ii) they shall not use any revenue or benefit derived from any activity or dealing with a Sanctioned Person for the purpose of discharging amounts owing to any Finance Party in respect of the Facilities.

24.15 Sanctions; Anti-Corruption

No Obligor shall (and each Obligor shall ensure that no other member of the Group will) directly or indirectly, use the proceeds of any Facility (or lend, contribute or otherwise make available such proceeds to any person): (i) to fund any activities of or business with any Sanctioned Person, or in any Sanctioned Country, or in any other manner that would result in a violation of Sanctions by any Finance Party or (ii) in violation of any Anti-Corruption Laws.

24.16 Composition of Obligor Group

(a) The Parent must ensure that, subject to paragraph (d), at all times during the term of the Facilities, the Obligor Group together accounts for:

(i) at least 90% of Total Tangible Assets (on a consolidated basis) of the Relevant Group; and

(ii) at least 90% of EBITDA (on a consolidated basis) of the Relevant Group.

(b) For the purposes of these tests, in calculating:

(i) Total Tangible Assets of the Relevant Group, Total Tangible Assets will be adjusted to eliminate the direct contributions of Excluded Subsidiaries; and

(ii) EBITDA of the Relevant Group, EBITDA will be adjusted to eliminate:

(A) amounts otherwise included in EBITDA which are attributable to Group Members which are Excluded Subsidiaries, except if and to the extent that they have been received by an Obligor as Distributions that have been

accounted for as cash or cash equivalents in the relevant accounting period; and

(B) cash flows generated from assets subject to a Security securing Limited Recourse Financial Indebtedness, except if and to the extent that they have been received by an Obligor as Distributions that have been accounted for as cash or cash equivalents in the relevant accounting period.

(c) Without limiting the Parent's obligations under Clause 24.16(a), upon a Project Company ceasing to have any Limited Recourse Financial Indebtedness it will cease to be a Project Company and will be taken into account for the purposes of calculating compliance with Clause 24.16(a). If the relevant entity is required to be a Guarantor to comply with Clause 24.16(a), the Parent must procure that it becomes a Guarantor (and where it is incorporated in Australia or the United States of America (or any state or commonwealth thereof, including the District of Columbia), a member of the Obligor Group) within 3 Months of it ceasing to be a Project Company.

(d) If required in order to ensure compliance with Clause 24.16(a) the Parent must ensure that a Subsidiary (other than an Excluded Subsidiary) becomes party to this Agreement (and the Security Trust Deed and relevant Transaction Security Documents) as a Guarantor by complying with Clause 27 (*Changes to Obligors*) within 30 days of delivery of a Compliance Certificate or otherwise becoming aware that the tests in paragraph (a) may not be met.

24.17 Environmental matters

(a) Each Group Member shall:

(i) obtain, maintain and ensure material compliance with all Environmental Approvals; and

(ii) implement and maintain procedures and management systems which are adequate to ensure and monitor its compliance with Environmental Health and Safety Laws and to prevent any Environmental Liability.

(b) Without limiting any other reporting obligations in this Agreement, each Group Member shall, promptly upon becoming aware, notify the Agent of:

(i) each written request, notification, demand or other communication received from a Governmental Agency in connection with a breach or potential breach of any Environmental Health and Safety Law or Environmental Approval;

(ii) any proceedings that would reasonably be likely to give rise to an Environmental Liability that are ongoing or commenced or, to its knowledge, threatened in writing; or

(iii) any circumstances reasonably likely to result in an Environmental Liability,

in each case (a) and (b) above which has, had or is reasonably likely to have a Material Adverse Effect or would otherwise result in any liability (including any Environmental Liability) of a Finance Party.

(c) Where a Finance Party reasonably suspects that a Group Member is not complying in a material respect with an Environmental Health and Safety Law or Environmental Approval and, after consultation with the Group Member, the Finance Party reasonably continues to suspect non-compliance, a Finance Party may (but shall have no obligation to), at the cost of the Borrower, appoint an Environmental expert (in consultation with the Borrower) to conduct an audit of the relevant Group Member's Premises, procedures and management systems (limited in scope to those matters directly relating to the alleged non-compliance), and compliance with such procedures and systems relating to that area and/or request copies of any risk registers or internal or external audits of such procedures and compliance conducted by the relevant Group Member. Each Group Member will do everything reasonably necessary to facilitate any such audit. For the avoidance of doubt, nothing in this clause requires any Finance Party to monitor or take any action to monitor compliance by the Group Members with their obligations under an Environmental Health and Safety Law or Environmental Approval. This audit is not to be a general audit of all of the Group Member's system and processes.

(d) Without limitation to any other rights of a Finance Party, where the procedures or the audit referred to in clause (c) above reveal any Environmental Liability or non-compliance with Environmental Health and Safety Law or Environmental Approval, the Borrower will promptly implement a plan to remedy such Environmental Liability or non-compliance and provide the Agent with an update on the implementation of such plan.

(e) Each Group Member will ensure that at all times it has made adequate provision to comply with its reclamation, rehabilitation and restoration obligations under Environmental Health and Safety Law in respect of land upon which its activities are or have been conducted, including but not limited to the provision and maintenance of adequate financial assurances under Environmental Health and Safety Law.

(f) Where a Utilisation is used to fund a project to which the Equator Principles would apply, the Borrower will ensure that the development of that project complies with the Equator Principles or comparable standards that meet or exceed the objectives of the Equator Principles.

24.18 Partnerships and joint ventures

Other than investments in existence as at the Facility Initiation Date and disclosed in the materials delivered to the Agent as a condition precedent under Part I of Schedule 2 (*Conditions precedent*), no Group Member shall make any new or additional investment by way of partnership, joint venture (whether incorporated or unincorporated) or non-wholly owned Subsidiary or acquire any further equity in or provide financial accommodation (subject always to Clause 24.9 (*Financial accommodation*)) to such partnership, joint venture or non-wholly owned subsidiary unless the entity that is party to or holds the investment in (as the

case may be) the partnership or joint venture, or who holds the equity in the incorporated joint venture or non-wholly owned Subsidiary, or provides the financial accommodation is an Obligor.

24.19 Treasury Transactions

(a) No Obligor shall enter into any Treasury Transaction except Treasury Transactions consistent with and compliant with the Hedging Policy.

(b) No Obligor shall enter into any Treasury Transaction for the purpose of speculation.

24.20 Mining tenements; After-Acquired Property; Further assurances regarding Secured Property

(a) Each Obligor will ensure that at all times, (1) each mining tenement issued to it or in its favour (other than a Project Asset) is and remains at all times the subject of a Mining Tenement Security and (2) if any such Obligor acquires, leases, licenses or otherwise obtains any rights to any additional property or asset after the Listing Date (other than US Excluded Property), such Obligor shall execute and deliver to the Security Trustee for the benefit of the Beneficiaries, the Transaction Security Documents reasonably necessary, or as the Agent may reasonably deem necessary, to grant first priority perfected Security and security interests (subject only to Permitted Security) in and to such property or asset of such Obligor, in each case in accordance with the terms of the Finance Documents.

(b) Whenever the Agent or the Security Trustee requests an Obligor to do anything: (i) to ensure any Finance Document (or any security interest (as defined in the PPSA) or other Security under any Finance Document) is fully effective, enforceable and perfected with the contemplated priority; (ii) for more satisfactorily assuring or securing to the Finance Parties the property the subject of any such security interest or other Security in a manner consistent with the Finance Documents; or (iii) for aiding the exercise of any power in any Finance Document, the Obligor shall do it promptly at its own cost. This may include obtaining consents, signing documents, getting documents completed and signed and supplying information, delivering documents and evidence of title and executed blank transfers, or otherwise giving possession or control with respect to any property the subject of any security interest or Security, and/or executing, endorsing, acknowledging, filing or delivering to the Security Trustee, promptly, upon the reasonable request of the Agent or the Security Trustee, any document or instrument supplemental to or confirmatory of the Transaction Security Documents, including opinions of counsel, or otherwise deemed by the Agent or the Security Trustee reasonably necessary for the continued validity, perfection (or the equivalent under applicable Australian law) and priority of the Transaction Security covered thereby subject to no other Security except for Permitted Security or as otherwise permitted by the applicable Transaction Security Document.

(c) Without limitation of clause (a) or (b) above, with respect to Real Property;

(i) if any Obligor acquires, leases or licenses any Real Property after the Listing Date, such Obligor shall promptly provide to the Security Trustee and Agent

notice thereof with details as to such Real Property, and within one hundred twenty (120) days thereafter (or such longer period as may be extended by the Agent in its sole discretion), shall work diligently with the Security Trustee and Agent to confirm that all documentation has been prepared, executed and delivered (including third party consents) which is necessary to grant a first-priority perfected Transaction Security on all such Real Property, including as extracted minerals and fixtures of the Obligors in connection with such Real Property (other than US Excluded Property) in favor of the Security Trustee, including opinions of local counsel in each applicable jurisdiction as to the enforceability of the applicable Mortgages and the authority of the Obligors to grant such Mortgage (including third party consents), with such opinions to be reasonably satisfactory to the Security Trustee and the Agent; provided that, if after such period any Security Consent has not been obtained and Security over the Relevant Asset as contemplated by a Transaction Security Document has not been perfected to the satisfaction of the Agent, then (x) that shall not be an Event of Default or Review Event but the Obligors must continue to use reasonable commercial endeavours to obtain that Security Consent and perfect the Security over that Relevant Asset, and must respond promptly to requests by the Agent for information concerning progress in that regard together with details of the reasonable endeavours undertaken and (y) the Obligors must promptly (and, in any case, no later than 5 Business Days after such period) provide to the Agent sufficient information in reasonable detail about each missing Security Consent to enable the Agent to ascertain the materiality or otherwise of the absence of that or those Security Consents (and it is acknowledged that, in using reasonable commercial endeavours to obtain a Security Consent, no Obligor will be required to pay any fee or pay any other consideration or agree to any commercial change that would be detrimental to any Obligor);

(ii) each Obligor shall, and shall cause each Subsidiary, from time to time, at its expense, to preserve and protect the Security Trustee's Security on the Real Property as a continuing first priority perfected Transaction Security, subject only to Permitted Security, and shall do such other acts and things as may be necessary or as the Agent may reasonably deem necessary from time to time in order to preserve, perfect and protect the Security granted under the Transaction Security Documents and to exercise and enforce its rights and remedies thereunder with respect to the Real Property, except to the extent otherwise permitted hereunder; and

(iii) if any portion of any real property that is subject to a Mortgage as required hereunder is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Borrowers shall, or shall cause each Subsidiary to (i) maintain, or cause to be maintained, with a financially sound and reputable

insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Laws and (ii) deliver to the Agent and Security Trustee evidence of such compliance in form and substance reasonably acceptable to the Agent and Security Trustee. Each Obligor or Subsidiary shall take all actions required under the Flood Laws and/or reasonably requested by the Security Trustee or Agent, to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Transaction Security, including, to the extent applicable, providing the Security Trustee and Agent with the address and/or GPS coordinates of each structure on any real property that will be subject to a Mortgage hereunder, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Transaction Security, and thereafter maintaining such flood insurance in full force and effect for so long as required by the Flood Laws. Parent shall provide the Security Trustee and Agent with at least twenty-five (25) days' prior written notice (which such notice shall promptly be furnished to the Lenders) of any Mortgage and that, upon confirmation from the Lenders that flood insurance due diligence has been completed and compliance with the flood insurance requirements set forth in this Agreement, such real property will be pledged as Transaction Security under the Transaction Security Documents.

24.21 Real Property Mortgages

Without limiting Clause 4.5 (*Conditions Subsequent – other*) the Obligors shall, and shall cause each of the Subsidiaries, to work diligently with the Security Trustee and Agent to confirm that all documentation has been prepared, executed and delivered (including third party consents) which is necessary to grant a first-priority perfected Transaction Security on all Real Property, as extracted minerals and fixtures of the Borrowers or applicable Subsidiary (other than US Excluded Property) in favor of the Security Trustee, including opinions of local counsel in each applicable jurisdiction as to the enforceability of the applicable Mortgages and the authority of the Borrowers or the applicable Subsidiary to grant such Mortgage (including third party consents), with such opinions to be reasonably satisfactory to the Security Trustee and the Agent within 120 days after the Listing Date, which date may be extended by the Agent in its reasonable discretion.

25. EVENTS OF DEFAULT

Each of the events or circumstances (whether or not it is within the control of any Obligor) set out in this Clause 25 (*Events of Default*) is an Event of Default save for Clause 25.20 (*Consequences of Event of Default*) and Clause 25.21 (*Cash cover*).

25.1 Non-payment

An Obligor does not pay any amount payable pursuant to a Finance Document on its due date at the place and in the currency in which it is expressed to be payable (except where the failure to pay within that time is solely due to technical difficulties or an administrative error in the banking system and the Obligor pays within 3 Business Days of the due date).

25.2 Financial covenants

Any requirement of Clause 23.1 (*Financial covenants*) is not satisfied when tested in accordance with Clause 23.2 (*Testing of covenants*).

25.3 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 25.1 (*Non-payment*) and Clause 25.2 (*Financial covenants*)) or with any condition of any waiver or consent by a Finance Party under or in connection with any Finance Document.

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the Agent giving notice to the Parent, or the Obligors becoming aware of it, whichever is first.

25.4 Misrepresentation

(a) Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or with the authority of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur in relation to a representation deemed to be made under the Finance Documents after the first Utilisation Date being incorrect or misleading if the facts or circumstances which caused the representation to be incorrect or misleading are capable of remedy and are remedied within 10 Business Days of the Agent giving notice to the Parent, or the Obligors becoming aware of it, whichever is first.

25.5 Cross default

(a) Any Financial Indebtedness of an Obligor is not paid when due nor within any originally applicable grace period and the obligation to pay is not being diligently defended and disputed in good faith.

(b) Any Financial Indebtedness of an Obligor is declared to be or otherwise becomes due and payable or becomes capable of being declared due and payable prior to its specified maturity as a result of an event of default or review event (however described).

(c) Any commitment for any Financial Indebtedness of an Obligor is cancelled or suspended by a creditor of any of them as a result of an event of default or review event (however described).

(d) No Event of Default will occur under this Clause 25.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than A\$20,000,000 (or its equivalent in any other currency or currencies).

25.6 Insolvency

(a) An Obligor is or is presumed or deemed under a law having that effect to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of

its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

- (b) A moratorium is declared in respect of any indebtedness of any Obligor.

25.7 Insolvency proceedings

Any corporate action is taken or any legal proceedings are commenced or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, judicial management, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor (other than an Obligor formed and incorporated in the United States of America) other than:

- (i) a solvent liquidation or reorganisation of an Obligor in respect of which the Agent (acting on the instructions of the Majority Lenders) has provided its prior written consent; or

- (ii) an application made to a court for the purposes of winding up such a person which is disputed by the Obligor acting diligently and in good faith and dismissed within 10 Business Days;

- (b) any composition, assignment or arrangement with the creditors of any Obligor (excluding a US Obligor);

- (c) the appointment of a liquidator, receiver, administrator, judicial manager, administrative receiver, compulsory manager, statutory manager or other similar officer in respect of any Obligor (excluding an Obligor formed and incorporated in the United States of America) or any of its assets other than:

- (i) in respect of a solvent liquidation of the Obligor in respect of which the Agent (acting on the instructions of the Majority Lenders) has provided its prior written consent;

- (ii) an application made to a court for the purposes of appointing such a person which is disputed by the Obligor acting diligently and in good faith and dismissed within 10 Business Days;

- (d) enforcement of any Security over any assets of any Obligor (excluding an Obligor formed and incorporated in the United States of America) with a value of over A\$20,000,000 (or its equivalent in any other currency or currencies); or

- (e) any analogous event occurs in any jurisdiction.

25.8 US Bankruptcy Procedures

With respect to any Obligor that is a US Person or Material Subsidiary, (1) an involuntary proceeding is commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of such person, or of a substantial part of the property or assets of such person, under the Bankruptcy Law, (ii) the appointment of a receiver, trustee,

custodian, sequestrator, conservator or similar official for such person or for a substantial part of its property or assets or (iii) the winding-up or liquidation of such person; and such proceeding or petition is not dismissed or stayed within 60 days or an order or decree approving or ordering any of the foregoing shall be entered; (2) it has (i) voluntarily commenced any proceeding or filed any petition seeking relief under the Bankruptcy Law, (ii) consented to the institution of, or failed to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in clause (1), (iii) applied for or consented to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for it or for a substantial part of its property or assets, (iv) filed an answer admitting the material allegations of a petition filed against it in any such proceeding; or (3) it admits in writing its inability to pay its debts as and when they become due.

25.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value of A\$20,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 10 Business Days.

25.10 Cessation of business

The Group ceases to carry on its business or a material part of it or threatens to do the same.

25.11 Ownership of the Borrowers

A Borrower is not or ceases to be a wholly-owned Subsidiary of the Parent while it is a Borrower under this Agreement.

25.12 Unlawfulness

It is or becomes unlawful for an Obligor to perform any of its payment or other material obligations under the Finance Documents or any Security created or evidenced by the Transaction Security Documents ceases to be effective.

25.13 Authorisation

An Authorisation which is material to the performance by an Obligor of its payment or other material obligations under the Finance Documents, or to the validity and enforceability of the Finance Documents as a whole, or to the rights of the Finance Parties to require payment under this Agreement is repealed, revoked or terminated or expires without renewal.

25.14 Repudiation

An Obligor repudiates a Finance Document or any Security created or evidenced by the Transaction Security Documents or evidences in writing an intention to repudiate a Finance Document or any Security created or evidenced by the Transaction Security Documents.

25.15 Vitiating of Finance Documents; Transaction; Security Documents

A provision of a Finance Document is or becomes or is claimed in writing by a party other than a Finance Party to be wholly or partly invalid, void, voidable or unenforceable in any material respect and that is not rectified by replacement documentation reasonably satisfactory to the Finance Parties within 15 Business Days. Any Transaction Security on a material portion of the Secured Property purported to be created by any Transaction Security Document shall cease to be in full force and effect, or shall cease to give the Security Trustee, for the benefit of the Beneficiaries, the Security, rights, powers and privileges purported to be created

and granted under such Transaction Security Document (including a perfected security interest in and Security on all of the Secured Property thereunder (except as otherwise expressly provided in such Transaction Security Document)) in favor of the Security Trustee, or shall be asserted by Parent or any other Obligor not to be a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Transaction Security Document) security interest in or Security on the Secured Property covered thereby.

25.16 Litigation

A litigation, arbitration, proceeding or dispute affecting an Obligor or any of its assets has been formally commenced by initiating process before a court, Governmental Agency, commission or arbitrator, but only where the litigation, arbitration, administrative proceeding or dispute is likely, based on an opinion from a Queen's Counsel or Senior Counsel selected by the Agent and jointly instructed by the Agent (on behalf of the Lenders) and the Borrower at the cost of the Borrower, to be determined adversely to the Obligor and if so determined, might have a Material Adverse Effect.

25.17 Material Adverse Effect

An event occurs which has or will have (or a series of events occurs which, together, has or will have) a Material Adverse Effect.

25.18 Tax Consolidation

After the Parent has complied with Clause 4.4 (*Condition subsequent – Tax Consolidation*) and without the prior written consent of all Lenders, an Obligor ceases to be a member of the Tax Consolidated Group formed under the Tax Agreements.

25.19 Events Relating to Plans and Benefit Arrangements

Any of the following occurs, in each case, which individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect: (i) any Reportable Event, which could reasonably be expected to constitute grounds for the termination of any Plan by the PBGC or the appointment of a trustee to administer or liquidate any Plan, shall have occurred and be continuing; (ii) proceedings shall have been instituted or other action taken to terminate any Plan, or a termination notice shall have been filed with respect to any Plan; (iii) a trustee shall be appointed to administer or liquidate any Plan; (iv) Parent or any other member of the ERISA Group shall fail to make any contributions when due to a Plan or a Multiemployer Plan, whether or not waived, or fail to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA; (v) Parent or any other member of the ERISA Group shall withdraw completely or partially from a Multiemployer Plan or a Multiemployer Plan shall be determined to be insolvent (within the meaning of Title IV of ERISA) or in "endangered" or "critical" status (within the meaning of Section 432 of the Internal Revenue Code or Section 305 of ERISA); or (vi) Parent or any other member of the ERISA Group shall withdraw (or shall be deemed under Section 4062(e) of ERISA to withdraw) from a Plan.

25.20 Consequences of an Event of Default

(a) Subject to paragraphs (b) and (c) below, on and at any time after the occurrence of an Event of Default which is continuing the Agent may (and shall if so directed by the Majority Lenders), by notice to the Parent and the Borrowers:

- (i) cancel the Total Commitments whereupon they shall immediately be cancelled;
 - (ii) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
 - (iii) declare that all or part of the Utilisations be payable on demand, whereupon they shall immediately become payable on demand by the Agent acting on the instructions of the Majority Lenders;
 - (iv) declare that full cash cover in respect of each Bank Guarantee is immediately due and payable whereupon it shall become immediately due and payable; and/or
 - (v) exercise or direct the Security Trustee under the Security Trust Deed to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.
- (b) In the event of an Event of Default set out under Clause 25.8 (*US Bankruptcy Procedures*), the Commitments that are available to the Borrower shall, if not already cancelled under this Agreement, be immediately and automatically cancelled, and all Utilisations owing by the Borrower, together with accrued interest, and all other amounts accrued under the Finance Documents with respect thereto shall be immediately due and payable, without any declaration, notice or other act by a Finance Party.
- (c) In respect of any Hedging Agreement, any action or notice will not be taken or given by the Agent but will only be taken or given by the relevant Finance Party which is a party to such Hedging Agreement.

25.21 **Cash cover**

The Issuing Bank shall place any cash it receives from a Borrower by way of cash cover into an account in the name of the Borrower (**Cash Cover Account**) and in respect of which the following conditions must be met:

- (a) the account is with the Issuing Bank for which that cash cover is to be provided;
- (b) until no amount is or may be outstanding under that Bank Guarantee, the Issuing Bank may apply (including by combination of accounts or set-off) amounts due and payable to it under this Agreement in respect of that Bank Guarantee; and
- (c) if the Issuing Bank requests it, the Borrower has executed a security document, in form and substance satisfactory to the Issuing Bank with which that account is held, creating a first ranking security interest over that account.

25.22 Interest on cash cover

(a) Each Issuing Bank must pay interest on the credit balance of each Cash Cover Account held with it at the rate it pays on credit balances held for its good corporate customers for balances equal to the then current balance of the Cash Cover Account.

(b) Interest under this Clause 25.22 accrues daily and is calculated on actual days elapsed and a 365 day year.

(c) Interest under this Clause 25.22 must be credited to each Cash Cover Account on the last day of each calendar month.

(d) Accrued interest under this Clause 25.22 may be applied by the relevant Issuing Bank in accordance with Clause 25.21(b) (*Cash cover*) or otherwise must be paid to the relevant Borrower in accordance with Clause 25.23 (*Termination of cash cover*)

25.23 Termination of cash cover

(a) If an Issuing Bank is satisfied that it has no further liability under a Bank Guarantee for which a Borrower has provided cash cover to the Issuing Bank, the relevant Issuing Bank must within 3 Business Days of request by the relevant Borrower permit the relevant Borrower to withdraw an amount equal to the face value of that Bank Guarantee plus any accrued interest in respect of that cash cover from the Cash Cover Account held with that Issuing Bank.

(b) If an Issuing Bank is satisfied that every Bank Guarantee that has been issued by it has been paid in full or discharged, then that Issuing Bank must, if it receives written notice from the relevant Borrower to do so, permit that Borrower to withdraw from the Cash Cover Account held with that Issuing Bank any amount paid to the Issuing Bank by it which has not been, or is not required to be, applied in accordance with Clause 25.21(b) (*Cash cover*).

SECTION 9 CHANGES TO PARTIES

26. CHANGES TO THE LENDERS

26.1 Assignments and novations by the Lenders

Subject to this Clause 26 (*Changes to the Lenders*), a Lender (the "**Existing Lender**") may:

- (a) assign any of its rights; or
- (b) novate any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (including credit derivatives) (the "**New Lender**").

26.2 Conditions of assignment or novation

(a) The consent of a Borrower is required for an assignment or novation by an Existing Lender, unless the assignment or novation is:

- (i) to another Lender or an Affiliate of a Lender; or
- (ii) made at a time when an Event of Default or Review Event is continuing; or
- (iii) to a securitisation or funding vehicle.

(b) The consent of a Borrower to an assignment or novation must not be unreasonably withheld or delayed or subject to unreasonable conditions. The Borrowers will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by a Borrower within that time.

(c) An assignment will only be effective:

(i) if the procedure set out in Clause 26.6 (*Procedure for assignment*) is complied with;

(ii) on receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Beneficiaries as it would have been under if it was an Original Lender;

(iii) on performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and

(iv) on receipt by the Agent of confirmation from the Security Trustee that the Security Trustee has performed all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such

assignment to a New Lender (the receipt of which the Agent shall promptly notify to the Existing Lender and the New Lender) and the New Lender has become bound by a relevant Recognition Certificate.

(d) A novation will only be effective:

(i) if the procedure set out in Clause 26.5 (*Procedure for novation*) is complied with;

(ii) on performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such novation to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and

(iii) on receipt by the Agent of confirmation from the Security Trustee that the Security Trustee has performed all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such novation to a New Lender (the receipt of which the Agent shall promptly notify to the Existing Lender and the New Lender) and the New Lender has become bound by a relevant Recognition Certificate.

(e) If:

(i) a Lender assigns or novates any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, novation or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax Gross Up and Indemnities*) or Clause 16 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, novation or change had not occurred except to the extent such entitlement to receive a greater payment results from a change in law or regulation that occurs after the assignment or novation. This paragraph (e) shall not apply:

(iii) in respect of an assignment or novation made in the ordinary course of the primary syndication of the Facilities; or

(iv) where the payment is in relation to Australian Withholding Tax and there are at least two Lenders after the assignment, novation or change, and the New Lender, or Lender acting through its new Facility Office, is not an Offshore Associate of the Borrower. In such instances, the New Lender, or Lender acting through its new Facility Office will be entitled to full payment under Clause 14 (*Tax Gross Up and Indemnities*), subject to Clause 14.4 (*Exclusions*) .

(f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the novation or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

(g) A Lender may not assign or novate any of its rights or obligations under the Finance Documents or change its Facility Office, if the New Lender or the Lender acting through its new Facility Office would be entitled to exercise any rights under Clause 9.1 (*Illegality*) as a result of circumstances existing as at the date the assignment, novation or change is proposed to occur.

26.3 Assignment or novation fee

The New Lender shall, on the date upon which an assignment or novation takes effect, pay to the Agent (for its own account) a fee as notified by the Agent from time to time.

26.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor or any other person;

(iii) the performance and observance by any Obligor or any other person of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Beneficiaries that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities and any other person in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities and any other person whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

- (i) accept a novation or re-assignment from a New Lender of any of the rights and obligations assigned or novated under this Clause 26 (*Changes to the Lenders*); or
- (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor or any other person of its obligations under the Finance Documents or otherwise.

26.5 Procedure for novation

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or novation*) a novation is effected in accordance with paragraph (e) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraphs (b) and (c) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) The Agent may refrain from executing a Transfer Certificate pending satisfaction of Clause 26.2(c)(iii) (*Conditions of assignment or novation*) and acting reasonably, may delay executing a Transfer Certificate pending a payment, distribution or Utilisation under or in respect of the Finance Documents.

(d) Each Party other than the Existing Lender irrevocably authorises the Agent to execute any Transfer Certificate on its behalf.

(e) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:

- (i) to the extent that in the Transfer Certificate the Existing Lender seeks to novate its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");

- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the novation and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents;

(iv) the New Lender shall become a Party as a "**Lender**" and entitled to the benefits of any other document entered into by the Agent as agent for the Lenders and will be bound by obligations equivalent to the Relevant Obligations (as defined in Clause 26.6(c)(ii) (*Procedure for assignment*) below); and

(v) for the purposes of this Agreement, Commitments, participations in Loans and rights and obligations will be taken to have been transferred under a Transfer Certificate even though it operates as a novation and Commitments, participations in Loans and rights and obligations are replaced rather than transferred.

26.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 26.2 (*Conditions of assignment or novation*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 26.9 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the "**Relevant Obligations**") and expressed to be the subject of the release in the Assignment Agreement; and

(iii) the New Lender shall become a Party as a "**Lender**" and entitled to the benefits of any other document entered into by the Agent as agent for the Lenders and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 26.6 (*Procedure for assignment*) to assign (including by equitable assignment) their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 26.5 (*Procedure for novation*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in Clause 26.2 (*Conditions of assignment or novation*).

26.7 Copy of Transfer Certificate or Assignment Agreement to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to a Borrower a copy of that Transfer Certificate or Assignment Agreement.

26.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26 (*Changes to the Lenders*), each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

26.9 Pro rata interest settlement

(a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any novation pursuant to Clause 26.5 (*Procedure for novation*) or any assignment pursuant to Clause 26.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period

(or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(ii) the rights assigned or novated by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 26.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 26.9 (*Pro rata interest settlement*) references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

(c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 26.9 (*Pro rata interest settlement*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

27. CHANGES TO THE OBLIGORS

27.1 Assignments and novation by Obligors

No Obligor may assign any of its rights or novate any of its rights or obligations under the Finance Documents.

27.2 Additional Borrowers

(a) Subject to compliance with the provisions of Clause 22.3 (*Know your client*) the Parent may request that any of its wholly-owned Subsidiaries incorporated in Australia becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

(i) all the Lenders approve the addition of that Subsidiary;

(ii) the Parent delivers to the Agent a duly completed and executed Accession Letter;

(iii) unless that Subsidiary is, at that time, an "**Obligor**" under the Security Trust Deed, it accedes to the Security Trust Deed as an "**Additional Obligor**" by signing and delivering to the Security Trustee an Accession Deed and any other documents or information required under the Security Trust Deed;

(iv) the Parent confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(v) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent acting on the instructions of all Lenders.

(b) The Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it acting on the instructions of all Lenders) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

(c) The Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever as a result of giving any such notification.

27.3 **Resignation of a Borrower**

(a) The Parent may request that a Borrower ceases to be a Borrower by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter and notify the Parent and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Parent has confirmed this is the case); and

(ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents as a Borrower (and without prejudice to any obligations it may have as a Guarantor).

27.4 **Additional Guarantors**

(a) Subject to compliance with the provisions of Clause 22.3 (*Know your client*), the Parent may request that any of its wholly-owned] Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:

(i) the Parent delivers to the Agent a duly completed and executed Accession Letter executed as a deed;

(ii) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent acting on the instructions of all Lenders; and

(iii) the relevant Group Member accedes to the Security Trust Deed as an "**Additional Obligor**" by signing and delivering to the Security Trustee an Accession Deed and any other documents or information required under the Security Trust Deed.

(b) The Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it acting on the instructions of all Lenders) all the documents and other evidence listed in Part II of Schedule 2 (*Conditions precedent*).

(c) The Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever as a result of giving any such notification.

27.5 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

27.6 Resignation of a Guarantor

(a) The Parent may request that a Guarantor (other than a Borrower) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter and notify the Parent and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of the Resignation Letter (and a Borrower has confirmed this is the case);

(ii) all the Lenders have consented to a Borrower's request,

whereupon that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

28. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

28.1 Prohibition on Debt Purchase Transactions by Borrower Affiliates

Without limiting Clause 26.2 (*Conditions of assignment or novation*), a Borrower shall not, and shall procure that each Borrower Affiliate shall not, be a Lender or enter into any Debt Purchase Transactions or beneficially own or control all or a material part of the equity of an entity that is a Lender or a party to a Debt Purchase Transaction.

28.2 Disenfranchisement on Debt Purchase Transactions entered into by Borrower Affiliates

(a) Subject to Clause 26.2 (*Conditions of assignment or novation*), for so long as a Borrower Affiliate (i) beneficially owns any participation in a Utilisation drawn utilising a Commitment or (ii) has entered into a Debt Purchase Transaction relating to such a participation or Commitment and such agreement or arrangement has not been terminated:

(i) in ascertaining whether the Majority Lenders, all Lenders or Lenders representing any given percentage of the Total Commitments give a consent, approval, waiver, amendment, instructions or other decision under the Finance Documents such participation and Commitment shall be deemed to be zero; and

(ii) for the purposes of Clause 39.2 (*All Lender matters*), such Borrower Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender (unless it is a Lender with another Commitment and is not a Borrower Affiliate).

(b) Each Lender shall promptly notify the Agent in writing if:

(i) it knowingly enters into a Debt Purchase Transaction with a Borrower Affiliate;
or

(ii) such transaction is terminated or ceases to be with a Borrower Affiliate.

(c) Each Borrower Affiliate that is a Lender agrees that:

(i) unless the Agent otherwise agrees, it shall not attend or participate any meeting or conference call of Lenders or be entitled to receive the agenda or any minutes; and

(ii) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders.

SECTION 10 THE FINANCE PARTIES

29. ROLE OF THE AGENT, THE ARRANGER, THE REFERENCE BANKS

29.1 Appointment of the Agent

(a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents. The Agent will be agent for the Arranger and the Lenders except as described in paragraph (d) below.

(b) Each of the Arranger and the Lenders irrevocably appoints the Agent to act as its agent to execute a relevant Recognition Certificate on its behalf, ratifies that execution, and agrees it is therefore bound as set out the Recognition Certificate by the terms set out in the Security Trust Deed.

(c) Each of the Arranger and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

(d) Where the Agent provides services in connection with the administration of the Utilisations, that is when it calculates rates and amounts, keeps records, receives and distributes payments and information received under Clause 22 (*Information Undertakings*) and Clause 22.4 (*Information: miscellaneous*), and receives and deals with Utilisation Requests and Selection Notices, it does not provide those services as agent for the Arranger or the Lenders, but as principal, but the remainder of this Clause 29 (*Role of the Agent, the Arranger, the Reference Banks*) still applies.

29.2 Instructions

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders if the relevant Finance Document stipulates the matter is a Majority Lender decision; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from

acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions. The Agent may specify that the security be cash, in which case a Borrower must provide it on request, failing which each Lender must on request pay its proportion of the cash according to its Commitment. Any amount recovered by the Agent under any security will be taken to be an amount paid by the party which provided that security.

(e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

29.3 Duties of the Agent

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 26.7 (*Copy of Transfer Certificate or Assignment Agreement to Company*) paragraph (b) above shall not apply to any Transfer Certificate or to any Assignment Agreement.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default or Review Event and stating that the circumstance described is a Default or Review Event, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.

(g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

(h) If the Agent receives a request by a Lender, the Agent will provide a privacy notice (in the form recommended by the Asia Pacific Loan Market Association (Australian Branch) or as otherwise directed by a Finance Party) to a representative of the officers of an Obligor whose personal information has been collected on behalf of the Finance Parties, which details the manner in which personal information collected in connection with this Agreement may be used and disclosed by the Finance Parties.

29.4 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

29.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.

(b) None of the Agent, the Security Trustee or the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

29.6 Business with the Group

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Group Member.

29.7 Rights and discretions; Delegation of Duties

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a written statement from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that statement.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default or Review Event has occurred (unless it has actual knowledge of a Default);

(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and

(iii) any notice or request made by a Borrower (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage and pay for the advice or services of any lawyers, accountants, surveyors or other experts or professional advisers.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.

(e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Agent may act in relation to the Finance Documents through its officers, employees, secondees and agents.

(g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as Agent under this Agreement.

(h) Without limiting paragraph (g) above, the Agent may disclose the identity of a Defaulting Finance Party to the other Finance Parties and a Borrower and shall disclose it on the written request of a Borrower or the Majority Lenders.

(i) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of

such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

(k) The Parties need not enquire whether any instructions from all or a percentage of Lenders or the Majority Lenders have been given to the Agent or as to the terms of those instructions. As between the other Parties on the one hand and the Agent and Lenders on the other, everything done by the Agent under or in relation to the Finance Documents will be taken to be authorised.

29.8 Responsibility for documentation

Neither the Agent nor the Arranger is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document; or

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document; or

(c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.9 No duty to monitor

The Agent shall not be bound to enquire:

(a) whether or not any Default or Review Event has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document or any other agreement, arrangement or document; or

(c) whether any other event specified in any Finance Document has occurred.

29.10 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (but not including any claim based on the fraud of the Agent) arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses to any person, any diminution in value or any liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 29.10 (Exclusion of liability).

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any

special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

29.11 Lenders' indemnity to the Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, expense, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

(b) A Lender's share will be the proportion of its share of the Total Commitments or, if the Total Commitments are then zero, its share of the Total Commitments immediately prior to their reduction to zero. Where a Lender's Commitment has been reduced to zero, but it has a participation in any outstanding Utilisations, then for this purpose its Commitment will be taken to be the aggregate amount of its participation (and the Total Commitments calculated accordingly).

(c) If any Lender fails to pay its share of any amount due under paragraph (a) one or more other Lenders may pay all or part of that share to the Agent. In that case, the defaulting Lender must immediately pay each such paying Lender the amount paid by that paying Lender together with interest equal to the rate from time to time certified by the paying Lender to be its cost of funds plus a margin of 2% per annum, compounding monthly.

(d) If any Lender fails to provide its share of security to the Agent when requested under Clause 29.7 (*Rights and discretions*) one or more other Lenders may provide all or part of that share on its behalf. Where that security is cash the non providing Lender must immediately pay each Lender that provided cash the amount provided by it together with interest equal to its cost of funds plus a margin of 2% per annum, compounding monthly.

29.12 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in Australia as successor by giving notice to the Lenders and a Borrower.

(b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and a Borrower, in which case the Majority Lenders (after consultation with a Borrower) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with a Borrower) may appoint a successor Agent (acting through an office in the same time zone as Australia).

(d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 29 (*Role of the Agent, the Arranger, the Reference Banks*) and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of agents of syndicated financing transactions together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance save for where the Agent is a Defaulting Finance Party.

(f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of this Clause 30 (Conduct of Business by the Finance Parties) (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) After consultation with a Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above (or, at any time the Agent is a Defaulting Finance Party, by giving any shorter notice determined by the Majority Lenders).

(i) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 14.8 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 14.8 (FATCA Information) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies a Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and a Borrower or that Lender, by notice to the Agent, requires it to resign.

29.13 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

29.14 Relationship with the Lenders

(a) Subject to Clause 26.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day;
and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 35.2 (Addresses) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

(c) The Agent may rely on or receive instructions from any attorney acting on behalf of a Lender, or any person acting on behalf of a Lender whose title or acting title includes the word Manager, Head, Executive, Director or President or cognate expressions, or any secretary or director of a Lender.

29.15 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Group Member;
- (b) the legality, validity, priority, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document; and
- (d) the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Documents or any other agreement, arrangement or document.

29.16 Role of Reference Banks

- (a) No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.
- (b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.
- (c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it may have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation.
- (d) Any officer, employee or agent of each Reference Bank may rely on this Clause 29.16 (*Role of Reference Banks*). The Reference Bank holds the benefit of this Clause on trust for any such officer, employee or agent.

29.17 Third party Reference Banks

This Agreement constitutes an irrevocable offer by each Party to each Reference Bank, which accepts the offer by consenting to be a Reference Bank and providing a Reference Bank

Quotation. It may rely on Clause 29.16 (*Role of Reference Banks*) and Clause 43 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

29.18 Agent's management time

Any amount payable to the Agent under

Clause 19 (*Costs and Expenses*) and Clause 29.11 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to a Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 13 (*Fees*).

29.19 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

30. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

31. SHARING AMONG THE FINANCE PARTIES

31.1 Payments to Finance Parties

(a) If a Finance Party (a "**Recovering Finance Party**") receives or recovers (including by combination of accounts or set off) any amount from an Obligor other than in accordance with Clause 33 (*Payment Mechanics*) and applies that amount to a payment due under the Finance Documents then:

(i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

(ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 33 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.6 (*Partial payments*).

(b) Paragraph (a) above:

(i) shall not apply to any amount received or recovered by the Issuing Bank and applied by it towards any amount then payable to it by way of the provision of cash cover (which has been provided to the Issuing Bank in accordance with the Finance Documents) or otherwise in respect of a Bank Guarantee at any time when receipts and recoveries by the Finance Parties are sufficient to discharge all amounts then due and payable under the Finance Documents; and

(ii) shall apply to any amount received or recovered by the Issuing Bank and applied by it towards any amount then payable to it by way of the provision of cash cover or otherwise in respect of a Bank Guarantee at any time when receipts and recoveries by the Finance Parties are not sufficient to discharge all amounts then due and payable under the Finance Documents; and

(iii) shall not apply to any application by the Issuing Bank under Clause 25.1 (*Cash cover*) of cash cover which has been provided to the Issuing Bank in accordance with the Finance Documents.

31.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 33.6 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

31.3 **Recovering Finance Party's rights**

(a) Unless paragraph (b) applies:

(i) the receipt or recovery referred to in Clause 31.1 (*Payments to Finance Parties*) will be taken to have been a payment for the account of the Agent and not to the Recovering Finance Party for its own account, and the liability of the relevant Obligor to the Recovering Finance Party will only be reduced to the extent of any distribution retained by the Recovering Finance Party under Clause 31.1(a)(iii) (*Payments to Finance Parties*); and

(ii) (without limiting sub-paragraph (i)) the relevant Obligor shall indemnify the Recovering Finance Party against a payment under Clause 31.1(a)(iii) (*Payments to Finance Parties*) to the extent that (despite sub-paragraph (i)) its liability has been discharged by the recovery or payment.

(b) Where:

(i) the amount referred to in Clause 31.1 (*Payments to Finance Parties*) above was received or recovered otherwise than by payment (for example, set off); and

(ii) the relevant Obligor, or the person from whom the receipt or recovery is made, is insolvent at the time of the receipt or recovery, or at the time of the payment to the Agent, or becomes insolvent as a result of the receipt or recovery,

then the following will apply so that the Finance Parties have the same rights and obligations as if the money had been paid by the relevant Obligor to the Agent for the account of the Finance Parties and distributed accordingly:

(iii) each other Finance Party will assign to the Recovering Finance Party an amount of the debt owed by the relevant Obligor to that Finance Party under the Finance Documents equal to the amount received by that Finance Party under Clause 31.2 (*Redistribution of payments*);

(iv) the Recovering Finance Party will be entitled to all rights (including interest and voting rights) under the Finance Documents in respect of the debt so assigned; and

(v) that assignment will take effect automatically on payment of the Sharing Payment by the Agent to the other Finance Party.

31.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**");

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor and the relevant Obligor shall indemnify the Sharing Finance Party against a payment under sub-paragraph (a) to the extent that the relevant Obligor's liability has been discharged by the recovery or payment; and

(c) to the extent necessary, any debt assigned under paragraph (b) of Clause 31.3 (*Recovering Finance Party's rights*) will be reassigned.

31.5 Exceptions

(a) This Clause 31 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this

Clause 31 (*Sharing among the Finance Parties*), have a valid and enforceable claim (or right of proof in an administration) against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

32. PUBLIC OFFER

32.1 Arranger's representations, warranties and undertakings

The Arranger undertakes, represents and warrants to the Borrower as follows:

(a) on behalf of the Borrowers it will make before the 30th day after the Facility Initiation Date invitations to become a Lender under this Agreement:

(i) in the form agreed with the Borrowers to at least ten parties, each of whom, as at the date the relevant invitation is made, the Arranger's relevant officers involved in the transaction on a day to day basis believe carries on the business of providing finance or investing or dealing in securities in the course of operating in financial markets, for the purposes of Section 128F(3A)(a)(i) of the Tax Act, and each of whom has been disclosed to the Borrowers; or

(ii) in an electronic form that is used by financial markets for dealing in debentures (as defined in Section 128F(9) of the Tax Act) or debt interests (as defined in Sections 974-15 and 974-20 of the Tax Act) such as Reuters or Bloomberg.

(b) At least 10 of the parties to whom the Arranger will make invitations referred to in paragraph (a)(i) are not, as at the date the invitations are made, to the knowledge of the relevant officers of the Arranger involved in the transaction, Associates of any of the others of those 10 offerees/the Arranger.

(c) It has not made and will not make offers or invitations referred to in paragraph (a)(i) to parties whom its relevant officers involved in the transaction on a day to day basis are aware are Offshore Associates of the relevant Borrower.

32.2 Borrower's confirmation

(a) Each Borrower confirms that none of the potential offerees whose names were disclosed to it by the Arranger before the Facility Initiation Date were known or suspected by it to be an Offshore Associate of that Borrower or an Associate of any other such offeree.

(b) It will immediately advise the Arranger or the Agent if the potential offerees disclosed to it by the Arranger or the Agent are known or suspected by it to be an Offshore Associate of that Borrower or an Associate of any other offeree.

32.3 Lenders' representations and warranties

Each Lender represents and warrants to each Borrower that if it received an invitation under Clause 32.1(a)(i) at the time it received the invitation it was carrying on the business of providing finance, or investing or dealing in securities, in the course of operating in financial markets.

32.4 Information

Each of the Arranger and each Lender will provide to the Company when reasonably requested by the Company any factual information in its possession or which it is reasonably able to provide to assist the Company to demonstrate (based upon tax advice received by the Company) that Section 128F of the Tax Act has been satisfied where to do so will not in the Arranger's or Lender's reasonable opinion breach any law or regulation or any duty of confidence.

32.5 Co-operation if Section 128F requirements not satisfied

If, for any reason, the requirements of Section 128F of the Tax Act have not been satisfied in relation to interest payable on Loans (except to an Offshore Associate of a Borrower), then on request by the Agent, the Arranger or a Borrower, each Party shall co-operate and take steps reasonably requested with a view to satisfying those requirements:

(a) where a Finance Party breached Clause 32.1 (*Arranger's representations, warranties and undertakings*) or Clause 32.3 (*Lenders' representations and warranties*), at the cost of that Finance Party; or

(b) in all other cases, at the cost of the Borrowers.

SECTION 11

ADMINISTRATION

33. PAYMENT MECHANICS

33.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time in immediately available funds or if agreed by the Agent in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account:

(i) in the case of Australian dollars, at the city of the Agent; or

(ii) in the case of any other currency, in the principal financial centre of the country of that currency,

with such bank as the Agent, in each case, specifies.

(c) Payment by an Obligor to the Agent for the account of a Finance Party satisfies the Obligor's obligations to make that payment.

33.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 33.3 (*Distributions to an Obligor*) and Clause 33.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in Australia, in the case of Australian dollars, and, in the case of any other currency in the principal financial centre of the country of that currency.

33.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback and pre-funding

(a) Where a sum is to be paid by a Party (the Payer) to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was

paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

(i) the Agent shall notify a Borrower of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

(d) The Payer will still remain liable to make the assumed payment, but until the other Party does repay the Agent under paragraph (b), the Payer's liability will be to the Agent in the Agent's own right.

33.5 Agent a Defaulting Finance Party

(a) If, at any time, the Agent becomes Defaulting Finance Party, a Party which is required to make a payment under the Finance Documents to the Agent for the account of other Parties under Clause 33.1 (*Payments to the Agent*) may instead on the due date for payment either pay that amount direct to the required payee or pay that amount to an interest-bearing account held in the name of the payer and designated as a trust account for the benefit of the payee or payees with an Acceptable Bank.

(b) All interest accrued on the trust account will be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.

(c) A Party which has made a payment under paragraph (a) shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts in the trust account.

(d) Promptly upon the appointment of a successor Agent under Clause 29.12 (*Resignation of the Agent*), each Party which has made a payment to a trust account under paragraph (a) shall give all requisite instructions to the bank to transfer the amount (together with any accrued interest) to the successor Agent for distribution under Clause 33.2 (*Distributions by the Agent*).

33.6 Partial payments

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) first, in or towards payment pro rata of any amounts payable but unpaid in respect of fees, costs, expenses, losses or liabilities of the Agent under the Finance Documents or the Security Trustee under the Finance Documents;

(ii) secondly, in or towards payment pro rata of all amounts (including interest) payable by the Obligor to Lenders in respect of amounts or security paid or provided by the Lenders to the Agent in place of another Lender under Clause 29.11(c) or 29.11(d) (*Lenders' indemnity to the Agent*);

(iii) thirdly, in or towards payment pro rata of all amounts payable by the Obligor to Lenders in respect of amounts or security paid by the Lenders to the Agent under Clause 29.11(a) (*Lenders' indemnity to the Agent*) or Clause 29.2 (Instructions) plus interest on such amounts;

(iv) fourthly, in or towards payment pro rata of any accrued interest, fees or commission due but unpaid under the Finance Documents;

(v) fifthly, in or towards payment pro rata of any principal due but unpaid under those Finance Documents; and

(vi) sixthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by all Lenders, vary the order set out in paragraphs (a)(ii) to (a)(vi) above inclusive.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

33.7 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

33.8 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

33.9 Currency of account

(a) Subject to paragraphs (b) to (f) below, Australian dollars is the currency of account and payment for any sum due from or payable by an Obligor under any Finance Document.

(b) A repayment or prepayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.

(c) Each payment of interest or fees shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than Australian dollars shall be paid in that other currency.

(f) Except where clause 8.3(b) (*Cash cover for currency equalisation: Facility B*) applies, cash cover paid in relation to a Bank Guarantee shall be in the same currency as the relevant Bank Guarantee.

33.10 **Change of currency**

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with a Borrower); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with a Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

33.11 **Anti-money laundering**

(a) A Finance Party may delay, block or refuse to process any payment or other transaction without incurring any liability if the Finance Party knows or reasonably suspects that the transaction or the application of its proceeds will:

(i) breach, or cause a Finance Party to breach, any applicable laws or regulations of any jurisdiction (including any Sanctions); or

(ii) allow the imposition of any penalty on the Finance Party or its Affiliates under any such law or regulation,

including where the transaction or the application of its proceeds involves any Sanctioned Person or Sanctioned Country, or the direct or indirect proceeds of unlawful activity.

(b) As soon as practicable after a Finance Party becomes aware that it will delay, block or refuse to process a transaction under paragraph (a), it will notify a Borrower and the Agent and consult in good faith but in each case only to the extent the Finance Party determines it is legally permitted to do so. In making that determination the Finance Party shall act reasonably.

(c) The Borrowers shall promptly advise the Agent if any Obligor enters into any Finance Document in the capacity as agent and promptly supply, or procure the supply of, such information as may be reasonably requested by the Agent (for itself or on behalf of any Finance Party) from time to time in relation to any principal for which an Obligor may be acting.

(d) Each Obligor undertakes to exercise its rights and perform its obligations under the Finance Documents in accordance with all Money Laundering Laws and applicable Sanctions.

33.12 **"Know your customer"**

Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

Each Finance Party that is subject to the requirements of the USA PATRIOT Act hereby notifies the Borrowers that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Finance Party to identify the Borrowers in accordance with the USA PATRIOT Act.

34. **SET-OFF**

A Finance Party may, but need not, set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation owed by that Finance Party to that Obligor (whether or not matured), regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

35. **NOTICES**

35.1 **Communications in writing**

Any communication or document to be made or delivered under or in connection with the Finance Documents:

- (a) must be in writing;
- (b) in the case of:
 - (i) a notice by an Obligor; or

(ii) a specification of a bank or account by the Agent under paragraph (b) of Clause 33.1 (*Payments to the Agent*) or a Lender under Clause 33.2 (*Distributions by the Agent*),

must be signed by an authorised signatory of the sender (directly or with a facsimile signature), subject to Clause 35.6 (*Email communication*), Clause 35.7 (*Communication through secure website*) and Clause 35.8 (*Reliance*), and

(c) unless otherwise stated, may be made or delivered by fax, by letter, by email or as specified in Clause 35.7 (*Communication through secure website*).

35.2 Addresses

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of a Borrower, that identified with its name below;

(b) in the case of each Lender or any other Original Obligor, that specified in Schedule 1 (*The Original Parties*) or notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, that identified with its name below,

or any substitute address, fax number, email address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

Address for service of communications:

Agent:

Level 3, 275 Kent Street
SYDNEY NSW 2000
Australia

[***]

Attn: Ruby Gacosta

[***]

Administrative Contact:
Level 9, 55 Market Street
SYDNEY NSW 2000
Australia

[***]

Attn: Lending Management Operations

[***]

Company:

‘Central Plaza 1’, Level 31
345 Queen Street, Brisbane, Queensland, 4000

Attention: Ayten Saridas, Group Chief Financial Officer
[***]

35.3 Delivery

(a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents will be taken to be effective or delivered:

(i) if by way of fax, when the sender receives a successful transmission report unless the recipient informs the sender that it has not been received in legible form by any means within two hours after:

(A) receipt, if in business hours in the city of the recipient; or

(B) if not, the next opening of business in the city of the recipient; or

(ii) if by way of letter or any physical communication, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

(iii) if by way of email, as specified in Clause 35.6 (Email communication); or

(iv) if it complies with Clause 35.7 (*Communication through secure website*)],

and, in the case of a communication, if a particular department or officer is specified as part of its address details provided under Clause 35.2 (*Addresses*), if addressed to that department or officer.

(b) All communication to or from an Obligor must be sent through the Agent.

(c) Any communication or document made or delivered to a Borrower in accordance with this Clause 35 (Notices) will be deemed to have been made or delivered to each of the Obligors.

(d) A communication by fax, email or under Clause 35.7 (*Communication through secure website*) after business hours in the city of the recipient will be taken not to have been received until the next opening of business in the city of the recipient.

35.4 Notification of address, fax number and email address

Promptly upon receipt of notification of an address, fax number and email address or change of address, fax number or email address of an Obligor under Clause 35.2 (*Addresses*) or upon changing its own address, fax number or email address, the Agent shall notify the other Parties.

35.5 Communication when Agent is a Defaulting Finance Party

If and so long as the Agent is a Defaulting Finance Party, the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and all the provisions of the Finance Documents which require communications to be made or

notices to be given to or by the Agent are varied so that communications may be made and notices given to or by the relevant Parties directly.

35.6 Email communication

(a) Any communication or document under or in connection with the Finance Documents may be made by or attached to an email and will be effective or delivered only:

(i) in the case of a notice to the Agent of a Default, Review Event or Event of Default or a notice to the Agent under or referred to in Clause 9.8 (*Review Event*) or Clause 24.17 (*Event of Default*), when actually opened in legible format by the recipient Party;

(ii) in all other cases, on the first to occur of the following:

(A) when it is dispatched by the sender to each of the email addresses specified by the recipient, unless for each of the addresses, the sender receives an automatic notification that the e-mail has not been received (other than an out of office greeting for the named addressee) and it receives the notification before 2 hours after the last to occur (for all addresses) of:

(1) dispatch, if in business hours in the city of the address; or

(2) if not, the next opening of business in such city;

(B) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and

(C) the email being available to be read at one of the email addresses specified by the sender; and

(iii) the email is in an appropriate and commonly used format, and any attached file is a pdf, jpeg, tiff or other appropriate and commonly used format.

(b) In relation to an email with attached files:

(i) if the attached files are more than 3 MB in total, then:

(A) at the time of dispatch the giver of the e-mail must send a separate email without attachments notifying the recipient of the dispatch of the email; and

(B) if the recipient notifies the sender that it did not receive the email with attached files, and the maximum size that is able to receive under its firewalls, then the sender shall promptly send to the recipient the attached files in a manner that can be received by the recipient; and

(ii) if the recipient of the email notifies the sender that it is unable to read the format of an attached file or that an attached file is corrupted, specifying appropriate and commonly used formats that it is able to read, the sender must promptly

send to the recipient the file in one of those formats or send the attachment in some other manner; and

(iii) if within two hours of:

(A) dispatch of the email if in business hours in the city of the recipient; or

(B) if not, the next opening of business in the city of the recipient,

the recipient notifies the sender as provided in subparagraph (i)(B) or (ii), then the relevant attached files will be taken not to have been received until the sender complies with that subparagraph.

(c) An email which is a covering email for a notice signed by the Obligor's authorised signatory does not itself need to be signed by an authorised signatory.

(d) Email and other electronic notices from the Agent generated by Loan IQ or other system software do not need to be signed.

35.7 Communication through secure website

(a) The Agent may establish a secure website to which access is restricted to the Agent and the Lenders or the Obligors or both (and, where applicable, their respective financial and legal advisers).

(b) After the Agent notifies the Lenders or a Borrower on behalf of the Obligors or both (as the case may be) of the establishment of the secure website, then any communication or document given or delivered by or to the Agent to or by Lenders or Obligors (as the case may be) any specified by the Agent],

(i) may be given by means of the secure website in the manner specified by the Agent (or in the absence of such specification, as specified by the operator of the website); and

(ii) unless otherwise agreed will be taken to be made or delivered upon satisfaction of the following:

(A) a communication or document being posted on that secure website;

(B) either:

(1) receipt by the Agent of an email from the relevant website confirming that the website has sent an email to the relevant Party's email addresses nominated under paragraph (d) notifying that a communication or document has been uploaded on the website; or

(2) the website containing or providing confirmation that the communication or document has been opened by the intended recipient; and

(C) compliance with any other requirements specified by the Agent under paragraph (c).

(c) By notice to the Lenders or a Borrower on behalf of the Obligors or both (as the case may be) the Agent acting reasonably may from time to time specify and amend rules concerning the operation of the secure website in the manner in which communications or documents may be posted, and will be taken to have been made or delivered. Those rules or moments will bind the recipients of the notice and the Agent.

(d) When it establishes the secure website, the Agent shall nominate to the website for each Party the email address given to it by the Party under this Clause 35 (*Notices*). Subsequently, the nominated email address for each Party for that website will be the address nominated by that Party to the secure website or by the Agent (who will notify the Party accordingly). The Agent shall notify the website of changes in email addresses notified to it.

(e) The Borrowers consents to the inclusion in the secure website of its company logo.

(f) Each of the other Parties agrees that the Agent is not liable for any liability, loss, damage, costs or expenses incurred or suffered by them as a result of their access or use of the secure website or inability to access or use the secure website except to the extent caused by its gross negligence or wilful misconduct.

35.8 Reliance

(a) Any communication or document sent under this Clause 35 (*Notices*) can be relied on by the recipient if the recipient reasonably believes it to be genuine and (if such a signature is required under Clause 35.1(b) (*Communications in writing*)) it bears what appears to be the signature (original or facsimile or email) of an authorised signatory of the sender (without the need for further enquiry or confirmation).

(b) Each Party must take reasonable care to ensure that no forged, false or unauthorised notices are sent to another Party.

35.9 English language

(a) Any notice or other communication given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

36. CALCULATIONS AND CERTIFICATES

36.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

36.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

36.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

36.4 Settlement conditional

If:

(a) any Finance Party has at any time released or discharged:

(i) an Obligor from its obligations under any Finance Document; or

(ii) any assets of an Obligor from a Security,

in either case in reliance on a payment, receipt or other transaction to or in favour of any Finance Party; or

(b) any payment, receipt or other transaction to or in favour of any Finance Party has the effect of releasing or discharging:

(i) an Obligor from its obligations under any Finance Document; or

(ii) any assets of an Obligor from a Security; and

(c) that payment, receipt or other transaction is subsequently claimed by any person to be void, voidable or capable of being set aside for any reason (including under any law relating to insolvency, sequestration, liquidation, winding up or bankruptcy and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person); and

(d) that claim is upheld or is conceded or compromised by a Finance Party,

then:

(i) each Finance Party will immediately become entitled against that Obligor to all rights (including under any Finance Document) as it had immediately before that release or discharge;

(ii) that Obligor must, to the extent permitted by law:

(A) immediately do all things and execute all documents as any Finance Party may, acting reasonably, require to restore to each Finance Party all those rights; and

(B) indemnify each Finance Party against all costs and losses suffered or incurred by it in or in connection with any negotiations or proceedings relating to the claim or as a result of the upholding, concession or compromise of the claim.

37. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

38. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

39. AMENDMENTS AND WAIVERS

39.1 Required consents

(a) Subject to Clause 39.2 (*All Lender matters*) and Clause 39.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 39 (*Amendments and Waivers*).

(c) Paragraph (c) of Clause 26.9 (*Pro rata interest settlement*) shall apply to this Clause 39.

39.2 All Lender matters

(a) Subject to Clause 39.4 (*Change in respect of Screen Rate*) and Clause 39.5 (*Change in respect of Specified Time*) an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

- (i) the definition of "Majority Lenders" in Clause 1.1 (Definitions);
- (ii) a waiver of any of the conditions precedent under Clause 4.1 (Initial conditions precedent);
- (iii) an extension to the date of payment of any amount under the Finance Documents;
- (iv) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable or any other payment obligation;

(v) an increase in any Commitment, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;

(vi) a change to the Borrowers or Guarantors other than in accordance with Clause 27 (*Changes to the Obligors*);

(vii) any provision which expressly requires the consent of all the Lenders;

(viii) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 5.1 (*Utilising Facility A*), Clause 9.1 (*Illegality*), Clause 9.8 (*Review Event*), Clause 26 (*Changes to the Lenders*), Clause 27 (*Changes to the Obligors*), Clause 31 (*Sharing among the Finance Parties*), Clause 33.6 (*Partial payments*), this Clause 39 (*Amendments and Waivers*), Clause 47 (*Governing Law*) or Clause 48.1 (*Jurisdiction*);

(ix) (other than as expressly permitted by the provisions of this Agreement or the Security Trust Deed):

(A) the nature or scope of the Transaction Security or the nature or scope of the guarantee and indemnity granted under Clause 20 (*Guarantee*); or

(B) the Secured Property; or

(C) the manner in which the proceeds of enforcement of the Transaction Security are distributed; or

(x) the release of any guarantee and indemnity granted under Clause 20 (*Guarantee*) or of any Transaction Security unless permitted under this Agreement or the Security Trust Deed or relating to a disposal of an asset which is the subject of the Transaction Security, or of the grantor of the guarantee and indemnity or Transaction Security or of the grantor's Holding Company, where such disposal is permitted under this Agreement,

shall not be made without the prior consent of all the Lenders.

(b) Where one or more Defaulting Finance Parties have been disenfranchised under Clause 40.4 (*Failure to respond*), no amendment of the kind referred to in paragraph (a) which applies to Defaulting Finance Parties in a manner different from other Finance Parties may be made without the consent of the Defaulting Finance Parties.

39.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger or the Security Trustee (each in their capacity as such) may not be effected without the consent of the Agent or, as the case may be, the Arranger, or the Security Trustee.

39.4 Replacement of Screen Rate

(a) Subject to Clause 39.3 (*Other exceptions*), if a Screen Rate Replacement Event has occurred in relation to any Screen Rate for a currency which can be selected for a Loan, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Benchmark in relation to that currency in place of that Screen Rate; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;

(B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Benchmark;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Original Borrower.

(b) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) within 15 Business Days (or such longer time period in relation to any request which the Original Borrower and the Agent may agree) of that request being made:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the relevant Facility when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

39.5 Change in respect of Specified Time

Subject to Clause 39.3 (*Other exceptions*), if the administrator of a Screen Rate for a currency changes the time at which the rate is published or by which any correction, recalculation or republication of published rate is made, any change in the relevant Specified Time or the time by which Reference Banks supply rates or any change in whether such a correction,

recalculation or republication is taken into account may be made with the consent of the Majority Lenders and the Original Borrower.

40. INSTRUCTIONS AND DECISIONS

40.1 Abstentions

In determining whether the Majority Lenders, have given instructions or a consent, approval, waiver, amendment or other decision, a Lender will be deemed to have Commitments or a participation of zero if it has so elected by notice to the Agent.

40.2 Transferees bound

A consent, approval, waiver, amendment or other decision by a Lender or any instruction to the Agent by a Lender binds that Lender's assigns and successors unless revoked under Clause 40.3 (*Limitations on revocation*).

40.3 Limitations on revocation

Any instructions, consent, approval, waiver, amendment or other decision by the Majority Lenders may be revoked only by the Majority Lenders, and may not be revoked if the decision has been acted upon.

40.4 Failure to respond

If any Lender fails to respond to a request for instructions, consent, approval, waiver, amendment or other decision in relation to any Finance Document within 15 Business Days of that request (or any longer period agreed by the Borrower and the Agent), that Lender, its Commitment and its participation shall not be included for the purpose of calculating the Total Commitments or participations under the relevant Facility when ascertaining whether the Majority Lenders have responded to that request.

40.5 Disenfranchisement of Defaulting Finance Parties

For so long as a Defaulting Finance Party has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or the Commitments of any specified group of Lenders or the agreement of all Lenders or all of any specified group of Lenders has been obtained in respect of any request for instructions, consent, approval, waiver, amendment or other decision under the Finance Documents, that Defaulting Finance Party's Commitments will be reduced by the amount of its Available Commitments.

For the purposes of this Clause, the Agent may assume that the following Lenders are Defaulting Finance Parties:

- (a) any Lender which has notified the Agent that it has become a Defaulting Finance Party;
- (b) any Lender in relation to which the relevant officers of the Agent having day to day conduct of its role are aware that any of the events or circumstances referred to in the definition of "Defaulting Finance Party" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Finance Party.

40.6 Replacement of a Defaulting Finance Party

(a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Finance Party, by giving 5 Business Days' prior written notice to the Agent and such Lender require that Defaulting Finance Party to do one of the following under Clause 26 (*Changes to the Lenders*) and the Defaulting Finance Party shall comply with the notice:

- (i) transfer all of its rights and obligations under this Agreement;
- (ii) transfer all of the undrawn Facility A Commitment and Facility B Commitment and Facility C Commitment (if any) of the Lender; or
- (iii) transfer all of its rights and obligations in respect of Facility A and Facility B and Facility C (if any),

to a Lender or another bank, financial institution, or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (including credit derivatives) (a "**Replacement Lender**") selected by a Borrower, and which (unless the Agent is an Defaulting Finance Party) is acceptable to the Agent (acting reasonably) or in case of any transfer of a Facility B Commitment is acceptable to the Issuing Bank, which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest and/or Break Costs and other amounts payable in relation to them under the Finance Documents.

(b) Any transfer of rights and obligations of a Defaulting Finance Party pursuant to this Clause 40 (*Instructions and Decisions*) shall be subject to the following conditions:

- (i) a Borrower shall have no right to replace the Agent or Security Trustee;
- (ii) neither the Agent nor the Defaulting Finance Party shall have any obligation to a Borrower to find a Replacement Lender;
- (iii) the transfer must take place no later than 10 Business Days after the notice referred to in paragraph (a) above; and
- (iv) in no event shall the Defaulting Finance Party be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Finance Party pursuant to the Finance Documents.

41. CONFIDENTIALITY

41.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 41.2 (*Disclosure of Confidential Information*) and Clause 41.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information. To the extent that Confidential Information comprises personal information of any officer, director or employee of an Obligor, each Finance Party agrees to hold that personal information in accordance with the Australian Privacy Principles.

41.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 29.14 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation (except this paragraph does not permit the disclosure of any information under section 275(4) of the PPSA unless section 275(7) of the PPSA applies);

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes (except this paragraph does not permit the disclosure of any information under section 275(4) of the PPSA unless section 275(7) of the PPSA applies);

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 26.8 (*Security over Lenders' rights*);

(viii) who is a Party; or

(ix) with the consent of a Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such

Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between a Borrower and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

41.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or one or more Obligors the following information:

- (i) names of Obligors;
- (ii) country of domicile of Obligors;
- (iii) place of incorporation of Obligors;
- (iv) Facility Initiation Date;
- (v) Clause 47 (Governing Law);
- (vi) the names of the Agent and the Arranger;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amounts of, and names of, the Facilities (and any tranches);
- (ix) amount of Total Commitments;
- (x) currencies of the Facilities;
- (xi) type of Facilities;
- (xii) ranking of Facilities;
- (xiii) Termination Date;
- (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
- (xv) such other information agreed between such Finance Party and a Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or one or more Obligor by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) Each Obligor represents that none of the information set out in paragraphs (a)(i) to (a)(xv) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify a Borrower and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facilities and/or one or more Obligor; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facilities and/or one or more Obligor by such numbering service provider.

41.4 Entire agreement

This Clause 41 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

41.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

41.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform a Borrower:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraphs (b)(v) and (b)(vi) of Clause 41.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 41 (*Confidentiality*).

41.7 Continuing obligations

The obligations in this Clause 41 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

42. PPSA PROVISIONS

Where any Finance Party has a security interest (as defined in the PPSA) under any Finance Document, to the extent the law permits:

(a) for the purposes of sections 115(1) and 115(7) of the PPSA:

(i) each Finance Party with the benefit of the security interest need not comply with sections 95, 118, 121(4), 125, 130, 132(3)(d) or 132(4) of the PPSA; and

(ii) sections 142 and 143 of the PPSA are excluded;

(b) for the purposes of section 115(7) of the PPSA, each Finance Party with the benefit of the security interest need not comply with sections 132 and 137(3);

(c) each Party waives its right to receive from any Finance Party any notice required under the PPSA (including a notice of a verification statement);

(d) if a Finance Party with the benefit of a security interest exercises a right, power or remedy in connection with it, that exercise is taken not to be an exercise of a right, power or remedy under the PPSA unless the Finance Party states otherwise at the time of exercise. However, this Clause 42 does not apply to a right, power or remedy which can only be exercised under the PPSA; and

(e) if the PPSA is amended to permit the Parties to agree not to comply with or to exclude other provisions of the PPSA, the Agent may notify a Borrower and the Finance Parties that any of these provisions is excluded, or that the Finance Parties need not comply with any of these provisions.

This does not affect any rights a person has or would have other than by reason of the PPSA and applies despite any other Clause in any Finance Document.

43. CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

43.1 Confidentiality and disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(b) The Agent may disclose:

(i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the relevant Borrower pursuant to Clause 10.4 (*Notification of rates of interest*); and

(ii) any Funding Rate or any Reference Bank Quotation to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender or Reference Bank, as the case may be.

(c) The Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate or Reference Bank Quotation is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or Reference Bank Quotation or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate or Reference Bank Quotation is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender or Reference Bank, as the case may be.

(d) The Agent's obligations in this Clause 43 (*Confidentiality of Funding Rates and Reference Bank Quotations*) relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 10.4 (*Notification of rates of interest*) provided that (other than pursuant to paragraph (b)(i) above) the

Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

43.2 Related obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Agent, each Reference Bank Quotation) is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate or, in the case of the Agent, any Reference Bank Quotation for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:

(i) of the circumstances of any disclosure made pursuant to Clause 43.1(c)(ii) (*Confidentiality and disclosure*) above except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 43 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

43.3 No Event of Default

No Event of Default will occur under Clause 24.17 (Events of Default) by reason only of an Obligor's failure to comply with this Clause 43 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

44. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

45. INDEMNITIES AND REIMBURSEMENT

All indemnities and reimbursement obligations (and any other payment obligations of any Obligor) in each Finance Document are continuing and survive termination of the Finance Document, repayment of the Utilisations and cancellation or expiry of the Commitments.

46. ACKNOWLEDGEMENT

Except as expressly set out in the Finance Documents none of the Asia Pacific Loan Market Association, the Finance Parties or any of their advisers have given any representation or warranty or other assurance to any Obligor in relation to the Finance Documents and the transactions they contemplate, including as to tax or other effects. The Obligors have not relied on any of them or on any conduct (including any recommendation) by any of them. The Obligors have obtained their own tax and legal advice.

The Code of Banking Practice does not apply to the Finance Documents and the transactions under them.

SECTION 12

GOVERNING LAW AND ENFORCEMENT

47. GOVERNING LAW

This Agreement is governed by Queensland law.

48. ENFORCEMENT

48.1 Jurisdiction

(a) The courts having jurisdiction in Queensland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement (a "**Dispute**").

(b) The Parties agree that those courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) Notwithstanding paragraph (a) above, no Finance Party or Beneficiary shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and the Beneficiaries may take concurrent proceedings in any number of jurisdictions.

48.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in Australia):

(a) irrevocably appoints the Original Borrower as its agent for service of process in relation to any proceedings in connection with any Finance Document; and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

48.3 Certain ERISA Matters

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the letters of credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank

collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the letters of credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the letters of credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the letters of credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the letters of credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the letters of credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Finance Document or any documents related hereto or thereto).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

THE ORIGINAL PARTIES

[***]

Schedule 2

CONDITIONS PRECEDENT

[***]

Schedule 3

REQUESTS

[***]

Schedule 4

FORM OF TRANSFER CERTIFICATE

[***]

Schedule 5

FORM OF ACCESSION LETTER

[***]

Schedule 6

FORM OF RESIGNATION LETTER

[***]

Schedule 7

FORM OF COMPLIANCE CERTIFICATE

[***]

Schedule 8

FORM OF CONFIDENTIALITY UNDERTAKING

[***]

Schedule 9

Timetables

[***]

Schedule 9A
Screen Rate Contingency Periods

[**]

Schedule 10
Real Property

[**]

Schedule 11

Restructure - Steps Paper

[***]

EXECUTION PAGES

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CERTAIN INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. THE OMITTED PORTIONS OF THIS DOCUMENT ARE INDICATED BY [***].



New Coal Supply Agreement

Stanwell Corporation Limited
Coronado Curragh Pty Ltd

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minterellison.com

MinterEllison

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Details

Date 12 July 2019

Parties

Name	Stanwell Corporation Limited
ABN	37 078 848 674
Short form name	Stanwell
Notice details	Level 2, 180 Ann Street, Brisbane QLD 4000 Attention: Company Secretary Email: karen.buckley@stanwell.com Copy to: General Counsel Email: philip.ware@stanwell.com

Name	Coronado Curragh Pty Ltd
ABN	90 009 362 565
Short form name	Coronado
Notice details	Level 31, 345 Queen Street, Brisbane QLD 4000 Attention: Garold Spindler, Chief Executive Officer Email: gspindler@coronadocoal.com

Recitals

- A** The securing of a stable supply of Coal for the Supply Term is of fundamental importance to Stanwell. The securing of a stable demand for its coal production is of fundamental importance to Coronado. Accordingly, Coronado has agreed to sell and deliver and Stanwell has agreed to accept and purchase Coal in accordance with the terms and conditions of this Agreement, which has been executed as a deed.
- B** Under the terms of the ACSA and the "Reserved Area Deed of Consent" executed by the parties on 6 November 2009, the Reserved Area within the Curragh North Mining Lease (as those terms are defined in the ACSA) was reserved for Stanwell and Coronado was not entitled to mine the Reserved Area.
- C** Under the "Amended and Restated Reversion Deed" executed by the parties on 6 November 2009, Stanwell was entitled to acquire the Curragh North Mining Lease and certain related assets from Coronado, and Coronado was required to transfer the Curragh North Mining Lease and certain related assets to Stanwell, for nominal consideration, and Stanwell also held the right to access or acquire certain other coal production related assets and infrastructure.

D The parties agreed in the Deed (and subject to the terms of the Deed):

- (i) that Stanwell permits Coronado to mine the Reserved Area;
- (ii) that Stanwell will not exercise any of its rights, or assert any interests, in or in relation to the Curragh North Mining Lease;
- (iii) to terminate the "Reversion Deed" and the "Reserved Area Deed of Consent";
- (iv) that Coronado will supply coal to Stanwell under this Agreement from the expiry or termination of the ACSA;
and
- (v) the Derived Amount and the Cash in Lie

It is agreed as follows.

1. Interpretation

1.1 Definitions

In this Agreement:

"Act" means the *Mineral Resources Act 1989* (Qld).

"ACSA" means the Amended Coal Supply Agreement dated 6 November 2009 between Stanwell and Coronado, as amended by:

- (a) the ACSA Deed of Amendment entered into between Stanwell and Coronado on or about 21 November 2016;
- (b) the Deed; and
- (c) the letter from Coronado to Stanwell dated 20 September 2018.

"ACSA Final Delivery Date" means the date that is the "Final Delivery Date" under the ACSA.

"Advance Payment" has the meaning given in Clause 16.

"Annual Contract Tonnage" means for each Year during the Supply Term, the quantity of Coal in Tonnes Equivalent nominated by Stanwell in accordance with Clause 4.1(a)(i).

"Authorised Representative" means, in respect of each Party, the authorised representative notified by that Party to the other Party from time to time.

"Business Day" means a day other than Saturday, Sunday or public holiday in Brisbane, Queensland.

"Cash in Lieu" has the meaning given in the SRA Value Schedule.

"Cash Value of the SRA" has the meaning given in the SRA Value Schedule.

"Change of Control" means, in relation to Coronado, a change in the persons (including a fund, a trust or a corporation as defined in the Corporations Act) who are individually or together able to Control Coronado.

"Coal" means coal from the Tenements or Substitute Coal that meets the requirements of Clause 7.

"Commencement Date" means 14 August 2018.

"Contract Price per GJ" has the meaning given in the SRA Value Schedule.

"Contract Price per Tonne Equivalent" has the meaning given in the SRA Value Schedule.

"Control" has the meaning given in section 50AA of the Corporations Act, and in addition:

- (a) in the case of a corporation, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the composition of the board of directors of that corporation, the voting rights of the majority of the voting shares of the corporation or the management of the affairs of the corporation; and
- (b) in the case of a trust, includes the power (whether it is legally enforceable or not) to control, whether directly or indirectly, the appointment or removal of the trustee of the trust, the composition of the board of directors of the trustee, the voting rights of the majority of the securities of the trust or the management of the affairs of the trust or the business operated by the trust,

and **Controlled** has a corresponding meaning, where a reference to the Corporations Act in this definition is to that Act as in force at 14 August 2018.

"Coronado Holdings" means:

- (a) until the Permitted Reorganisation, Coronado Group LLC; and
- (b) on and from the Permitted Reorganisation, Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC).

"Coronado's Carrier" means such person who from time to time contracts with Coronado for the transport of Substitute Coal.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Curragh Mine" means Coronado's coal mine and coal mining facilities located within the Tenements and Coronado's processing facilities located within or in the vicinity of those Tenements.

"Deed" means the Curragh Mine – New Coal Supply Deed between Coronado and Stanwell dated 14 August 2018.

"Derived Amount" has the meaning given in the SRA Value Schedule.

"Final Delivery Date" means the earlier of:

- (a) the last day of the Month for which the Outstanding Value of the SRA is first determined as equalling zero; and
- (b) 31 December 2038.

"Government Body" means any government, governmental or semi-government or judicial entity, any body politic, any ministry, inspectorate, official, public or statutory person or other statutory or administrative entity, domestic or foreign, federal, state or local.

"GST" means any tax, levy, charge or impost implemented under the GST Act or an Act of the Parliament of the Commonwealth of Australia substantially in the form of, or which has a similar effect to, the GST Act.

"GST Act" means the Act entitled *A New Tax System (Goods and Services Tax) Act 1999* (Cth) or any Act passed in substitution for or replacement of that Act and expressions and words defined in that Act and used in this Agreement have the meanings defined in that Act.

"Holding Company" has the meaning given that term in section 9 of the Corporations Act.

"Invoice Price" has the meaning given in Clause 9(b).

"JORC Code" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves from time to time.

"Loading Plant" means the loading plant located at the mine at which a delivery of coal is to be made.

"Marketable Reserves Statement" means:

- (a) unless paragraph (b) applies, a statement given in accordance with the JORC Code showing, amongst other things, the Mineral Resources and Ore Reserves (as those terms are defined in the JORC Code) of coal within the Tenements; and
- (b) if a Holding Company of Coronado is not listed on a recognised stock exchange, an annual reserves statement for the Tenements prepared by suitably qualified experts equivalent to a JORC Code reserves statement.

"Medium Term Arrangement" means:

- (a) any contractual arrangement for the sale and purchase of coal by Coronado with a third party, or by Stanwell with a third party, as applicable, having a term of not less than three Months and not more than one Year; and
- (b) any such arrangement for a term of not more than one Year which contains an option for Stanwell or Coronado to extend that term, provided that such option is not exercised after the relevant interruption to supply or to taking of deliveries, as applicable, ceases without the prior consent of Stanwell (where Coronado is the party to the agreement) or of Coronado (where Stanwell is the party to the agreement).

"Mining Lease" means a mining lease granted under the Act.

"Month" means a calendar month.

"Monthly Tonnages" has the meaning given in Clauses 4.2(a) and 4.2(b).

"Monthly Tonnage (SRA Value Schedule)" has the meaning given in the SRA Value Schedule.

"Netback Amount" for each Month during the Supply Term, has the meaning given in Clause 11.2.

"Netback Price" has the meaning given in the SRA Value Schedule.

"Nominal Net Weight" for a train means 97.5% of the aggregate of the weight of coal capable of being carried in the wagons in that train, for each particular class of wagon as most recently advised by Stanwell's Carrier.

"Nominated Contract Price per GJ" has the meaning given in the SRA Value Schedule.

"Outstanding Value of the SRA" has the meaning given in the SRA Value Schedule.

"Party" means Coronado or Stanwell.

"Permitted Reorganisation" means the transfer by Coronado Group LLC of all of its assets (other than its interests in Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC)) to Coronado Global Resources Inc. (formerly Coronado Group Holdco LLC).

"Power Station" means:

(a) the Stanwell Power Station; or

(b) any other power station:

(i) owned by Stanwell which Stanwell may nominate to receive and use Coal; and

(ii) where the Coal has been test burned by Stanwell and determined by Stanwell to be suitable for use,

depending in each case upon where the Coal is intended to be used.

"Project Documents" means this Agreement, the Deed and the ACSA.

"Quarter" means any period of 3 consecutive Months beginning on January 1, April 1, July 1 and October 1 of any Year.

"Quarterly Tonnages" has the meaning given in Clause 4.1(a).

"Rail Energy Payment" has the meaning given in Clause 11.5.

"Related Body Corporate" has the meaning given to that term in section 50 of the Corporations Act .

"Shareholding Minister" has the meaning given to that term in the *Government Owned Corporations Act 1993* (Qld).

"SRA Value Schedule" means the model calculations schedule at Schedule 1 to this Agreement which sets out the information and formulae required to determine:

(a) certain amounts to be paid under this Agreement; and

(b) the Final Delivery Date.

"Standard Coal Quality" means all of the Gross Calorific Value, Ash and Total Moisture specifications as set out in Clause 7.1(a).

"Stanwell Power Station" means the existing coal fired power station operated by Stanwell near Gracemere in the State of Queensland.

"Stanwell's Carrier" means such person who from time to time contracts with Stanwell for the transport of Coal.

"Substitute Coal" has the meaning given in Clause 3.2.

"Supply Commencement Date" means the earlier of:

- (a) the day after the ACSA Final Delivery Date;
- (b) if the ACSA is terminated prior to the ACSA Final Delivery Date, the day after the date that the ACSA is terminated; and
- (c) 1 January 2029.

"Supply Term" means the period from the Supply Commencement Date until the Final Delivery Date.

"Tenements" means Mining Lease Numbers 1878, 1990, 80010, 80011, 80012, 80086, 80110, 80112, 80123, 80171, 700006, 700007, 700008 and 700009 and Mineral Development Licence Numbers 162, 328 and 329 and any renewals, extensions and amendments thereof and any tenements issued to Coronado in place thereof or over any part of the area covered by the foregoing tenements.

"Termination Payment" has the meaning given in the SRA Value Schedule.

"Tonne" means a metric ton of 1,000 kg. For the purpose of conversion, a metric ton equals 0.984206 long tons and a long ton equals 1.016047 metric tons.

"Tonne Equivalent" means a quantity of Coal with an as received Gross Calorific Value of 25.6 gigajoules, determined by the sampling and analysis techniques provided in this Agreement.

"Tonnes Delivered" for each Month during the Supply Term, has the meaning given in Clause 11.2.

"Trade Certified" means that the Weighbridge is licensed under the *National Measurement Act 1960* (Cth).

"Value of the SRA" has the meaning given in the SRA Value Schedule.

"Weekly Tonnages" has the meaning given in Clauses 4.3(a) to 4.3(c) inclusive.

"Weighbridge" means the weighbridge at or near the Loading Plant or other weighbridge agreed in writing by the Parties, with each Party acting reasonably.

"Year" means a calendar year commencing on January 1 and ending on December 31.

1.2 Interpretation

In this Agreement:

- (a) All payments required to be made under this Agreement shall be made in Australian Dollars and Cents.
- (b) References to "A\$" or "\$" shall be a reference to Australian dollars and references to "US\$" shall be a reference to United States dollars.
- (c) Each provision shall be deemed to be separate and severable from each other provision. If any provision is determined to be invalid or unenforceable, such determination and the consequential severance (if any) shall not invalidate the rest of this Agreement which shall remain in full force and effect as if such provision had not been made a part thereof unless the effect of the severance of any such provision would be to frustrate this Agreement in which case the legal principles of frustration of contract shall apply.
- (d) Reference to a Party includes that Party's successors and permitted assigns and references to Coronado or Stanwell shall include their successors and permitted assigns.
- (e) Reference to Australian or British Standards shall unless otherwise agreed by the Parties be reference to such Standards as at the date hereof.

(f) Save as expressly provided in this Agreement, reference to any statute shall include reference to any modification thereof or any statutory provision substituted therefore and any regulation, rule, by-law, Order in Council or Proclamation made thereunder or pursuant thereto.

(g) Percentages shall where the context permits, in relation to physical characteristics of coal, refer to percentages by mass.

(h) A reference to a person includes a corporation of any type, and any other legal structure, as well as a natural person.

(i) Where a word or phrase is given a particular meaning, other parts of speech or grammatical forms of that word or phrase have corresponding meanings.

(j) A reference to a law, document, deed or agreement, including this Agreement, includes a reference to that law, document, deed or agreement as amended, novated, supplemented, varied or replaced from time to time.

(k) The terms "include" and "including" shall be deemed to be followed by the words "without limitation".

(l) If a Party is required to use "its best endeavours" under this Agreement, that Party is entitled to take into consideration commercial considerations (including time and cost) and whether the obligation can be achieved and any such obligation shall be so interpreted.

(m) A reference to the "date of this Agreement" is a reference to the date this document was executed by the Parties.

2. Agreement to Buy and Sell/Total Contract Tonnage

2.1 New CSA

This Agreement is the "full form New CSA" described in clause 3.2(a) of the Deed. This Agreement supersedes and replaces the Binding Terms Sheet (as defined in the Deed).

2.2 Agreement

Commencing on the Supply Commencement Date, Coronado shall sell and deliver to Stanwell, and Stanwell shall purchase and accept from Coronado, Coal in the quantities and on the terms and conditions provided in this Agreement.

2.3 Term

(a) This Agreement will have effect from the Commencement Date, and unless this Agreement is terminated earlier in accordance with its terms this Agreement ends on the date occurring after the Final Delivery Date when each Party has complied with its obligations and satisfied all of its liabilities under this Agreement.

(b) From four Years prior to the expected Final Delivery Date, either Party may request the other Party to discuss the possibility of extending this Agreement to cover additional tonnages of Coal. In such case the Parties will discuss such possibility but, subject to Clause 2.3(c)(ii) neither Party shall be obliged to agree to any such extension.

(c) If as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, then:

(i) Coronado shall pay to Stanwell the Cash Value of the SRA as at 31 December 2038 by no later than 31 January 2039; and

(ii) if requested by Stanwell, Coronado will use its best endeavours to supply Coal, at a price to be agreed between Coronado and Stanwell.

2.4 Non-exclusive Supply Agreement

Without derogating from the obligations of Coronado and Stanwell under this Agreement, Coronado acknowledges and agrees that:

- (a) it is not the exclusive supplier of coal to Stanwell;
- (b) Stanwell is not obliged to purchase all of its coal requirements from Coronado; and
- (c) Stanwell may seek and obtain supplies of coal from third party suppliers of coal.

3. Source of Coal/Substitute Coal

3.1 Source of Coal

- (a) Coal supplied under this Agreement shall be from the Tenements, except as provided in Clause 3.1(b).
- (b) Coronado shall have the right to deliver Substitute Coal, and Stanwell shall accept delivery of that Substitute Coal, subject to Clauses 3.3 to 3.8, inclusive. Stanwell's sole obligations to accept delivery of that Substitute Coal are set out in this Clause 3.
- (c) Except as otherwise expressly provided in this Agreement, the provisions of this Agreement shall apply to that Substitute Coal as if it were coal produced from the Tenements.

3.2 Substitute Coal

- (a) **"Substitute Coal"** means coal produced from sources other than the Tenements and either:
 - (i) if the coal is for use at the Power Station:
 - (A) the coal meets the provisions of Clause 7 and has been previously utilised at the Power Station; or
 - (B) if the coal has not been previously utilised at the Power Station, then coal that Stanwell has test burned and determined is suitable for use at the Power Station in accordance with Clause 3.2(c); or
 - (ii) if the coal is not for use at the Power Station, then coal that meets the provisions of Clause 7.
- (b) Coronado may at any time request Stanwell to provide a list of coal that has been previously utilised at the Power Station, including its source and quality and Stanwell shall provide that information within 7 days of receiving that request.
- (c) Where coal which has not been previously utilised at the Power Station is intended for use at the Power Station, Coronado may request Stanwell to test burn the coal and Stanwell shall do so and shall inform Coronado of its determination, with reasons within 60 days of receiving that request. Stanwell shall act reasonably and in good faith in the test burn and in determining the suitability of such coal. Such trial coal shall be purchased and transported on the same basis as Coal is purchased and transported under this Agreement.

3.3 Transportation of Substitute Coal

Clauses 3.4 to 3.8, inclusive, shall apply in relation to the transport of Substitute Coal that is not delivered at the Curragh Mine Loading Plant.

3.4 Transportation and Rail Rates of Substitute Coal from Designated Mines

- (a) **"Designated Mine(s)"** means any mine other than the Curragh Mine for which Stanwell at the relevant time has rail freight arrangements in place for transport of coal from that mine to:

- (i) the Power Station; and
 - (ii) such other destination as Stanwell advises Coronado that Coal delivered under this Agreement is to be transported.
- (b) Within 7 days of receiving a request from Coronado, Stanwell shall inform Coronado of all Designated Mines.
- (c) Stanwell shall use its best endeavours to achieve rail freight rates for the transport of coal from Designated Mines to the Power Station, or if applicable, to such other destination as Stanwell advises Coronado that Coal delivered under this Agreement is to be transported, that are at least equivalent to or better than market rates at the time and are based on utilisation equivalent to Stanwell's planned total coal consumption for the Year concerned.
- (d) For any proposed delivery of Substitute Coal from a Designated Mine, Coronado may request Stanwell to inform it:
- (i) whether Stanwell is able to arrange the transport of the Substitute Coal;
 - (ii) of the destination of the Substitute Coal;
 - (iii) provided Stanwell is able to arrange the transport of the Substitute Coal, of any Difference or Stanwell Election Difference, as the case may be (as defined in Clause 3.6(a)) that would apply to that delivery; and
 - (iv) if Coronado were to arrange the transportation of that Substitute Coal, of any Capacity Charges (as defined in Clause 3.6(a)) that would apply.
- (e) Stanwell shall provide the information requested in Clause 3.4(d) (or Stanwell's best estimate thereof, based on reasonable grounds) within 5 days of the request. Coronado may then elect to:
- (i) have Stanwell arrange transportation of the Substitute Coal, provided Stanwell has informed Coronado that it is able to do so, and in that event Stanwell shall arrange the transportation;
 - (ii) provided Coronado has made the request at least 7 days before the proposed delivery, arrange the transportation of the Substitute Coal; or
 - (iii) cancel the proposed delivery of Substitute Coal.
- (f) If:
- (i) Coronado has made an election in accordance with Clauses 3.4(e)(i) or 3.4(e)(ii) in respect of the transportation of Substitute Coal; and
 - (ii) Stanwell makes an election in accordance with Clause 4.5 which would apply to any quantity of Coal that would be Substitute Coal to which the election made in accordance with Clauses 3.4(e)(i) or 3.4(e)(ii) would apply (**Designated Mine Export Substitute Coal**),
- then:
- (iii) the election under Clauses 3.4(e)(i) or 3.4(e)(ii) will not apply in respect of the Designated Mine Export Substitute Coal;
 - (iv) Stanwell must provide the information required under Clause 3.4(d) in respect of the Designated Mine Export Substitute Coal within 5 days of the election under Clause 4.5; and
 - (v) Coronado may then make the election under Clause 3.4(e) in respect of the Designated Mine Export Substitute Coal.

3.5 Transportation and Rail Rates of Substitute Coal from other Mines

- (a) **"Other Mine(s)"** means any mine that is not the Curragh Mine or a Designated Mine.

(b) For any proposed delivery of Substitute Coal from any Other Mine:

(i) Coronado shall give Stanwell at least 14 days' notice of that proposed delivery from a nominated Other Mine and request Stanwell to obtain a quotation for a rail freight rate for the transportation of Substitute Coal from that Other Mine.

(ii) Stanwell shall use its best endeavours to achieve rail freight rates for the transport of coal from that Other Mine to the Power Station, or if applicable, to such other destination as Stanwell advises Coronado that Coal delivered under this Agreement is to be transported, that are at least equivalent to or better than market rates at the time and are based on utilisation equivalent to Stanwell's planned total coal consumption for the Year concerned.

(iii) Within 7 days of receiving that notice and request, Stanwell shall inform Coronado of:

(A) whether Stanwell is able to arrange transport of the Substitute Coal;

(B) any such quotation;

(C) the destination of the Substitute Coal;

(D) any Difference or Stanwell Election Difference, as the case may be (as defined in Clause 3.6(a)) that would apply to that delivery; and

(E) if Coronado were to arrange the transportation of that Substitute Coal, any Capacity Charges (as defined in Clause 3.6(a)) (or Stanwell's best estimate thereof, based on reasonable grounds) that would apply.

(iv) Coronado may then elect to:

(A) have Stanwell arrange transportation of the Substitute Coal, provided Stanwell has informed Coronado that it is able to do so, and in that event Stanwell shall arrange the transportation;

(B) arrange the transportation of the Substitute Coal; or

(C) cancel the proposed delivery of Substitute Coal.

(v) If:

(A) Coronado has made an election in accordance with Clauses 3.5(b)(iv)(A) or 3.5(b)(iv)(B) in respect of the transportation of Substitute Coal; and

(B) Stanwell makes an election in accordance with Clause 4.5 which would apply to any quantity of Coal that would be Substitute Coal to which the election made in accordance with Clauses 3.5(b)(iv)(A) or 3.5(b)(iv)(B) would apply (**Other Mine Export Substitute Coal**),

then:

(C) the election under Clauses 3.5(b)(iv)(A) or 3.5(b)(iv)(B) will not apply in respect of the Other Mine Export Substitute Coal;

(D) Stanwell must provide the information required under Clause 3.5(b)(iii) in respect of the Other Mine Export Substitute Coal within 5 days of the election under Clause 4.5; and

(E) Coronado may then make the election under Clause 3.5(b)(iv) in respect of the Other Mine Export Substitute Coal.

3.6 Payment for Transportation

(a) In this Clause 3.6:

(i) "**Transport Cost**" means the amount, in \$/Tonne, equal to the applicable rate for the transport of coal from the relevant Designated Mine or Other Mine, as

the case may be, to the relevant destination taking into account all rail performance Freight Incentives and Corridor Improvement Incentives available from Stanwell's Carrier or Coronado's Carrier, as the case may be.

(ii) **"Train Weight"** means the weight, in Tonnes, of Substitute Coal contained in each rail consignment for delivery to the unloading facility at the Power Station, or such other destination as Stanwell advises Coronado that Coal delivered under this Agreement is to be transported, determined in accordance with Clause 8;

(iii) **"CC Cost"** means the cost (Transport Cost times Train Weight), in total \$'s, of delivery of a rail consignment to the unloading facility at the Power Station that Stanwell incurs or would incur had the Substitute Coal been supplied from the Curragh Mine Loading Plant at the same time;

(iv) **"SC Cost"** means the cost (Transport Cost times Train Weight), in total \$'s, of delivery of a rail consignment of Substitute Coal to the unloading facility at the Power Station (including, if the Substitute Coal is delivered to any other location than the Power Station, the cost (Transport Cost times Train Weight), in total \$'s, which would have been payable for a delivery of a rail consignment of Substitute Coal to the unloading facility at the Power Station if it were so delivered);

(v) **"Stanwell Election SC Cost"** means, for the transport of Substitute Coal to a destination other than the Power Station, the cost (Transport Cost times Train Weight), in total \$'s, of delivery of the rail consignment of Substitute Coal to the unloading facility at such other destination;

(vi) **"Difference"** means:

SC Cost less CC Cost

Provided that the Difference shall not exceed the amount advised by Stanwell under Clauses 3.4 or 3.5, as the case may be.

If positive the Difference is defined as **"Overs"**

If negative the Difference is defined as **"Unders"**

(vii) **"Stanwell Election Difference"** means:

Stanwell Election SC Cost less SC Cost

Provided that the Stanwell Election Difference shall not exceed the amount advised by Stanwell under Clauses 3.4 or 3.5, as the case may be.

If positive the Stanwell Election Difference is defined as **"Stanwell Election Overs"**

If negative the Stanwell Election Difference is defined as **"Stanwell Election Unders"**

(viii) **"Capacity Charges"** means any penalty rail rate or cost that Stanwell is required to pay under a rail freight agreement(s) with Stanwell's rail provider(s), which agreement(s) relate(s) in whole or in part to the transport of Coal from the Curragh Mine Loading Plant imposed because of Coronado electing to supply Substitute Coal, taking into account the effect of the transport of other suppliers' coal under that rail freight agreement(s).

(ix) **"Freight Incentives"** means rail performance incentives that are available and which actually apply to Stanwell's Carrier or Coronado's Carrier, as the case may be, rail rate at the relevant time.

(x) **"Corridor Improvement Incentives"** means rail corridor incentives available to rail users at the relevant time.

- (b) For each rail consignment of Substitute Coal delivered under this Clause 3, the Parties will calculate the Difference and the Stanwell Election Difference (if applicable).
- (c) If Substitute Coal is transported and Stanwell arranges that transportation of Substitute Coal and:
- (i) Unders is declared:
 - (A) Stanwell will pay the SC Cost or Stanwell Election SC Cost (as the case may be) to the rail provider;
 - (B) Stanwell will pay the Unders to Coronado; and
 - (C) the Parties shall record the Unders for consideration under Clause 3.6(h).
 - (ii) Overs is declared:
 - (A) Stanwell will pay the SC Cost or Stanwell Election SC Cost (as the case may be) to the rail provider;
 - (B) Coronado will pay the Overs to Stanwell; and
 - (C) the Parties shall record the Overs for consideration under Clause 3.6(h).
- (d) If Substitute Coal is transported and Coronado arranges that transportation of Substitute Coal and:
- (i) Unders is declared:
 - (A) Coronado will pay the SC Cost or Stanwell Election SC Cost (as the case may be) to the rail provider;
 - (B) Stanwell will pay the CC Cost to Coronado; and
 - (C) the Parties shall record the Unders for consideration under Clause 3.6(h).
 - (ii) Overs is declared:
 - (A) Coronado will pay the SC Cost or Stanwell Election SC Cost (as the case may be) to the rail provider;
 - (B) Stanwell will pay the CC Cost to Coronado; and
 - (C) the Parties shall record the Overs for consideration under Clause 3.6(h).
- (e) If the Substitute Coal is transported to any destination other than the Power Station and:
- (i) Stanwell Election Overs is declared:
 - (A) if Coronado arranges the transportation of Substitute Coal, Stanwell will pay the Stanwell Election Overs to Coronado; and
 - (B) the Parties shall record the Stanwell Election Overs for consideration under Clause 3.6(h).
 - (ii) Stanwell Election Unders is declared:
 - (A) if Stanwell arranges the transportation of Substitute Coal, Stanwell will pay the Stanwell Election Unders to Coronado; and
 - (B) the Parties shall record the Stanwell Election Unders for consideration under Clause 3.6(h).
- (f) The financial transactions under Clause 3.6(c), (d), and (e) (as applicable) shall be conducted for each rail consignment of Substitute Coal, unless otherwise agreed.

(g) After the end of each Year, and as soon as the information becomes available, Stanwell will provide an invoice (with such supporting information as Coronado may reasonably require) to Coronado in respect of the Capacity Charges (if any) with such payment to be made within 14 days of receipt of such invoice.

(h) Within 30 days of the giving of the invoice referred to in Clause 3.6(g) for any Year, the Parties will determine, in respect of that Year:

- (i) The total Overs and any Stanwell Election Overs for all rail consignments;
- (ii) The total Unders and any Stanwell Election Unders for all rail consignments; and
- (iii) (Total Overs plus Stanwell Election Overs plus Capacity Charge less Total Unders less Stanwell Election Unders) ("**Excess**").

(i) If the Excess is negative Coronado shall pay to Stanwell a sum equal to 50% of the Excess, with such payment to be made within 14 days of receipt of such invoice from Stanwell.

(j) The Party entitled to payment under this Clause 3.6 will provide an invoice for payment by the other Party with such payment to be made as provided in Clause 11.9(a) (with Clause 11.9(a) applying mutatis mutandis to payments by Coronado).

(k) The Parties will provide sufficient information (when available) to enable each other to raise invoices and to record the necessary information for purposes of this Clause 3.6 and for internal recording purposes.

3.7 Notification of Delivery of Substituted Coal

Coronado recognises that Stanwell needs to be informed in advance of delivering Substitute Coal, including the forward delivery schedule. Coronado shall give at least 7 days' notice of any delivery of such coal but Stanwell shall use its best endeavours to accept such coal on shorter notice where it will suffer no material adverse effect in doing so.

3.8 Limit of Amount of Substitute Coal

Notwithstanding any other Clause, Coronado shall not have the right to deliver any Substitute Coal which if delivered would cause the Substitute Coal to be delivered in any Year to exceed 50% of the Annual Contract Tonnage for that Year.

4. Annual Contract Tonnage, Rates of Delivery and Notification of Requirement

4.1 Annual nominations

(a) Not later than the 30 June occurring prior to the commencement of each Year during the Supply Term, Stanwell shall, by notice to Coronado:

(i) nominate:

(A) the Annual Contract Tonnage for that Year which must be between [***] Tonnes Equivalent and [***] Tonnes Equivalent (and pro rata for a part Year), and if no such nomination is made for any Year, Stanwell shall be deemed to have nominated 2 million Tonnes Equivalent;

(B) in respect of any Month during that Year, a quantity of the Annual Contract Tonnage in Tonnes Equivalent (up to one twelfth of the Annual Contract Tonnage for any Month), for which Stanwell elects to receive Cash in Lieu; and

(C) the Nominated Contract Price per GJ for each Month in that Year, which must be:

(I) no less than the Contract Price per GJ for that Month in that Year as set out in the SRA Value Schedule multiplied by [***]; and

(II) no more than the Contract Price per GJ for that Month in that Year as set out in the SRA Value Schedule multiplied by [***],

and if no such nomination is made for any Year, Stanwell shall be deemed to have nominated the Contract Price per GJ for each Month in that Year as set out in the SRA Value Schedule,

provided that the nomination must not cause the Outstanding Value of the SRA to be less than zero;

(ii) confirm any additional Tonnes that have been postponed in accordance with Clause 12.4(c), Clause 13.4(c) or Clause 16 and that Coronado is obliged to deliver in that Year pursuant to this Agreement;

(iii) propose the Quarterly Tonnage for each Quarter of such Year; and

(iv) indicate, on a non-binding basis, the nominations of the Annual Contract Tonnage for each Year, and Nominated Contract Price per GJ for each Month, of the Supply Term after the Year for which the nominations in Clause 4.1(a)(i)(A) and 4.1(a)(i)(C) are made, in accordance with the SRA Value Schedule.

(b) If Stanwell fails to give a notice under Clause 4.1(a)(iii), or if Coronado disagrees with the Quarterly Tonnages as proposed by Stanwell, then the Quarterly Tonnages for each Quarter of the Year shall be one quarter of the Annual Contract Tonnage.

(c) If:

(i) Stanwell does not make a nomination by the 30 June that occurs immediately prior to the commencement of the first Year of the Supply Term; and

(ii) either:

(A) the Supply Term commences; or

(B) in the reasonable opinion of Stanwell, the Supply Term is likely to commence before Stanwell will be able to make a nomination,

Stanwell shall promptly make a nomination in accordance with Clause 4.1(a) for the period in respect of the first (and if applicable, the second) Year in the Supply Term.

(d) If there is an interruption to the supply of Coal in the period between the date of Stanwell's nomination and 31 December of that Year, Stanwell may prior to 31 December revise its nomination of the Annual Contract Tonnage, by an amount equal to the missed deliveries, provided that the revised nomination does not exceed a total maximum of [***] million Tonnes Equivalent. That revised nomination of the Annual Contract Tonnage will be Stanwell's nomination for the purposes of Clause 4.1(a).

(e) For the purposes of calculating the Cash Value of the SRA, where the Agreement will terminate due to Coronado's default, Stanwell may (but is not obliged to) give a revised nomination under this Clause 4.1, including the non-binding nominations for each Year of the Supply Term under Clause 4.1(a)(iv).

(f) If the Supply Commencement Date occurs before the ACSA Final Delivery Date, in respect of each Month from the Supply Commencement Date until the Month in which the ACSA Final Delivery Date occurs, Stanwell must nominate one twelfth of the Annual Contract Tonnage (pro rata for any part Month) as Cash in Lieu.

(g) Notwithstanding Clauses 4.1(a) through 4.1(f), either Coronado or Stanwell may at any time propose any Annual Contract Tonnage and Quarterly Tonnage for the next Year. The other Party shall consider any such proposal but shall be under no obligation to

accept the same. If the Parties agree upon a different Annual Contract Tonnage and Quarterly Tonnage that shall become the Annual Contract Tonnage and Quarterly Tonnage for the periods concerned.

4.2 Monthly Deliveries

(a) Coronado shall give notice of its intended Monthly Tonnage for each Month during a Quarter no later than 30 days before the commencement of that Quarter. If Stanwell disagrees with the Monthly Tonnages notified by Coronado, the Parties will discuss the same in good faith with a view to agreeing upon Monthly Tonnages that meet the requirements of both Coronado and Stanwell.

(b) Failing agreement, the Monthly Tonnages for the Quarter shall be approximately one third of the Quarterly Tonnage.

4.3 Weekly Deliveries

(a) Coronado shall give notice of its intended Weekly Tonnage for each week of each Month no later than 7 days before the commencement of that Month. If Stanwell disagrees with the Weekly Tonnages notified by Coronado, the Parties will discuss the same in good faith with a view to agreeing upon Weekly Tonnages that meet the requirements of both Coronado and Stanwell.

(b) Failing agreement, the Weekly Tonnages for the Month shall provide for deliveries each week of approximately one quarter of the Monthly Tonnage.

(c) If both Parties agree, any Weekly Tonnages may be changed to take into account Coronado's planned exports of coal from the Tenements and Stanwell's other planned purchases of coal for the Power Station.

4.4 Obligation to Deliver and Accept Deliveries

Coronado shall deliver, and Stanwell shall take delivery of, Coal at rates which meet the requirements of Clauses 4.1 to 4.3, inclusive. Coronado is not obliged to deliver any Coal in respect of which Stanwell has elected to take Cash in Lieu.

4.5 Export election

Stanwell may elect not more than once in respect of any Quarter, by giving notice to Coronado prior to the commencement of the Quarter, to receive any quantity of Coal that Stanwell does not require at the Stanwell Power Station and deal with it as it sees fit, including to export the Coal or otherwise deal with the Coal (and if it does so, Stanwell may request Coronado, to act as its agent to deal with the Coal at Stanwell's cost, and Coronado may accept or reject that request in its absolute discretion). Coronado must deliver and Stanwell must take such Coal in accordance with the terms of this Agreement.

4.6 Specific Deliveries

Coronado shall make day to day arrangements regarding the scheduling of trains directly with Stanwell's Carrier or Coronado's Carrier and with designated personnel at the Power Station.

5. Coal Option

(a) The Parties must use their best endeavours to negotiate an agreement for an option to purchase additional Coal (**Coal Option**) on terms substantially similar to those set out in the letter from Garold Spindler to Richard Van Breda dated 26 June 2019 (the **Coal Option Letter**) by 30 September 2019 (**Negotiation Deadline**).

(b) If the Parties have not executed and delivered the Coal Option by the Negotiation Deadline;

(i) the Parties will be deemed to be in a dispute about the terms of the Coal Option (**Coal Option Dispute**);

(ii) the terms of Schedule 2 of the Deed will apply to the Coal Option Dispute on the basis that, for the purposes of applying Schedule 2 of the Deed to the Coal Option Dispute:

- (A) the "New CSA" as defined in the Deed is read as the Coal Option;
- (B) a "CSA Dispute" as defined in the Deed is read as the Coal Option Dispute;
- (C) the "Guiding Principles" as defined in Schedule 2 of the Deed will be read as being those parts of the Coal Option Letter relating to the agreement of an option to purchase additional Coal;
- (D) copies of this Agreement and the Coal Option Letter must be provided to the "Expert" (as defined in the Deed) for the purposes of clause 5.5 of Schedule 2 of the Deed;
- (E) clause 5.6(a)(ii) is deleted; and
- (F) such other amendments as necessary are made to give effect to the terms of Schedule 2 of the Deed in respect of the Coal Option Dispute.

6. Delivery Facilities/Title/Risk

(a) Except where Coronado is to arrange transport of Substitute Coal, Coal shall be delivered by Coronado onto rail wagons at the Loading Plant, at Coronado's cost.

(b) Subject to reasonable maintenance requirements that have, where possible, been previously notified by Coronado to Stanwell, Coronado shall deliver Coal at the Curragh Mine Loading Plant at a rate of at least [***] Tonnes per hour and have the Loading Plant available twenty-four (24) hours per day, seven (7) days a week.

(c) Where Stanwell is to arrange the transportation of Substitute Coal, Coronado shall deliver such Substitute Coal at a rate which forms the basis of the rail rates agreed with Stanwell's Carrier.

(d) Coronado shall maintain adequate stockpiles of Coal to ensure continuity of deliveries taking into account such contingencies as might reasonably be foreseeable to a prudent mine operator.

(e) Where Stanwell is to arrange the transportation of Substitute Coal, Stanwell shall ensure that sufficient rollingstock is available at the Loading Plant at no cost to Coronado to allow Coronado to carry out its obligations hereunder.

(f) Where Stanwell is to arrange transport, delivery and acceptance of Coal shall be deemed to have been made and taken, and risk and title shall pass to Stanwell, when Coal from the Loading Plant is discharged onto rail wagons.

(g) Where Coronado is to arrange transport of Substitute Coal, delivery and acceptance of that Coal shall be deemed to have been made and taken, and risk and title shall pass to Stanwell, when the Coal is discharged from Coronado's Carrier's rail wagons at the unloading facilities at the Power Station or such other destination as Stanwell advises the Substitute Coal be delivered to in accordance with Stanwell's rights under this Agreement.

(h) Coronado will use its best endeavours to comply with Schedule 2 and Schedule 3.

(i) From time to time, either Party may request renegotiation of the provisions of Schedule 3 of this Agreement to reflect the provisions of its then contract for rail haulage which includes the loading of Coal at the Curragh Mine Loading Plant. In such event the Parties will meet in good faith to endeavour to agree upon revised terms which meet their respective needs. If no agreement is reached by the Parties to amend this Agreement, this Agreement shall continue unchanged.

7. Quality of Coal

7.1 Standard Coal Quality

(a) The Standard Coal Quality, which shall form the basis of price and price variations for varying Coal quality, shall be:

Gross Calorific Value (as sampled):	[***]GJ/t
Ash (at [***]% Total Moisture):	[***]%
Total Moisture (as sampled):	[***]%

(b) Coronado will use its best endeavours to ensure that Coal supplied will generally meet Standard Coal Quality.

(c) If Coal supplied by Coronado is of lesser quality than the Standard Coal Quality over a period of two consecutive Months, Stanwell may request advice from Coronado on the action, if any, Coronado proposes to take in an endeavour to deliver Coal of Standard Coal Quality.

7.2 Limiting Specifications

(a) If in the reasonable opinion of Stanwell after consultation between the Parties following a request under Clause 7.1(c) on the basis of previous deliveries and any inspection under Clause 7.3(b), the quality of Coal delivered or likely to be delivered hereunder at any time and from time to time does not meet any of the following limiting Coal specifications (for the purpose of this Clause 7, the "**Limiting Specifications**"):

Gross Calorific Value (as received)	[***]GJ/t	min
Ash (at [***]% total moisture)	[***]%	max
Total Moisture (as received)	[***]%	max
Sulphur (at [***]% total moisture)	[***]%	max
Slagging Index (0.8 x deformation temperature + 0.2 x hemisphere temperature (in reducing atmosphere))	[***]°	min
Volatile Matter (as received)	[***]%	min

then Stanwell may by notice suspend delivery of Coal hereunder from the time of giving such notice until Coronado can demonstrate that the Coal ready for delivery is likely to meet all of the Limiting Specifications (provided that for Coal used or intended to be used in the Power Station, Stanwell may only give such notice if in Stanwell's reasonable opinion the failure of such Coal to meet these Limiting Specifications materially affects, or is likely to materially affect, the normal operation of the Power Station).

(b) Stanwell shall furnish to Coronado, as soon as practicable after the giving of any notice of suspension hereunder, a statement setting out the reasons for Stanwell's decision to suspend deliveries, together with any relevant evidence and a portion of the sample or samples tested where applicable. Such a suspension shall constitute an interruption to supply in terms of Clause 12.

(c) For rejection purposes coal quality will be determined on a mine stockpile basis and not on a train by train basis.

(d) Coronado shall use its best endeavours to ensure that Coal will meet the Limiting Specifications.

(e) If Coronado is not able to demonstrate that the Coal ready for delivery is likely to meet all of the Limiting Specifications as required in Clause 7.2(a) within a reasonable period of time, then Clause 12 shall apply.

7.3 Quality Generally

(a) Coronado shall keep Stanwell informed on matters which may affect the quality of Coal.

(b) Stanwell may at any reasonable time, after the giving of a reasonable notice, inspect Coronado's facilities and operations including Coronado's drilling and quality control operations.

(c) If Coronado on an ongoing basis cannot meet the Slagging Index Limiting Specification of [***]°C minimum, and Coronado so requests, Stanwell will meet with Coronado to discuss whether it will be possible for Stanwell to accept coal which does not meet that Limiting Specification over a particular period of time and if so on what basis, but Stanwell shall not be obliged to agree to accept such coal. However Stanwell will act reasonably and in good faith in considering such request.

(d) Coronado will use its best endeavours to ensure that based on representative sampling from Coal quantities in excess of [***]Tonnes:

(i) no more than [***]% and if possible, no more than [***]% of Coal delivered hereunder will pass through a [***] millimetre square mesh screen; and

(ii) all coal delivered hereunder will pass through a [***] millimetre square mesh screen.

(e) Coronado shall, so far as reasonably practicable, co-operate with Stanwell to minimise any operational problems which may be experienced by Stanwell associated with:

(i) the handling of the Coal;

(ii) extraneous materials in the Coal at the time of delivery ("**Extraneous Materials**"); or

(iii) other undesirable properties of Coal at the time of delivery.

(f) Stanwell may reject any delivery of Coal containing Extraneous Materials which are likely, in Stanwell's reasonable opinion, to make the Coal unusable by Stanwell.

8. Quantity and Quality Determination

8.1 Weight

The weight of Coal for payment purposes shall be ascertained by the Trade Certified Weighbridge, or in the event of the Trade Certified Weighbridge being unavailable or the Weighbridge not being Trade Certified then:

(a) subject to any agreement that is made as contemplated in Clause 8.1(b), the weight of Coal for payment purposes shall be the Nominal Net Weight; and

(b) if the Trade Certified Weighbridge is unavailable for more than 28 consecutive days, or if the Weighbridge is not Trade Certified for more than 28 consecutive days, the Parties will meet in good faith to discuss and seek to agree a replacement method of determining the weight of Coal for payment purposes until the Trade Certified Weighbridge is again available or the Weighbridge is Trade Certified (as applicable). Until any such agreement is reached, Clause 8.1(a) will continue to apply. Clause 17 will not apply to any failure of the Parties to agree as contemplated in this Clause 8.1(b) except to the extent that if the Parties fail to reach agreement where the Trade Certified Weighbridge is unavailable for more than 365 consecutive days, or if the Weighbridge is not Trade Certified for more than 365 consecutive days, either Party may refer the matter for resolution to an Expert under Clause 17(h).

8.2 Sampling

(a) All sampling, sample preparation and analysis of Coal to determine the quality of Coal delivered for the purpose of this Agreement shall be undertaken in accordance with Australian Standards AS4264 and AS1038 unless otherwise indicated or otherwise agreed from time to time.

(b) The automatic sampler which exists adjacent to the rail loadout bins situated at the Loading Plant will be used to obtain samples representative of Coal delivered by Coronado to rail wagons. Analyses of the sample shall be carried out at Stanwell's cost by Stanwell by an NATA registered laboratory agreed by the Parties. Coronado shall operate the automatic sampler ("**Mine Sampler**") which exists adjacent to the rail loadout bins situated at the Curragh Mine, and shall request the supplier of Substitute Coal to operate the sampler adjacent to its rail loadout bins, to obtain samples representative of Coal delivered by Coronado to rail wagons. The Mine Sampler shall conform to Australian Standard requirements. Coronado shall provide the agreed NATA registered laboratory with the sample representative of Coal delivered to rail wagons. Analysis of the sample shall be carried out by that agreed laboratory.

(c) Coronado must use its best endeavours to ensure that the Mine Sampler operates as contemplated in this Clause 8 in respect of each train carrying Coal. If the Mine Sampler does not operate as contemplated in this Clause 8 in respect of a train carrying Coal, a representative of Coronado must notify Stanwell or a nominee appointed by Stanwell for the purpose of this Clause of that event immediately by telephone and as soon thereafter as practicable by email.

(d) If the Mine Sampler does not operate as contemplated in this Clause 8 in respect of a train carrying Coal, then:

(i) Stanwell is entitled to, but shall not be obliged to, collect or arrange for its representative to collect a sample of Coal when Coal is discharged from the rail wagons at the Power Station unloading conveyor, and that sample shall be taken to be a sample for every purpose under this Agreement as though taken by the Mine Sampler under this Clause 8; or

(ii) if Stanwell or its representative does not collect a sample when Coal is discharged from the rail wagons at the Power Station unloading conveyor, then the quality of Coal that is delivered by the train from which a sample was not taken shall be deemed to be equivalent to the average Gross Calorific Value (as received), Ash (at standard total moisture) and Total Moisture (as received) determined in respect of all other deliveries of Coal made under this Agreement during the Month in question.

(e) Not fewer than three analysis sub-samples shall be prepared from each sample of Coal taken in accordance with this Clause 8. Stanwell shall retain one analysis sub-sample for analysis and shall make one analysis sub-sample available to Coronado if requested by Coronado (provided such request is made within five (5) Business Days of notification by Stanwell of the results of the analysis of such sample). Stanwell shall seal and retain one analysis sub-sample for twelve weeks for umpire analysis if required.

(f) As soon as practicable after taking the Coal sample Stanwell or Stanwell's authorised representative shall determine the Total Moisture of the sample and shall determine on an as-received basis Gross Calorific Value, Ash and Moisture of the analysis sub-sample. Analyses shall be determined in accordance with the Standards listed in Clause 8.2(a) hereof. The following Coal properties representing the quality of Coal delivered shall be calculated from such analyses:

Gross Calorific Value (as sampled)

Ash (at [***]% Total Moisture)

Total Moisture (as sampled)

Stanwell shall notify Coronado of the quality of Coal for each sample determined accordingly, within seven (7) days after sampling.

(g) Coal properties notified in accordance with Clause 8.2(f) for samples taken during each Month shall be weight averaged on the basis of mass of individual Coal consignments for that Month to obtain the Monthly average Coal properties to determine the Monthly averaged Gross Calorific Value, Ash and Total Moisture for determination of Coal quality price adjustment pursuant to Clause 10.

(h) Ash and Total Moisture shall be expressed to the nearest 0.10 percent (0.10%) in individual analyses and averages thereof. Should the calculated average fall exactly midway between two such percentages, then the nearest even one-tenth of a percent shall be accepted. Gross Calorific Value shall be expressed to the nearest 0.01 gigajoule per Tonne for individual analyses and averages thereof.

(i) In the event of a disagreement with the determination of any Coal properties apart from Total Moisture, Coronado shall notify Stanwell within two weeks of Stanwell's notification of such determination. In that event, the third portion of the appropriate sub-sample shall be delivered to a mutually agreed independent laboratory for umpire analysis. If the umpire analysis differs from Stanwell's analysis by more than the limit of reproducibility between laboratories, the umpire analysis shall be substituted for Stanwell's determination for all purposes. The costs incurred in carrying out any umpire analysis shall be borne by Coronado unless the umpire analysis is adopted in which latter case Stanwell shall bear the costs of the umpire analysis.

(j) There shall be no umpire analysis of Total Moisture, but Coronado shall be entitled to satisfy itself that the Total Moisture is determined in accordance with this Agreement, by nominating a representative to be present at Total Moisture determination at Stanwell's or its authorised representative's laboratory. However if either Coronado or Stanwell is concerned that the sample may have been contaminated with additional moisture then the Parties will in good faith meet to discuss what Total Moisture should be used.

(k) Stanwell and Coronado shall be entitled without notice, subject to complying with all laws and with all rules and requirements of the other Party to ensure safety and good environmental practices, to inspect or check the weighing, sampling and analysis facilities of the other Party or its authorised representative and to have access for witnessing the weighing, sampling and analysis of Coal. Coronado shall ensure that its arrangements with suppliers of Substitute Coal permit Stanwell to exercise similar rights in respect of those suppliers.

(l) Prior to each week during the Supply Term, Coronado shall provide to Stanwell non-binding, indicative forecasts of Gross Calorific Value, Ash and Total Moisture for Coal expected to be delivered in that week.

9. Price of Coal

(a) The Contract Price per Tonne Equivalent for each Month is to be determined in accordance with the SRA Value Schedule.

(b) The "**Invoice Price**" for Coal delivered in any Month is the Contract Price per Tonne Equivalent for the Month adjusted to reflect the quality of the Coal delivered in that Month in accordance with Clause 10.

(c) The Contract Price per Tonne Equivalent for each Month will only vary in accordance with the SRA Value Schedule and is inclusive of all costs. The Contract Price per Tonne Equivalent so determined shall apply throughout the Supply Term irrespective of any change in Coronado's actual costs, the Curragh Mine's viability or market prices.

(d) Stanwell will pay a royalty amount for each Month determined in accordance with Clause 11.4.

10. Variation for Quality

(a) The Invoice Price shall be the Contract Price per Tonne Equivalent adjusted for variations in quality from the Standard Coal Quality Specification as set out in this Clause 10. Such quality shall be determined in accordance with the provisions of Clause 8.

Adjustments will be made for variations from:

Gross Calorific Value (as sampled)	[**]GJ/t
Ash (at [**]% Total Moisture)	[**]%
Total Moisture (as sampled)	[**]%

(b) The Invoice Price for any Month shall be calculated from the Contract Price per Tonne Equivalent in accordance with the following formula:

$$IP = CP((GCV/[**])-(0.01(AC-[**]))-(0.015(AC^1-[**]))-(0.01(MC-[**]))-(0.03(MC^1-[**]))))$$

IP	=	Invoice Price
CP	=	Contract Price per Tonne Equivalent for that Month
GCV	=	Weight averaged gross calorific value of Coal delivered in that Month determined in accordance with Clause 8
AC	=	Weight averaged ash content of coal delivered in that Month determined in accordance with Clause 8 or [**]% whichever is the greater.
AC ¹	=	AC or [**]% whichever is the greater
MC	=	Weight averaged moisture content of coal delivered in that Month determined in accordance with Clause 8 or [**]% whichever is greater
MC ¹	=	MC or [**]% whichever is the greater

11. Payment

11.1 Monthly payment

In respect of each Month during the Supply Term, Stanwell must pay to Coronado, or Coronado must pay to Stanwell, as the case may be:

- (a) the amount payable for the Coal delivered in the Month as determined in accordance with Clause 11.2;
- (b) the amount payable for the Derived Amount for the Month as determined in accordance with Clause 11.3;
- (c) if Stanwell has made an election for the payment of Cash in Lieu in respect of the Month, the amount of the Cash in Lieu for the Month in accordance with Clause 11.3;
- (d) the royalty amount payable in respect of the Coal delivered in the Month as determined in accordance with Clause 11.4;
- (e) any Rail Energy Payment pursuant to Clause 11.5;
- (f) any amount payable in respect of GST pursuant to Clause 11.6;
- (g) any Transport Cost payable pursuant to Clause 3.6; and

(h) any amount payable in respect of any interruptions to supply that are not Causes Outside the Control of Coronado pursuant to Clause 12.

Payment for the amounts payable under Clause 11.1(a) and (b) will be satisfied in each Month by Stanwell paying the Netback Amount less the Derived Amount to Coronado, which is an amount equivalent to the amount determined as the Invoice Price x Tonnes Delivered.

11.2 Payment for Coal

In respect of each Month during the Supply Term, Stanwell shall pay to Coronado the Netback Amount for the aggregate quantities of Coal delivered in that Month. The "**Netback Amount**" for the Month is to be determined as:

Netback Amount = [Netback Price x Monthly Tonnage (SRA Value Schedule)] + [(Invoice Price x Tonnes Delivered) – (Contract Price per Tonne Equivalent x Monthly Tonnage (SRA Value Schedule))]

where "**Tonnes Delivered**" is the sum of the quantities delivered in that Month as ascertained in accordance with Clause 8.

11.3 Derived Amount and Cash in Lieu

In respect of each Month during the Supply Term, Coronado shall pay to Stanwell:

- (a) the Derived Amount for the Month; and
- (b) the Cash in Lieu for the Month.

The Derived Amount and the Cash in Lieu are to be determined for each Month in accordance with the SRA Value Schedule.

11.4 Royalty amount

In respect of each Month during the Supply Term, Stanwell shall pay a royalty amount for the aggregate quantities of Coal delivered in the Month during the Supply Term calculated in accordance with the following expression:

Royalty Payable = [(Invoice Price x (7/93 + 1) x 0.07) x Tonnes Delivered]

11.5 Rail Energy Payment

Stanwell shall pay to Coronado (or Coronado shall pay to Stanwell if the amount is negative) each Month, on an interim basis, an Interim Rail Energy Payment on Coal delivered for each Month calculated as follows:

Interim Monthly Rail Energy Payment = CC Interim Monthly Rate x 0.5[(GCV/[**]) – 1] x Tonnes Delivered

At the end of each Year, and as soon as the information becomes available, Stanwell shall recalculate each Interim Monthly Rail Energy Payment for each Month of that Year as if each payment had been calculated and paid using the CC Final Monthly Rate and not the CC Interim Monthly Rate ("**Final Monthly Rail Energy Payment**"). Stanwell shall provide an invoice (with such supporting documentation as Coronado may reasonably require) to Coronado setting out the total of the Interim Monthly Rail Energy Payments paid by each of Coronado and Stanwell for that Year; the total of the Final Monthly Rail Energy Payments; and the amounts payable by each Party had the Monthly payments been made for that Year based on the applicable Final Monthly Rail Energy Payment. Any payment by Coronado or Stanwell shall be made within 14 days of the invoice being received as contemplated in Clause 11.9(c).

In this Clause 11.5:

"CC Interim Monthly Rate" means the amount, in \$/Tonne, equal to Stanwell's Carrier's rail rate applying at the time, taking into account Stanwell's best estimate of all available rail performance Freight Incentives and Corridor Improvement Incentives, for the transport of Coal from the Curragh Mine Loading Plant to the unloading facilities at the Power Station.

"CC Final Monthly Rate" means the amount, in \$/Tonne, equal to Stanwell's Carrier's rail rate applying at the time, taking into account all rail performance Freight Incentives and Corridor Improvement Incentives actually received, for the transport of Coal from the Curragh Mine Loading Plant to the unloading facilities at the Power Station.

"Freight Incentives" means rail performance incentives that are available and which actually apply to Stanwell's Carrier's rail rate at the relevant time.

"Corridor Improvement Incentives" means rail corridor incentives available to rail users at the relevant time.

"GCV" has the meaning given to that term in Clause 10(b).

"Tonnes Delivered" means, for the relevant period, the sum of the quantities delivered during that period as ascertained in accordance with Clause 8.

11.6 GST

For the purposes of this Agreement,

(a) It is agreed:

(i) all amounts expressed or determined to be payable by any Party to another under this Agreement are calculated and will be determined exclusive of GST; and

(ii) any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this Clause 11.6.

(b) If any payment required to be made by one Party to another under this Agreement is a payment for a taxable supply for the purposes of the GST Act, the amount payable is the amount derived by multiplying the original amount payable by the formula $[1 + (\text{the decimal expression of the GST rate imposed under the GST Act})]$.

(c) If any Party is required to reimburse another for an amount paid or payable for a taxable supply by a third party for which that Party is entitled to claim an input tax credit, the amount required to be reimbursed will be reduced by the amount of the credit.

(d) The obligation to pay any additional amount under this Clause 11.6 is subject to the Party receiving the payment providing to the other Party in accordance with the requirements of the GST Act a tax invoice for each payment.

(e) Payment of the GST shall be made at the same time as the first payment for the relevant taxable supply is required to be made provided the Party receiving the payment has issued a tax invoice or adjustment note (as required) to the other Party.

(f) If a payment is calculated by reference to or as a specified percentage of another amount or revenue stream, that payment will be calculated by reference to or as a specified percentage of the amount or revenue stream exclusive of GST.

(g) If the amount of GST paid or payable by any Party in respect of a taxable supply made under this Agreement differs from the amount of GST paid by that Party by reason of the Australian Commissioner of Taxation lawfully adjusting the amount of GST payable, then the amount of GST paid shall be adjusted accordingly, by a further payment by one Party to the other as the case requires.

(h) To the extent that consideration for any supply by, under or in connection with this Agreement includes non-monetary consideration:

(i) the Parties agree to act in good faith in determining the GST-inclusive market value of the non-monetary consideration provided for the supply;

(ii) the tax invoice for the supply must state the GST-inclusive market value of the non-monetary consideration provided for the supply;

(iii) subject to the Parties exchanging tax invoices during the same Month, the Parties will allow for the Parties' respective payments of GST under this Agreement to be offset; and

(iv) to the extent the respective payments of GST under Clause 11.6(h)(iii) are not equal, the difference must be paid as a monetary payment, in addition to and at the same time that the GST-exclusive consideration for the supply is payable or to be provided under this Agreement.

(i) If an adjustment of GST is required as a result of an adjustment event in respect of a supply made pursuant to this Agreement, then:

(i) a corresponding adjustment of GST payable under this Agreement must be made between the Parties within 21 days after the end of the tax period in which the adjustment is attributable; and

(ii) if obliged to do so under the GST Act, the supplier must issue an adjustment note within 21 days after the end of the tax period in which the adjustment is attributable.

(j) In relation to the taxable supply of Stanwell's termination of the Reversion Deed and deletion of clause 2.9 of the ACSA for which the Derived Amount and Cash in Lieu are consideration, Clauses 11.6(e) and 11.6(h)(iv) are modified so that the payment of the amount on account of GST in accordance with Clause 11.6(b) must be made by Coronado to Stanwell by the last available lodgement date of Stanwell's 'Business Activity Statement' for the Month in which the tax invoice was issued. For the purposes of facilitating Coronado's compliance with this Clause, Stanwell notifies Coronado that it has monthly tax periods. GST payments made by Coronado to Stanwell after the required date will incur an interest charge (payable by Coronado to Stanwell) equal to the one month Australian Bank Bill Swap Rate displayed on page BBSW of the Thomson Reuters screen (or any replacement page which displays that rate), plus [***]% p.a.

(k) If the Australian Taxation Office determines that Coronado made a taxable supply in relation to Coronado's supply referred to in Clause 11.6(j) for which Stanwell's termination of the Reversion Deed and deletion of clause 2.9 of the ACSA is consideration, Clauses 11.6(e) and 11.6(h)(iv) are modified so that the payment of the amount on account of GST in accordance with Clause 11.6(b) must be made by Stanwell to Coronado by the last available lodgement date of Coronado's 'Business Activity Statement' for the Month in which the tax invoice was issued. For the purposes of facilitating Stanwell's compliance with this Clause, Coronado notifies Stanwell that it has monthly tax periods. GST payments made by Stanwell to Coronado after the required date will incur an interest charge (payable by Stanwell to Coronado) equal to the one month Australian Bank Bill Swap Rate displayed on page BBSW of the Thomson Reuters screen (or any replacement page which displays that rate), plus [***]% p.a.

11.7 Invoicing

(a) Coronado shall submit to Stanwell as soon as practicable after the end of each Month an invoice for all amounts payable by the Parties pursuant to this Clause 11 in respect of that Month, except for the supply referred to in Clause 11.7(b)(ii) below. Each invoice shall be accompanied by a statement showing in detail the calculations used to determine all amounts payable.

(b) The Parties acknowledge that, subject to any subsequent agreement to issue recipient created tax invoices, in accordance with Clause 11.6(d) of this Agreement:

(i) Coronado will issue tax invoices to Stanwell for its taxable supplies under and in connection with this Agreement (including for the taxable supply of Coal); and

(ii) Stanwell will issue tax invoices to Coronado for the taxable supply for which the Derived Amount and Cash in Lieu are consideration.

11.8 Set-Off

Except in respect of the netting of the Netback Amount and Derived Amount in accordance with Clause 11.1 and any set-off permitted in accordance with Clause 25.9(b), neither Party shall be entitled to set-off against any amounts payable by it to the other Party pursuant to this Agreement, any amounts payable by the other Party to it pursuant to this Agreement or otherwise.

11.9 Payment/Adjustments

(a) If an amount is payable by Stanwell to Coronado, Stanwell shall pay such invoices to a bank account nominated by Coronado by the 15th day of the Month in which the invoice is submitted or within seven (7) days of receipt of the invoice, whichever is the later date.

(b) If an amount is payable by Coronado to Stanwell, Coronado shall pay such invoices to a bank account nominated by Stanwell by the 15th day of the Month in which the invoice is submitted or within seven (7) days of receipt of the invoice, whichever is the later date.

(c) Where appropriate, an adjustment will be made between the Parties for any charge which has been levied on an interim basis within 14 days of the final amount being determined.

(d) If after reasonable consultation with Coronado, Stanwell is of the reasonable opinion the amount of any invoice rendered pursuant to this Clause 11 exceeds the amount actually owing by Stanwell, Stanwell may withhold payment of 50% of the difference, and pay:

- (i) the other 50% of the difference; plus
- (ii) the amount of GST payable by Coronado on the full amount of the invoice; plus
- (iii) all other undisputed amounts in accordance with Clause 11.9(a).

In the event of such withholding, Stanwell shall by the due date of payment notify Coronado of the reasons for its opinion in reasonable detail. Withholding as aforesaid shall be deemed to be a dispute which shall be resolved in accordance with Clause 17. Stanwell shall pay the amount withheld to the extent the dispute mechanism determines it is payable within 7 days of that determination.

12. Interruption to Supply

12.1 Stable Supply as Fundamental Condition

(a) Coronado expressly acknowledges that, without derogating from the provisions of this Agreement providing for termination and suspension, it is a fundamental expectation of Stanwell that this Agreement will provide Stanwell with a stable supply of Coal (complying with the quality characteristics provided in this Agreement) for use in the Power Station and that it was on the basis of Coronado's representations of its ability to provide such stable supply as specified herein that Stanwell agreed to enter this Agreement with Coronado.

(b) Irrespective of the allocation of risk for failure to supply the Coal under this Agreement, Coronado shall endeavour to avoid and minimise any interruptions to supply.

(c) Coronado will not enter into a contract under which Coronado is obliged to supply Coal to a customer in priority to supplying Coal to Stanwell.

(d) Clauses 12.2 to 12.7, inclusive shall apply in the event deliveries of Coal are not tendered in full by Coronado hereunder on the due date or such non-tendering is threatened as provided hereunder, irrespective of the cause, except where the cause is the breach by Stanwell of its obligations hereunder or the non-taking by Stanwell of such Coal.

12.2 Coronado to Give Notices and Reports

(a) Coronado shall give notice ("**Interruption Notice**") to Stanwell promptly upon the occurrence of any event which interrupts or is reasonably likely to interrupt the supply of Coal by Coronado in accordance with this Agreement.

(b) As soon as practicable thereafter, Coronado shall give a report to Stanwell covering the following matters to the best of Coronado's knowledge at the time of giving the report:

- (i) the nature of the interruption or threatened interruption;
- (ii) the circumstances and cause of the same;
- (iii) whether Coronado considers the event to be outside the control of Coronado;
- (iv) the likely duration of the interruption;
- (v) Coronado's revised delivery plan for Coal at the time of giving the report; and
- (vi) details of the efforts that have been made and are planned by Coronado to avoid or minimise the interruption and the effects thereof on Coronado's performance under this Agreement.

(c) So long as the interruption continues or continues to threaten, Coronado shall furnish Stanwell with further reports covering the matters listed in Clause 12.2(b):

- (i) whenever there is any material change in the circumstances as set out in the last report; and
- (ii) in any event no less than Monthly.

(d) Coronado shall notify Stanwell immediately when the interruption of supply of Coal ends.

12.3 Counter-Measures by Stanwell

(a) Stanwell shall be entitled to take reasonable action to avoid or mitigate the effects of the interruption or threatened interruption of supply of Coal, without prejudicing such rights as Stanwell may have under this Agreement with respect to such interruption. In particular but without limitation, Stanwell shall be entitled to take the following actions if the interruption to supply continues, or in the reasonable opinion of Stanwell after consulting with Coronado is likely to continue, for more than:

(i) thirty (30) days, then Stanwell may, at its discretion in accordance with Clause 12.4(a):

(A) subject to Clause 12.4(c) postpone the affected deliveries, until any subsequent Year or Years of the Supply Term; or

(B) without penalty to Stanwell cancel the relevant deliveries and purchase other coal;

(ii) ninety (90) days, then Stanwell may, at its discretion in accordance with Clause 12.4(a), enter Medium Term Arrangements for the purchase of other coal to cover the tonnage of coal which is in Stanwell's reasonable view, likely to be affected by the interruption in which case Stanwell, in addition to its rights under Clause 12.3(a)(i) above, may at its discretion cancel the shipments

covered by the Medium Term Arrangements or postpone, subject to Clause 12.4(c), the same to any subsequent Year or Years; and

(iii) fifteen (15) Months, and actually result in Stanwell receiving less than [***]% of the Coal it is entitled to receive under this Agreement during those fifteen (15) Months, then Stanwell may, in addition to its rights described in Clauses 12.3(a)(i) and (ii) above, upon notice to Coronado terminate this Agreement provided such notice is given within seven (7) days of the end of that fifteen (15) Month period. Any notice given pursuant to this clause shall state the effective date of such termination.

(b) In the event Coronado becomes able to recommence performance in accordance with this Agreement during the period of any suspension under Clause 12.3(a)(ii), Coronado shall give Stanwell not less than ninety (90) days' notice thereof in which event, upon termination of its Medium Term Arrangements, Coronado shall recommence making and Stanwell shall recommence taking Coal deliveries under this Agreement.

(c) Before taking any reasonable action under Clause 12.3(a), Stanwell shall inform Coronado of its proposed action. Coronado may, within 5 days, make representations to Stanwell as to the appropriateness of the proposed action, taking into account among other things, the likelihood of the interruption occurring and its likely duration. In determining what reasonable action to take under Clause 12.3(a), Stanwell shall take those representations into account.

12.4 Stanwell's Elections

(a) Stanwell may make the elections provided in Clause 12.3(a) by giving notice to Coronado at any time prior to the recommencement of Coronado's performance after interruption or suspension of this Agreement.

(b) If Stanwell elects to cancel deliveries in accordance with Clause 12.3 the cancelled deliveries of Coal will not be treated as delivered for the purposes of the SRA Value Schedule and any cancellation will not prejudice Stanwell's entitlement to achieve the Outstanding Value of the SRA under this Agreement.

(c) If Stanwell elects to treat the affected deliveries as postponed, then the same shall be postponed until such subsequent Years as may be nominated by Stanwell in the notice of election given under Clause 12.4(a) provided that unless Coronado agrees, the postponed deliveries to be delivered in any Year shall not exceed [***] percent ([***]%) of the Annual Contract Tonnage nominated by Stanwell in accordance with Clause 4.1(a)(i) for that Year.

(d) If Stanwell elects to enter into Medium Term Arrangements and Coronado gives Stanwell notice of resumption of deliveries Stanwell shall use its best endeavours to terminate the Medium Term Arrangements (without being required to breach the same) such that it is able to take the deliveries when nominated by Coronado.

(e) If the interruption to making deliveries is only partial or if Coronado is able to recommence partial deliveries only and such partial deliveries are in Stanwell's reasonable view likely to result in Stanwell receiving less than [***]% of the total Coal it is entitled to receive under this Agreement over the succeeding 90 days, Stanwell shall have the option of not accepting any deliveries, in which case the provisions of this Clause 12 shall apply as if no deliveries were possible, or of accepting such deliveries as can be made, in which case this Clause shall apply to the portion of deliveries that cannot be made.

12.5 Causes Outside the Control of Coronado

(a) For the purposes of Clauses 12.7(b) and 12.7(c), an interruption to supply of Coal shall be considered to be a "**Cause Outside the Control of Coronado**" only if the following conditions are met:

(i) the cause of the interruption was not reasonably foreseeable and was beyond Coronado's reasonable control;

(ii) the interruption could not have been avoided or overcome by a prudent coal mine operator exercising due diligence;

(iii) Coronado has substantially given the notices and reports required under Clause 12.2;

(iv) any relevant requirements of Clause 12.5(b) are satisfied;

(v) if the Coal is Substitute Coal, the requirements of Clause 12.6 are satisfied; and

(vi) Coronado allocates its available coal to Stanwell on a basis which is no less favourable than to Coronado's other customers.

(b) The following provisions shall apply with respect to the particular causes enumerated:

(i) Interruptions due to breakdowns of machinery will only be considered to be beyond Coronado's reasonable control if Coronado has followed proper maintenance procedures and has in place proper "breakdown" procedures which anticipate normally foreseeable breakdowns and minimise the consequences.

(ii) Interruptions due to failure of supply of goods and services, including shipping and other transportation, electric power and water, will only be considered to be beyond Coronado's reasonable control if Coronado has exercised due prudence in the choice of the supplier and has entered proper contractual arrangements.

(iii) Interruptions due to shortage of reserves, geology, mining conditions, reduction in export demand or increases in costs, however unexpected, will not be considered to be beyond Coronado's reasonable control.

(c) Where Coronado is entitled to recover damages from a third party supplier of goods or services, it shall use its best endeavours to do so (to the extent that a prudent operator and investor would do so) and the cause concerned (to the extent it otherwise qualifies under this Clause 12.5) will only be considered to be a Cause Outside the Control of Coronado to the extent such damages recovered by Coronado are insufficient to pay to Stanwell the amounts payable under Clause 12.7(c).

(d) Without limitation the following are examples of events that could lead to interruption to the supply of Coal beyond Coronado's control if the requirements of Clauses 12.5(a) and 12.5(b) are met:

(i) natural calamities, acts of public enemies, acts of terrorists, insurrections, fires, wars, explosions, floods;

(ii) serious breakdowns of railroad or port facilities;

(iii) breakdowns of mining plant and equipment and other machinery;

(iv) embargoes, orders or acts of a competent court or governmental or other statutory authority;

(v) strike, lockouts, illegal stoppages, or labour or union organised reduction of production; and

(vi) failure of supply of goods and services, including Coronado's Carrier failing to make sufficient rollingstock available at the Loading Plant at a mine to transport Substitute Coal.

12.6 Causes Outside the Control of Coronado in case of Substitute Coal

Where the interruption to supply affects Coal which is Substitute Coal, the interruption to supply shall not be considered to result from a Cause Outside the Control of Coronado unless the requirements of Clause 12.5(a) are satisfied (a "**Qualifying Cause**") and either:

- (a) coal supplies in the area in Queensland north of latitude 24 degrees south are generally interrupted by the same cause; or
- (b) the Substitute Coal has been or is to be delivered to the Curragh Mine for delivery to Stanwell through the Curragh Mine Loading Plant and either:
 - (i) the Qualifying Cause prevents the Substitute Coal from being delivered to the Curragh Mine Loading Plant; or
 - (ii) the Qualifying Cause occurs after such delivery.

12.7 Consequences of Interruption

- (a) Both Coronado and Stanwell shall endeavour to mitigate costs and damages flowing from any interruption to the supply of Coal.
- (b) If the cause of the interruption to supply is a Cause Outside the Control of Coronado, then Coronado shall be relieved of its obligation to make such deliveries at such time to the extent the making is prevented by such cause, without derogating from Coronado's other obligations hereunder.
- (c) Subject to Clause 22.6, if the cause of the interruption to supply is not a Cause Outside the Control of Coronado, then in addition to such other rights as Stanwell may have under this Agreement, Stanwell shall be entitled to indemnification from Coronado for all of Stanwell's costs and damages resulting from the interruption, including additional costs in obtaining make up coal and the Derived Amount that would have been attributable to such coal had it been delivered by Coronado. Stanwell will use reasonable endeavours to mitigate all such costs and damages.
- (d) If Clause 12.7(c) applies, and Stanwell obtains make up coal and Coronado indemnifies Stanwell in accordance with Clause 12.7(c) for all of Stanwell's costs and damages resulting from the interruption, the Tonnes Equivalent of such make up coal will be treated as having been delivered for the purposes of the Monthly Tonnage (SRA Value Schedule).

13. Interruption to Taking of Deliveries

13.1 Stable Demand as Fundamental Condition

- (a) Stanwell expressly acknowledges that, without derogating from the provisions of this Agreement providing for termination and suspension, it is a fundamental expectation of Coronado that this Agreement will provide Coronado with a stable demand for Annual Contract Tonnage and that it was on the basis of Stanwell's representations of its ability to provide such stable demand as specified herein that Coronado agreed to enter this Agreement with Stanwell.
- (b) Irrespective of the allocation of risk for failure to take Coal under this Agreement, Stanwell shall endeavour to avoid and minimise any interruptions to the taking of deliveries of Coal.
- (c) Clauses 13.2 to 13.6 inclusive, shall apply in the event Stanwell does not take delivery in full of any Coal for which Stanwell has validly nominated in accordance with this Agreement hereunder on the due date, or such non-taking of delivery is threatened as provided hereunder, irrespective of the cause, except where the cause is the breach by Coronado of its obligations under this Agreement.

13.2 Stanwell to Give Notices and Reports

(a) Stanwell shall give notice ("**Interruption Notice**") to Coronado promptly upon the occurrence of any event which interrupts or is reasonably likely to interrupt the taking of Coal by Stanwell in accordance with this Agreement.

(b) As soon as practicable thereafter, Stanwell shall give a report to Coronado covering the following matters to the best of Stanwell's knowledge at the time of giving the report:

- (i) the nature of the interruption or threatened interruption;
- (ii) the circumstances and cause of same;
- (iii) whether Stanwell considers the event to be outside the control of Stanwell;
- (iv) the likely duration of the interruption;
- (v) Stanwell's revised plan for taking of deliveries of Coal at the time of giving the report; and
- (vi) details of the efforts that have been made and are planned by Stanwell to avoid or minimise the interruption and the effects thereof on Stanwell's performance under this Agreement.

(c) So long as the interruption continues or continues to threaten, Stanwell shall furnish Coronado with further reports covering the matters listed in Clause 13.2(b):

- (i) whenever there is any material change in the circumstances as set out in the last report; and
- (ii) in any event no less than Monthly.

(d) Stanwell shall notify Coronado immediately when the interruption ends.

13.3 Counter-Measures by Coronado

(a) Coronado shall be entitled to take reasonable action to avoid or mitigate the effects of the interruption or threatened interruption on Coronado, without prejudicing such rights as Coronado may have under this Agreement with respect to such interruption. In particular but without limitation, Coronado shall be entitled to take the following actions if the interruption continues, or in the reasonable opinion of Coronado after consulting with Stanwell is likely to continue, for more than:

(i) thirty (30) days, then Coronado may, at its discretion in accordance with Clause 13.4(a):

- (A) subject to Clause 13.4(c) postpone the affected deliveries, until any subsequent Year or Years of the Supply Term; or
- (B) without penalty to Coronado, cancel the same and sell the affected deliveries elsewhere;

(ii) ninety (90) days, Coronado may, at its discretion in accordance with Clause 13.4(a), enter Medium Term Arrangements for the sale of the affected deliveries which in Coronado's reasonable view are likely to be affected by the interruption to third parties, in which case Coronado (in addition to its rights under Clause 13.3(a)(i) above), may, at its discretion cancel the shipments covered by the Medium Term Arrangements or postpone, subject to Clause 13.4(c), the same to any subsequent Year or Years;

(iii) fifteen (15) Months and actually result in Stanwell taking less than [***]% of the Coal it is entitled to receive under this Agreement during those fifteen (15) Months, then Coronado may (in addition to its rights under Clauses 13.3(b) and 13.3(c)), upon notice to Stanwell terminate this Agreement provided such notice is given within seven (7) days of the end of that fifteen (15) Month

period. Any notice given pursuant to this clause shall state the effective date of such termination.

(b) In the event Stanwell becomes able to recommence performance in accordance with this Agreement during the period of any suspension under Clause 13.3(a)(ii), Stanwell shall give Coronado not less than ninety (90) days' notice thereof in which event, upon termination of its Medium Term Arrangements, Coronado shall recommence making and Stanwell shall recommence taking Coal deliveries under this Agreement.

(c) Before taking any reasonable action under Clause 13.3(a), Coronado shall inform Stanwell of its proposed action. Stanwell may, within 5 days, make representations to Coronado as to the appropriateness of the proposed action, taking into account among other things, the likelihood of the interruption occurring and its likely duration. In determining what reasonable action to take under Clause 13.3(a), Coronado shall take those representations into account.

13.4 Coronado's Elections

(a) Coronado may make the elections provided in Clause 13.3(a) by giving notice to Stanwell at any time prior to the commencement of Stanwell's performance after suspension of this Agreement.

(b) If Coronado elects to cancel deliveries in accordance with Clause 13.3 the cancelled deliveries of Coal will not be treated as delivered for the purposes of the SRA Value Schedule and any cancellation will not prejudice Stanwell's entitlement to achieve the Outstanding Value of the SRA under this Agreement.

(c) If Coronado elects to treat the affected deliveries as postponed, then the same shall be postponed until such subsequent Years as may be nominated by Coronado in the notice of election given under Clause 13.4(a); provided that unless Stanwell agrees, the postponed deliveries to be delivered in any Year shall not exceed [***] percent ([***]%) of the Annual Contract Tonnage nominated by Stanwell in accordance with Clause 4.1(a)(i) for that Year.

(d) If Coronado elects to enter into Medium Term Arrangements and Stanwell gives Coronado notice of resumption of taking of deliveries Coronado shall use its best endeavours to terminate the Medium Term Arrangements (without being required to breach the same) such that it is able to make the deliveries when nominated by Stanwell.

(e) If the interruption to taking of deliveries is only partial, or if Stanwell is able to recommence taking partial deliveries only and such partial taking is likely in Coronado's reasonable view to result in Stanwell taking less than [***]% of the total Coal it is required to take under this Agreement over the succeeding 90 days, Coronado shall have the option of not tendering any deliveries, in which case the provisions of this Clause 13 shall apply as if it were not possible for Stanwell to take any deliveries, or of tendering such deliveries as can be taken, in which case this Clause 13 shall apply to the portion of deliveries that cannot be taken.

13.5 Causes Outside the Control of Stanwell

(a) For the purposes of Clauses 13.6(b) and 13.6(c), an interruption to the taking of deliveries shall be considered to be a **"Cause Outside the Control of Stanwell"** if Stanwell is prevented from taking, transporting, or using the Coal in the manner contemplated by this Agreement, but only if the following conditions are met:

(i) the cause of the interruption was not reasonably foreseeable and was beyond Stanwell's reasonable control;

(ii) the interruption could not have been avoided or overcome by a prudent power station operator exercising due diligence;

(iii) Stanwell has substantially given the notices and reports required under Clause 13.2;

- (iv) any relevant requirements of Clause 13.5(b) are satisfied; and
 - (v) Stanwell takes such Coal as it is able to take on a basis which is no less favourable to Coronado than to Stanwell's other suppliers.
- (b) The following provisions shall apply with respect to the particular causes enumerated:
- (i) Interruptions due to breakdowns of machinery will only be considered to be beyond Stanwell's reasonable control if Stanwell has followed proper maintenance procedures and has in place proper "breakdown" procedures which anticipate normally foreseeable breakdowns and minimise the consequences.
 - (ii) Interruptions due to failure of supply of goods and services, including shipping and other transportation (and in the case of Stanwell, Stanwell's Carrier), electric power and water, will only be considered to be beyond Stanwell's reasonable control if Stanwell has exercised due prudence in the choice of the supplier and has entered proper contractual arrangements.
 - (iii) Interruptions due to increases in costs, environmental restrictions, or any reduction in demand for electricity, however unexpected, will not be considered to be beyond Stanwell's reasonable control.
 - (iv) Interruptions due to embargoes, orders or acts of a Government Body of the State of Queensland, however unexpected, will not be considered to be beyond Stanwell's reasonable control where those embargoes, orders or acts:
 - (A) are intended to apply, or have the effect of applying, only to Stanwell and/or the Stanwell Power Station; or
 - (B) are intended to have a greater proportional application to the Stanwell Power Station than other coal fired power stations in the State of Queensland,provided that this Clause 13.5(b)(iv) shall not apply to Stanwell if the shares in Stanwell cease to be owned by a Government Body, unless the commission of the relevant embargo, order or act is a condition, express or implied, of the transaction by which the new owner became owner of those shares.
- (c) Where Stanwell is entitled to recover damages from a third party supplier of goods or services, it shall use its best endeavours to do so (to the extent that a prudent power station operator would do so) and the cause concerned (to the extent it otherwise qualifies under this Clause 13.5) will only be considered to be a Cause Outside the Control of Stanwell to the extent such damages recovered by Stanwell are insufficient to pay to Coronado the amounts payable under Clause 13.6(c).
- (d) Without limitation, the following are examples of events that could lead to interruption beyond Stanwell's control if the requirements of Clauses 13.5(a) and 13.5(b) are met:
- (i) natural calamities, acts of public enemies, acts of terrorists, insurrections, fires, wars, explosions, floods;
 - (ii) serious breakdowns of railroad or port facilities;
 - (iii) breakdowns of the boilers and other machinery;
 - (iv) embargoes, orders or acts of a competent court or governmental or other statutory authority;
 - (v) strike, lockout, illegal stoppages, or labour or union organised reduction of production; and
 - (vi) failure of supply of goods and services including Stanwell's Carrier failing to make sufficient rollingstock available at the train loading facilities at the Curragh Mine to allow Stanwell to carry out its obligations hereunder.

13.6 Consequences of Interruption

(a) Both Coronado and Stanwell shall endeavour to mitigate costs and damages flowing from any interruption to the taking of deliveries of Coal.

(b) If the cause of the interruption to the taking of deliveries of Coal is a Cause Outside the Control of Stanwell, then Stanwell shall be relieved of its obligation to take such deliveries at such time (and to make payments in consequence of not taking the same) to the extent the taking is prevented by such cause, without derogating from Stanwell's other obligations hereunder.

(c) Subject to Clause 22.6, if the cause of the interruption to the taking of deliveries is not a Cause Outside the Control of Stanwell and Stanwell has not made an Advance Payment with respect to such deliveries as provided in Clause 16, then in addition to such other rights as Coronado may have under this Agreement, Coronado shall be entitled to recover from Stanwell indemnification for all of Coronado's costs and damages resulting from the interruption, including costs in stockpiling of coal and any reduced price (in comparison to the Netback Price) it may receive from selling coal to other customers. Coronado will use reasonable endeavours to mitigate all such costs and damages.

14. Sales by Coronado to other Purchasers

Subject only to complying with its obligations to Stanwell under this Agreement, Coronado may, at its sole discretion, sell coal produced from the Tenements to any other purchaser of that coal.

15. Marketable Reserves

15.1 Annual Report on Marketable Reserves

Coronado shall prepare and provide to Stanwell by 30 September of each Year during the Supply Term (or if earlier, within 10 Business Days of it being filed with a recognised stock exchange), the most current Marketable Reserves Statement.

16. Request by Stanwell for Postponement of Deliveries

Stanwell may request of Coronado that it does not take deliveries of Coal that it would otherwise be required to take by electing to make an Advance Payment to Coronado equal to 100% of the Contract Price per Tonne Equivalent of the affected delivery, provided that:

(a) Stanwell gives reasonable prior notice to Coronado of its intent to make this election;

(b) Coronado at its sole discretion and without legal obligation, decides to accommodate the election with or without conditions and gives Stanwell notice to that effect, including setting out any conditions and costs Stanwell will be required to bear;

(c) Stanwell first agrees to comply with any conditions and be liable for any costs as outlined in Coronado's notice, and if the Coal is stockpiled it is done so at Stanwell's risk; and

(d) in the event Stanwell does so elect, Stanwell shall be entitled to request make up deliveries of the affected deliveries in any subsequent Year (provided that unless Coronado agrees such make up deliveries shall not exceed 10% of the Annual Contract Tonnage for any Year).

An "**Advance Payment**" is a payment described in this Clause 16. For the purposes only of the SRA Value Schedule and without limiting Coronado's delivery obligations, if Stanwell makes an Advance Payment in respect of any Coal, that Coal will be deemed to have been delivered at the time of payment by Stanwell.

17. Dispute Resolution

(a) If at any time any question, dispute or difference arises between Stanwell and Coronado in relation to, or arising out of, this Agreement, then the Authorised Representative from each of Stanwell and Coronado shall meet with the view to resolving that question, dispute or difference.

(b) If the dispute is not resolved within fourteen (14) days of the meeting referred to in Clause 17(a), then the Chief Executive Officer (or person of equivalent rank) of Stanwell shall meet with the Chief Executive Officer (or person of equivalent rank) of Coronado with a view to resolving the dispute.

(c) If the dispute is not resolved within fourteen (14) days of the meeting referred to in Clause 17(b) then the dispute shall be referred to mediation, to be conducted in accordance with Clause 17(g).

(d) If the dispute is not resolved within thirty (30) days of the commencement of the mediation referred to in Clause 17(c) then either Party may commence proceedings in a court of competent jurisdiction in Queensland.

(e) Notwithstanding the existence of a dispute the Parties shall continue to perform the Agreement.

(f) Nothing herein shall prejudice the right of a Party to seek urgent injunctive or declaratory relief in respect of the dispute or any other matter arising under this Agreement.

(g) The following paragraphs apply to any mediation between the Parties pursuant to Clause 17(c):

(i) If the Parties do not agree within seven (7) days from the date upon which Clause 17(c) applies as to the identity of the mediator, or the mediator agreed by the Parties determines that he or she is unable or unwilling to act, a mediator shall be appointed by the Resolution Institute in accordance with its mediation rules. Within seven (7) days of such agreement or nomination the Parties must jointly appoint the agreed or nominated mediator and if either refuses to make the appointment the other is hereby irrevocably authorised to appoint the mediator on behalf of both Parties.

(ii) Within seven (7) days after his or her appointment the mediator shall meet with the Parties to agree upon the procedure to be adopted in resolving the dispute or difference and failing agreement between them within ten (10) days from such appointment the procedure shall be as determined by the mediator having regard to the other provisions hereof.

(iii) The mediator:

(A) may inform himself or herself in relation to any matter in dispute in such manner as he or she thinks fit;

(B) shall be entitled to engage or consult with any adviser, legal or technical, as he or she may see fit; and

(C) shall otherwise have the power to facilitate the resolution of the dispute in such a manner and subject to such rules as the mediator in his or her absolute discretion determines as suitable for the nature of the dispute.

(iv) The mediator shall seek to resolve the dispute by acting as a mediator or conciliator between the Parties and for that purpose may require the Parties to confer with him or her at any time in relation to the whole or any part of or in respect of any aspect of the dispute.

(v) Unless agreed by the Parties neither Party shall be represented by a legal practitioner.

(vi) The Parties shall pay the costs of the mediator and any consultants engaged by the mediator equally.

(vii) Neither anything said orally or in writing, nor any documents or information provided by either Party to the other or to the mediator and produced for the purposes of the mediation in the course of or in connection with the mediation shall be admissible in any legal proceedings between the Parties; and shall be regarded as privileged, provided that this shall not apply to documents already in existence and otherwise admissible; and unless agreed by the Parties the person acting as mediator may not be called as a witness by either Party in any proceedings.

(h) Notwithstanding the foregoing provisions of this Clause 17, in the event that the question, dispute or difference relates to Clauses 7, 8 (except for the umpire analysis provided therein), 11.6 and 11.9(c) ("**Reference Clause(s)**"), then:

(i) Either Party may give notice to the other requesting a meeting to resolve the same and if the matter is not resolved within 14 days of such notice either Party may give notice specifying the nature of the question dispute or difference and calling for the point at issue to be referred to an "**Expert**".

(ii) In such event the Parties shall seek to agree upon an Expert to determine the matter.

(iii) Failing such agreement within one Month of the notice referred to in Clause 17(h)(i), and unless the Reference Clause states to the contrary, the Chair of the Resolution Institute shall be requested to nominate the Expert.

(iv) The Parties must give the Expert all of the information and assistance which the Expert may reasonably require.

(v) The Expert must:

(A) promptly fix a reasonable time and place for receiving submissions or information from the Parties or from any persons as he may think fit;

(B) accept oral or written submissions from the Parties in relation to the dispute;

(C) not be bound by the rules of evidence;

(D) prior to making a binding decision, publish a draft decision giving reasons within 28 days of his appointment and thereafter the Parties may within 35 days of his appointment make written submissions to the Expert and the Expert may amend his draft decision prior to making his final decision; and

(E) state his final decision giving reasons in writing within 40 days of his appointment.

(vi) The Expert will be required to undertake to keep confidential all matters coming to his knowledge by reason of his appointment and performance of his duties.

(vii) The Expert will have the following powers:

(A) to inform himself independently as to all matters relevant to the dispute;

(B) to receive oral or written submissions from the Parties; and

(C) to consult with any other professionally qualified persons as he in his absolute discretion thinks fit in relation to resolving the dispute.

(viii) The Expert shall not be deemed to be an arbitrator but an expert and the law relating to arbitration, including the *Commercial Arbitration Act 2013* (Qld),

shall not apply to the Expert or the determination or the procedures by which the Expert may reach a determination.

(ix) The determination of the Expert shall be final and binding on each Party.

(x) Except as otherwise provided in the Reference Clause, the costs of the Expert and any consultants or advisors engaged by the Expert shall be borne equally by the Parties. The Parties shall each bear their own legal and other costs.

(xi) All proceedings and submissions and responses shall be kept confidential between the Parties, their respective legal and other advisors who are under a duty of confidentiality, and the Expert. Such information may only be divulged to any other third party with the prior consent of the Parties or as may be required by law, in order to enforce the determination of the Expert or as may be required in connection with any litigation.

(i) A Party shall consider in good faith any request by the other Party to have any question, dispute or difference referred to an Expert under Clause 17(h), but without any obligation to do so.

18. Assignment and Change of Control

18.1 Assignment by Coronado

Coronado may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Stanwell has given its prior consent; and

(b) its rights, in the same percentage, to the Tenements and to each Project Document are assigned to the same assignee at the same time, except in relation to a deemed assignment under Clause 18.4.

18.2 Assignment of rights to the Tenements

(a) Coronado may not assign its rights to the Tenements, except together with an assignment, in the same percentage, of its rights and obligations under this Agreement.

(b) Notwithstanding Clause 18.2(a), Coronado may encumber its rights to the Tenements so long as the encumbrancee undertakes in a form reasonably satisfactory to Stanwell only to dispose of such rights together with an assignment of rights and obligations under this Agreement in accordance with Clause 18.1.

18.3 Assignment by Stanwell

Stanwell may not assign all or any part of its rights or obligations under this Agreement unless:

(a) Coronado has given its prior consent; and

(b) each Project Document is assigned to the same assignee at the same time.

18.4 Change of Control

A Change of Control of Coronado will be deemed to be an assignment of this Agreement for the purpose of this Clause 18 and the person that acquires Control will be deemed to be the "proposed assignee", provided that this Clause 18.4 will not apply if the Change of Control of Coronado occurs as a result of the purchase of shares or other securities in Coronado Holdings which are of a class that are listed on the Australian Securities Exchange or another recognised stock exchange.

18.5 Requests for consent

(a) The Party requesting any consent under this Clause 18 ("**Party Concerned**") may request consent for a proposed assignee as soon as it believes a person is likely to be an assignee ("**Request**").

(b) The Party whose consent is required under this Clause 18 ("**Consenting Party**") must, within 30 days (or 45 days if Clause 18.5(d) applies) of receiving a Request, by notice to the Party Concerned, either:

- (i) subject only to Clause 18.6(b), 18.6(e) and 18.6(g), give unqualified consent; or
- (ii) refuse consent, in which case it must set out the reasons for such refusal.

(c) If the Consenting Party fails for any reason to give the notice within such period, unqualified consent will be deemed to have been given.

(d) If neither the proposed assignee nor any of its Holding Companies:

- (i) has a substantial investment in Australia, or
- (ii) is listed on a stock exchange either in Australia or overseas,

then the 30 day period referred to in Clause 18.6(b) will be extended to 45 days.

(e) To maximise the time the Consenting Party has to consider the suitability of a proposed assignee, the Party Concerned may notify the Consenting Party of a shortlist of proposed assignees as soon as the Party Concerned is satisfied that a list, acceptable to it, is available. However, a notice requesting a consent for the purpose of this Clause 18.5 for a particular assignee will not be deemed to have been given until the Party Concerned by notice informs the Consenting Party that in its opinion a person named in the shortlist is likely to be an assignee.

18.6 Financial Ability

(a) In this Clause 18.6 "**Financial Ability**" means:

(i) in relation to a Party its financial ability to perform its obligations as a party to this Agreement; and

(ii) where Clause 18.4 applies, a Party's financial ability to perform its obligations as a party to this Agreement taking into account its Financial Ability and whether that is materially adversely affected by a change of ownership to the proposed assignee.

(b) Where a Party's consent is required under this Clause 18, such consent must be given unless:

(i) the Consenting Party, acting reasonably, determines that the proposed assignee does not have the Financial Ability; or

(ii) where Clause 18.4 applies, Stanwell, acting reasonably, determines that the party would not continue to have the Financial Ability.

(c) If, acting reasonably, the Consenting Party determines that the proposed assignee does not have the Financial Ability, and so informs, with reasons, the Party Concerned as contemplated in Clause 18.5(b)(ii), the Party Concerned may then request the Consenting Party to consider whether by taking into account the ownership of the proposed assignee and the financial substance of its Holding Company ("**Matters**") the proposed assignee thereby has the Financial Ability.

(d) The Consenting Party must consider the request made under Clause 18.6(c) within 5 days of receiving it. If, acting reasonably it determines that by taking into account either or both Matters, the proposed assignee thereby has the Financial Ability, the Consenting Party must inform the Party Concerned to that effect and give its consent to the proposed assignment. In doing so, the Consenting Party may give qualified

consent requiring reasonable contractual protections, such as a Holding Company guarantee.

(e) When making a request under Clause 18.5 in respect of a particular proposed assignee, the Party Concerned may request that if the Consenting Party, acting reasonably, should determine that the proposed assignee does not have the Financial Ability, then the Consenting Party also have regard to the Matters for that proposed assignee.

(f) In that event the Consenting Party, acting reasonably, may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee. Any such consent is to be given within the 30 or 45 day period as contemplated under Clause 18.5. In doing so the Consenting Party must also give reasons for initially determining that the proposed assignee does not have the Financial Ability.

(g) Notwithstanding any other provision of Clause 18 a consent for a particular potential assignee will be deemed to include a consent for any Related Body Corporate of it that becomes the actual assignee so long as the Related Body Corporate is determined by the Consenting Party in accordance with this Clause 18.6 to:

(i) meet the criteria set out in this Clause; or if not

(ii) meet the criteria set out in this Clause by the Consenting Party, acting reasonably, taking into account the Matters, if the Party Concerned has requested that the Matters be considered,

and if Clause 18.6(g)(ii) applies, the Consenting Party may give qualified consent requiring reasonable contractual protections, such as a Holding Company guarantee.

18.7 Deemed notice

The Parties agree that any notice referred to in this Clause 18 will be deemed to have been given and received if:

(a) similar notice has been given pursuant to the equivalent provision to this Clause 18 in another Project Document; and

(b) that notice refers to this Agreement.

19. Representations, Warranties and Undertakings

19.1 By Coronado

Coronado represents, warrants and undertakes to Stanwell that as at the date of this Agreement:

(a) Coronado is the sole legal and beneficial owner of, and is entitled to all coal produced from, the Tenements; and

(b) Coronado has corporate power, has obtained all necessary approvals, licenses and authorities, and has taken all necessary steps to enable it to enter this Agreement and perform its obligations hereunder.

19.2 By Stanwell

Stanwell represents, warrants and undertakes to Coronado that as at the date of this Agreement it has the corporate power, has obtained all necessary approvals, licenses and authorities and has taken all necessary steps to enable it to enter this Agreement and perform its obligations hereunder.

20. Confidentiality

(a) Subject to Clause 20(b), the provisions of this Agreement and all information acquired by a Party from the other Party in respect of the operation of this Agreement and each Project Document shall be confidential and shall not unless otherwise agreed by all the Parties be disclosed to any third party except to:

- (i) a Related Body Corporate;
- (ii) the State, as required by any relevant laws or regulations and the Shareholding Ministers in the case of Stanwell;
- (iii) a contractor employed by a Party where disclosure of such data or information is necessary to such contractor's work provided that such contractor executes an agreement of confidential treatment thereof for the benefit of the other Party;
- (iv) a bona fide prospective purchaser of part or all of a Party's interest in this Agreement or any of the Tenements or of the Curragh Mine or the Power Stations (including a person with whom a Party is conducting bona fide negotiations directed towards a merger, public listing or consolidation) provided that it first executes an agreement of confidential treatment thereof for the benefit of the other Party;
- (v) a bank or other lending agency to the extent necessary for a Party arranging for funding of its obligations hereunder; or
- (vi) its professional advisers.

(b) Clause 20(a) shall not apply to information that:

- (i) becomes generally available to the public other than as a result of a disclosure by the Party seeking to rely on this Clause 20(b) ("**Relevant Party**") in violation of this Agreement;
- (ii) was available to the Relevant Party on a non-confidential basis prior to its disclosure to that Party by the other Party or its representatives, or
- (iii) becomes available to the Relevant Party on a non-confidential basis from a source other than the other Party or its representatives when such source is entitled, to the best of the Relevant Party's knowledge, to make such disclosure.

(c) In this Clause 20 information required by Clause 20(a) and 20(b) to be confidential shall be referred to as "**Confidential Information**".

(d) Nothing herein contained shall be construed to preclude a Party from making any public announcement or other disclosure reasonably necessary to comply with any statutory or regulatory obligation including, but without limiting the generality of the foregoing, any disclosure obligation applicable under the Corporations Act or the requirements of any stock exchange on which the shares of such Party or a Related Body Corporate are or are proposed to be listed.

(e) A Party requiring or wishing to make public any material referred to in Clause 20(d) that includes Confidential Information shall notify the other Party of the proposed announcement as far in advance as is reasonably possible.

(f) The obligations under this Clause shall continue to bind a Party for a period of 3 Years after the termination of the last of this Agreement and each Project Document.

21. Notices and Communications

21.1 Notice

In this Clause 21, "**Notice**" means a notice, demand, consent, approval or communication given by a party pursuant to or in connection with this Agreement.

21.2 Service

A Notice must be:

- (a) in writing, in English;
 - (b) signed:
 - (i) in the case of Stanwell, by its Authorised Representative, a director or a company secretary; and
 - (ii) in the case of Coronado, by its Authorised Representative, a director or a company secretary;
- and
- either:
- (iii) hand delivered or sent by prepaid post; or
 - (iv) sent by email,

in each case, to the recipient's address for notices specified in the details at the start of this Agreement, as varied by any Notice given by the recipient to the sender.

21.3 Notice by email

A Notice by email is taken to be in writing and signed by the named sender.

21.4 Effective on receipt

A Notice given in accordance with this Clause 21 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post within Australia, on the fifth Business Day after the date of posting; and
- (c) if sent by email, on dispatch of the email unless the sender's server indicates a malfunction or error in transmission or the recipient immediately notifies the sender of an incomplete transmission,

but if the delivery or receipt is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

21.5 Service of Process

The Parties agree any process in any proceedings in Australia issued by any Party, including any originating process, may be served on any other Party by sending a photocopy of the signed and sealed copy of the initiating process document by certified or registered mail, with postage prepaid, to such other Party at that Party's address pursuant to this Clause 21.

22. Miscellaneous

22.1 Waivers and Remedies

(a) Except where inconsistent with the context hereof the failure of any Party to insist in any instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any

such provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

(b) In particular and without limiting the generality of the foregoing, the acceptance by Stanwell of Coal which does not comply with the Standard Coal Quality or the Limiting Specifications in Clause 7.2(a) shall not be deemed to be a waiver by Stanwell of any of its rights under this Agreement in relation to such Coal or of its right to refuse to accept future deliveries which do not meet such requirements.

(c) Any amendment to this Agreement shall be in writing and signed by the Parties.

22.2 Entire Agreement

This Agreement shall constitute the entire agreement between the Parties in relation to its subject matter and no other representations, warranties, covenants, terms or conditions, whether express or implied and whether oral or in writing, in relation to the subject matter of this Agreement shall be of any force or effect unless contained in this Agreement. This Agreement supersedes all prior negotiations, contracts, arrangements, understandings and agreements including the Binding Terms Sheet (as defined in the Deed) with respect to its subject matter, including any discussions between Coronado and Stanwell and any Related Body Corporate or representative of any of them

22.3 Interpretation and Governing Law

The law of the State of Queensland, Australia, shall apply to and be the proper law of this Agreement. Any action or proceedings taken or which may be taken under or in connection with this Agreement shall be taken, instituted or determined, as the case requires, in the Courts of Queensland.

22.4 Amendment

Any amendment to this Agreement shall be in writing and signed by the Parties.

22.5 Mutual Collaboration

Stanwell and Coronado recognise that circumstances may arise which could not have been reasonably foreseen at the time this Agreement is entered into. The Parties agree that they will use their best endeavours to resolve any problems due to any such unforeseeable circumstances including continuation of any interruption to supply and to taking of deliveries in the spirit of mutual understanding and collaboration. Failure to resolve any problems as contemplated in this Clause 22.5 will not be a matter to which Clause 17 applies.

22.6 Limitations to Losses and Damages

(a) If any act or omission of Coronado or Stanwell, under the provisions of this Agreement:

(i) gives rise to any liability on the part of that Party for damages the amount of which is not liquidated by any provision of this Agreement (including damages for negligence, where that negligence constitutes, or contributes to, a breach of contract by it); or

(ii) gives rise to any liability on the part of that Party under any indemnity given by it under this Agreement,

then such liability shall be limited to the direct, proximate and foreseeable loss attributable to such act or omission, after taking into account any obligation of the Party claiming in respect of the liability to mitigate its loss and any contributory conduct, and neither the Party claiming in respect of the liability nor any other person claiming through or under that Party shall be entitled to damages or indemnification for any Excluded Loss attributable to such act or omission.

For the avoidance of doubt, the damages referred to in Clauses 12.7(d) and 13.6 are, once determined, "liquidated" for purposes of this Clause 22.6(a)(i).

(b) In Clause 22.6(a) "**Excluded Loss**" means:

(i) in the case of loss or damage or liability to a non-Party resulting from a breach of contract - indirect, remote or unforeseeable loss, including economic loss, loss of use, loss of contracts, loss of revenue, loss of profit, loss or denial of opportunity, loss of access to markets, loss of goodwill, loss of business reputation, loss of production, increased overhead costs, or wasted overheads or any other similar loss occasioned by that breach, whether or not in the reasonable contemplation of the Parties at the time of execution of this Agreement as being a probable result of the relevant breach;

(ii) in the case of loss or damage arising from any tort (including negligence) - indirect, remote or unforeseeable loss and, in the case of pure economic loss, loss not flowing directly from the commission of the tort; and

(iii) in the case of loss or damage arising from any breach of statutory duty, regulation or by-law - indirect, remote or unforeseeable loss and, in the case of pure economic loss, loss not flowing directly from the breach of the statutory duty, regulation or by-law, save where such loss or damage cannot be excluded or limited by operation of mandatory provisions of law.

22.7 Further Assurances

Each Party shall execute and deliver all further documents and instruments, and provide such further assistance that may be necessary or desirable to carry out the provisions of this Agreement or to effectuate the purposes or intent of this Agreement.

23. Costs

(a) Except as provided in Clause 23(b), whether or not any of the transactions contemplated by this Agreement are consummated, each Party shall pay its own fees and expenses of and incidental to the negotiation, preparation and execution of this Agreement, and to the transactions contemplated by this Agreement, including the fees and disbursements of its lawyers and accountants.

(b) Coronado shall:

(i) bear and pay for all stamp duty on, or incidental to the execution of, this Agreement and on or incidental to all transactions contemplated by this Agreement excluding stamp duty on transactions or agreements between Stanwell and third parties or between Stanwell and its Related Bodies Corporate;

(ii) lodge this Agreement for stamping as required by the relevant statute; and

(iii) indemnify Stanwell against its liability for all such stamp duty and against any liability resulting from the failure of Coronado to lodge any document for stamping as required under any applicable legislation.

24. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

25. Triggering Events/Termination

25.1 Definitions

In this Clause 25:

- (a) **"Event of Default"** means a Financial Default or a Non-Financial Default, as the context requires.
- (b) **"Financial Default"** means any of the following:
 - (i) any failure by a Party to pay any sum due and payable to the other Party under this Agreement or under a Project Document by the earlier of the following days:
 - (A) the 15th day after the unpaid sum becomes due and payable; and
 - (B) the 5th day after the Party receives notice from the other Party that the sum has not been paid by the date it became due and payable (for the avoidance of doubt the other Party is not obliged to give such notice);
 - (ii) a Party takes or has taken against it any action or proceeding whether voluntary or compulsory which has the object or effect of:
 - (A) winding up that Party, which action or proceeding has not been dismissed or withdrawn within 14 days; or
 - (B) a Party's liquidation or provisional liquidation;
 - (iii) a Party enters a compromise or other arrangement with its creditors or a receiver or receiver and manager is appointed over any of its assets;
 - (iv) at any time after the date that Stanwell has been provided with Acceptable Security in accordance with clause 4.1 of the Deed, Coronado fails to comply with any subsequent or continuing obligation to Stanwell under that clause; and
 - (v) at any time before the date that Stanwell has been provided with Acceptable Security in accordance with clause 4.1 of the Deed, Coronado is in breach of clause 4.2 of the Deed, except that Clause 25.1(b)(iii) shall not apply to a reconstruction or amalgamation of a Party while that Party is solvent.
- (c) **"Non-Financial Default"** means a default, other than a Financial Default, by a Party in performing this Agreement, but excludes an Excluded Event.
- (d) **"Excluded Event"** means where there is an interruption or threatened interruption to the taking of Coal by Stanwell from Coronado and Clause 13.3(a) applies.

25.2 Default Notice

If an Event of Default occurs, the non-defaulting Party may give the defaulting Party a notice ("**Default Notice**") describing in reasonable detail the Event of Default that has occurred and the following:

- (a) a statement that the notice is a Default Notice issued under this Clause;
- (b) a statement that there has been a Financial Default or a Non-Financial Default (as the case may be);
- (c) a statement of the relevant matters of fact in sufficient detail so as to permit the clear identification of the matters constituting the default and the non-defaulting Party's requirement for rectification; and
- (d) signatures in accordance with Clause 21.

25.3 Cure Period

Upon receipt of a Default Notice, the defaulting Party will have:

- (a) in the case of a Financial Default, 10 days to cure that default; and
- (b) in the case of a Non-Financial Default, 60 days to cure that default, unless the Parties have agreed in good faith on a longer period (not to exceed 180 days), in which case

the period to cure that default shall be such longer period, provided that the cure period will end immediately if the defaulting Party ceases to be diligently pursuing a cure of the default.

25.4 Non-curable default

If under Clause 25.3(b), the defaulting Party's default is not reasonably capable of remedy, the defaulting Party must immediately notify the other Party and take all reasonable steps satisfactory to the other Party to mitigate the consequences of the default, but without prejudice to the non-defaulting Party's rights under Clause 25.5.

25.5 Remedies

If a default is not cured within the applicable cure period described in Clause 25.3, the non-defaulting Party may, subject to:

(a) giving 30 days' notice to the defaulting Party stating its intention to do so if the default is not cured (and the default is not cured within that notice period) provided that only 15 days' notice shall be required for a Financial Default under Clause 25.1(b) (and provided that any notice given pursuant to this Clause shall state the effective date of such termination); and

(b) if the Event of Default is a Non-Financial Default, that default having a material adverse effect on the rights of the non-defaulting Party under this Agreement,

terminate this Agreement without prejudice to any of its other rights in this Agreement, any right to sue the defaulting Party for damages for that default or the exercise of all other available legal or equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.

25.6 Termination - General

The expiration or termination of this Agreement shall:

(a) not affect the provisions expressed or implied to operate or have effect on or after such expiration or termination; and

(b) be without prejudice to any right of action already accrued to a Party in respect of any breach of this Agreement by the other Party.

25.7 Requirement to provide Acceptable Security

(a) Stanwell may terminate this Agreement with immediate effect if:

(i) by 30 June 2019 Coronado has not granted, procured for or provided Stanwell with all Acceptable Security as defined in and required by clause 4.1 of the Deed and Coronado has not demonstrated to the reasonable satisfaction of Stanwell that:

(A) Coronado is using its best endeavours to grant, procure for and provide Stanwell with all such Acceptable Security within a reasonable period after 30 June 2019; and

(B) there are reasonable grounds for Stanwell to believe that there are reasonable prospects of the Acceptable Security being provided within that reasonable period;

(ii) in any case, all Acceptable Security required by clause 4.1 of the Deed has not been granted, procured for or provided to Stanwell by 30 September 2019; or

(iii) at the time all Acceptable Security required by clause 4.1 of the Deed is granted to, procured for or provided to Stanwell, Coronado is not able to demonstrate to Stanwell's satisfaction that the requirement in clause 4.1(f) of the Deed is satisfied.

(b) Stanwell's termination of this Agreement under Clause 25.7(a) is a termination for Coronado's default for the purposes of determining the Termination Payment calculated in accordance with the SRA Value Schedule to be paid by Coronado to Stanwell under Clause 25.9 and is without prejudice to:

- (i) any of its other rights in this Agreement;
- (ii) any right to sue Coronado for damages; or
- (iii) the exercise of all other available legal and equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.

25.8 Termination by Stanwell

If the ACSA is terminated by Stanwell following an 'Event of Default' (as defined in the ACSA) arising in respect of Coronado, Stanwell may immediately terminate this Agreement without prejudice to:

- (a) any of its other rights in this Agreement;
- (b) any right to sue Coronado for damages; or
- (c) the exercise of all other available legal and equitable remedies, including suing for specific performance, injunctive relief or such other orders as it deems appropriate.

25.9 Termination payment

(a) If this Agreement is terminated for any reason (including under this Clause 25), Coronado must pay to Stanwell the Termination Payment calculated in accordance with the SRA Value Schedule within 10 Business Days of the date of termination.

(b) If this Agreement is terminated otherwise than due to Coronado's default, Coronado may set-off against the Termination Payment any net amount payable by Stanwell to Coronado under Clause 11 of this Agreement (having deducted any amounts payable by Coronado to Stanwell under this Agreement).

Schedule 1– SRA Value Schedule

1. Introduction

1.1 This Agreement includes a number of items which change from time to time in accordance with the Model Calculations contained in this Schedule 1. The purpose of these Model Calculations is to accommodate the flexibility in this Agreement (including as to the Supply Commencement Date, Contract Price per GJ, Monthly Tonnage and Cash in Lieu) while ensuring that in all circumstances Stanwell receives the Value of the SRA. The Value of the SRA is acquitted by the payment by Coronado of Monthly Cash Flows (adjusted by the Discount Factor) as determined by the Model Calculations, and if the Outstanding Value of the SRA is greater than zero as at the 31 December 2038, by payment by Coronado of the Termination Payment.

1.2 From time to time as required for the purposes of this Agreement prior to the Supply Commencement Date, and then at the end of each Month during the Supply Term, the Model Calculations will be made in accordance with their terms. The Model Calculations use Fixed Inputs, Variable Elements and the output of other Model Calculations.

1.3 The Model Calculations determine (amongst other things) certain payments to be made under this Agreement, including that, in relation to each Month during the Supply Term:

(a) Stanwell shall pay to Coronado the Netback Amount for the aggregate quantities of Coal delivered in that Month. The Netback Amount for the Month is to be determined as:

Netback Amount = [Netback Price x Monthly Tonnage (SRA Value Schedule)] + [(Invoice Price x Tonnes Delivered) – (Contract Price per Tonne Equivalent x Monthly Tonnage (SRA Value Schedule))]

(b) Coronado shall pay to Stanwell the Derived Amount and the Cash in Lieu for the Month.

1.4 The Parties have agreed the form of an Excel spreadsheet which contains the Model Calculations as attached to the email sent from Tim Peirce, Coronado to Natalie Gordon, Stanwell on 14 August 2018 at approximately 11.15 am, and which is attached to this Schedule 1. The Excel spreadsheet also includes rows which are to be used for the administration of this Agreement by the Parties, but which are not, and do not affect, Fixed Inputs, Variable Elements or Model Calculations for the purposes of this Schedule 1.

1.5 To the extent of any inconsistency, the documents will be interpreted in the following order of precedence:

- (a) this Agreement, including this Schedule 1;
- (b) the Excel spreadsheet; and
- (c) the worked examples attached.

1.6 Each Party acknowledges that the Model Calculations do not and will not take account of either Party's tax position.

1.7 In this Schedule 1, a reference to a Clause is a reference to a Clause in the main body of this Agreement.

2. Fixed Inputs

The following items are the **Fixed Inputs** (which remain unchanged throughout the term of this Agreement):

Fixed Input	Value of Fixed Input
Discount Rate	13% per annum.
Valuation Date	13 August 2018.
Netback Price	in respect of each Month on and from the Valuation Date, the price in A\$ set out for that Month for the Netback Price in Attachment 1 to this Schedule 1.
Contract Energy	means 25.6 GJ/Tonne (as received).
New CSA Days	means, for a Month, the number of days from (and excluding) the Valuation Date until (and including) the last day of the relevant Month.
Escalation Factor	means, for a Month: $(1 + 0.02)^{(New\ CSA\ Days / 365)}$
Discount Factor	in respect of each Month from the Valuation Date, is to be determined as: $= 1 / [((1 + Discount\ Rate)^{(1/365)})^{(New\ CSA\ Days)}]$
Value of the SRA	A\$210,000,000.

3. Variable Elements

The following items are the **Variable Elements**:

Variable Element	Determination of Variable Element
Supply Commencement Date	has the meaning given in Clause 1.1. For the purposes only of the Model Calculations, unless and until the Supply Commencement Date occurs, a nominal Supply Commencement Date of 1 March 2027 will be used for the Model Calculations (except if this Agreement is terminated prior to the Supply Commencement Date occurring and Stanwell has given a nomination in accordance with Clause 4.1(a), in which case the Supply Commencement Date indicated in that nomination will be used).
Base Contract Price per GJ	means: - if the Supply Commencement Date is prior to 1 January 2026, A\$[***] per GJ; - otherwise, the price per GJ set out in the table headed 'Base Contract Price per GJ' in Attachment 1 to this Schedule 1 for the Month in which the Supply Commencement Date occurs, provided that unless and until the Supply Commencement Date occurs, A\$[***] will be used for Base Contract Price per GJ under this Schedule 1. The Base Contract Price per GJ is fixed on the Supply Commencement Date.
Contract Price per GJ	means, for each Month during the Supply Term, the Base Contract Price per GJ multiplied by the Escalation Factor for that Month.
Nominated Contract Price per GJ	means, for each Month during the Supply Term, the amount nominated as the Nominated Contract Price per GJ by Stanwell in accordance with Clause 4.1(a)(i)(C).
Cash in Lieu Tonnage	means, for each Month during the Supply Term, the quantity of the Annual Contract Tonnage (in Tonnes Equivalent) for which Stanwell elects to receive Cash in Lieu in accordance with Clause 4.1(a)(i)(B).

Monthly Tonnage (SRA Value Schedule)	means: • for a Month prior to the effective date of the relevant Model Calculation, the actual quantity of Coal in Tonnes Equivalent delivered in that Month by Coronado to Stanwell; • for any other Month in respect of which Stanwell has given a nomination in accordance with Clause 4.1, the Annual Contract Tonnage nominated by Stanwell for that Year, divided by 12; and • for any other Month during the Supply Term, 2,000,000 divided by 12, in Tonnes Equivalent.

4. Model Calculations

The following **Model Calculations** will be calculated for each Month during the Supply Term using the Fixed Inputs, Variable Elements and other Model Calculations (as is relevant). The Discounted Monthly Cash Flows and the Outstanding Value of the SRA will also be calculated for each Month on and from the Valuation Date.

Model Calculation	Formula
Contract Price per Tonne Equivalent	means, for each Month during the Supply Term, the Nominated Contract Price per GJ for that Month multiplied by the Contract Energy.
Derived Amount per Tonne	means, for each Month during the Supply Term, the Netback Price less the Contract Price per Tonne Equivalent for that Month.
Derived Amount	means, for each Month during the Supply Term, the Derived Amount per Tonne multiplied by the Monthly Tonnage (SRA Value Schedule) for that Month.
Cash in Lieu	means, for each Month during the Supply Term, the Derived Amount per Tonne multiplied by the Cash in Lieu Tonnage for that Month.
Monthly Cash Flows	means, for each Month during the Supply Term, the Derived Amount plus the Cash in Lieu for that Month.
Discounted Monthly Cash Flows	means, for each Month during the Supply Term the amount determined as: $= \text{Monthly Cash Flows} \times \text{Discount Factor}$
Cumulative Discounted Cash Flows	means, for each Month on and from the Valuation Date, the sum of each of the Discounted Monthly Cash Flows for every Month occurring during the Supply Term up to and including that Month (and being, prior to the Supply Commencement Date, zero).
Outstanding Value of the SRA	means, for each Month on and from the Valuation Date, the amount determined as: $= \text{Value of the SRA} - \text{Cumulative Discounted Cash Flows}$

5. Termination Payments

If this Agreement is terminated or if as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, Coronado must pay to Stanwell a termination payment (Termination Payment) calculated in accordance with this Schedule 1 and:

- if the termination is due to Coronado's default, the Termination Payment will be:
 - the Cash Value of the SRA; plus
 - the Top-Up Amount; and
- if the termination is for any other reason or if as at 31 December 2038, the Outstanding Value of the SRA is greater than zero, the Termination Payment will be the Cash Value of the SRA.

Calculation of the Cash Value of the SRA

The Cash Value of the SRA is calculated as:

"=" Outstanding Value of the SRA _m / Discount Factor _m

with each such value being calculated as at the end of the Month in which the date of termination occurs.

Calculation of Top-Up Amount

The Top-Up Amount is determined by:

- taking the remaining Supply Term as at the date of termination based on the last nomination (including the non-binding nomination for each Year in the Supply Term after the Year for which the nomination is made) under Clause 4.1;
- calculating a revised Netback Price (the Revised Netback Price) for each Month of the remaining Supply Term in accordance with the table set out below and determining any Top-Up Amount payable by Coronado;

Input	Value of Fixed Input
Forecast Price	means, for each Month of the remaining Supply Term from and including the date of termination, the price for [***] kcal/kg NAR thermal coal on a Free on Board basis at Newcastle Port in nominal US\$ per tonne that is included for that Month in the Wood MacKenzie Long Term Thermal Market Outlook last published prior to the date of termination.
FX Rate	means, for each Month of the remaining Supply Term from and including the date of termination, the rate for converting US dollars into one Australian dollar that is included for that Month in the long term exchange rate forecast published by Wood MacKenzie last published prior to the date of termination.
A\$ Forecast Price	means, for a Month, the Forecast Price divided by the FX Rate.
Reference Energy	means the energy applicable to the Forecast Price, as measured in GJ per Tonne (as received), being for the Forecast Price described above, [***] GJ per Tonne (as received).
Port Costs	in respect of each Month of the remaining Supply Term from and including the date of termination, the price in A\$ set out for that Month for Port Costs in Attachment 1 to this Schedule 1.

Rail Costs	in respect of each Month of the remaining Supply Term from and including the date of termination, the price is A\$ set out for that Month for Rail Costs in Attachment 1 to this Schedule 1.
Export Royalty	means, in respect of each Month of the remaining Supply Term from and including the date of termination: if the A\$ Forecast Price less Port Costs is less than or equal to A\$100/Tonne: $=((A\$ \text{ Forecast Price less Port Costs}) \times 7\%)$ if A\$ Forecast Price less Port Costs is greater than A\$100/Tonne and less than or equal to A\$150/Tonne: $=A\$7 + ((A\$ \text{ Forecast Price less Port Costs less A\$100}) \times 12.5\%)$ if the A\$ Forecast Price less Port Costs is greater than A\$150/Tonne: $=A\$13.25 + ((A\$ \text{ Forecast Price less Port Costs less A\$150}) \times 15\%)$
Revised Netback Price	is calculated for each Month of the remaining Supply Term from and including the date of termination as: $=(A\$ \text{ Forecast Price}) \times (\text{Contract Energy} / \text{Reference Energy}) - \text{Port Costs} - \text{Rail Costs} - \text{Export Royalty}$
Discount Factor (Termination)	in respect of each Month of the remaining Supply Term from and including the date of termination, is to be determined as: $=1/[(1 + \text{Discount Rate})^{(1/365)}]^{(\text{Days from the date of termination to the end of the relevant Month})}$
Top-Up Amount (Month)	in respect of each Month of the remaining Supply Term from and including the date of termination: - if the Revised Netback Price is less than or equal to the Netback Price for the Month, the Top-Up Amount (Month) for the Month is zero; and - if the Revised Netback Price is greater than the Netback Price for the Month, the Top-Up Amount (Month) for the Month is determined as: $= [(\text{Revised Netback Price} - \text{Netback Price}) \times \text{Monthly Tonnage (SRA Value Schedule)} \times \text{Discount Factor (Termination)}]$
Top-Up Amount	the sum of each Top-Up Amount (Month).

The Forecast Price and the FX Rate are the Forecast Indices. If at any time on and from the Valuation Date, a Forecast Index is no longer published or the basis of calculation of the Forecast Index materially changes, the Forecast Index will be replaced with a replacement index that best represents the characteristics of the relevant Forecast Index as at the Valuation Date. In order to determine whether a Forecast Index is no longer published or the

basis of calculation of the Forecast Index materially changes and, if so, the replacement index:

- Either Party may notify the other if it considers that a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed. If the Parties do not agree on whether a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed within 30 days of such notice, Clause 17(h) will apply.
- If the Parties agree or it is determined that a Forecast Index is no longer published or the basis of calculation of the Forecast Index has materially changed, the Parties will seek to agree upon a replacement Forecast Index. If the Parties have not agreed on a replacement within 30 days of the agreement or determination, Stanwell will nominate a relevant replacement Forecast Index to Coronado.
- If Coronado does not agree with the replacement Forecast Index provided by Stanwell, Clause 17(h) will apply.
- If a replacement Forecast Index is determined in circumstances where Coronado is in default or this Agreement has been terminated due to Coronado's default and the Forecast Index that is finally agreed or determined is the replacement Forecast Index nominated by Stanwell, then Coronado must bear the cost of the Expert and any consultant or advisors engaged by the Expert and Stanwell's legal and other costs related to the determination.

If a Forecast Index does not, as at the date of termination, publish any of the input for the Forecast Index beyond a date such that it does not include all remaining Months of the Supply Term as required to determine the Revised Netback Price, the Forecast Index for the Months in which no input is published will be determined as:

- in relation to the Forecast Price, the forecast published for the date which is furthest in the future from the date of termination (Last Published Date) multiplied by the Forecast Escalation Rate where:
 - the Forecast Escalation Rate means, for a Month: $(1 + 0.02)^{(\text{Forecast Days} / 365)}$; and
 - Forecast Days means, for a Month, the number of days from (and excluding) the Last Published Date until (and including) the last day of the relevant Month; and
- in relation to the FX Rate, the FX Rate published for the date which is furthest in the future from the date of termination.

6. Maintenance of agreed Value of the SRA and model

For the purposes of administration, Coronado must prepare the Model Calculations in accordance with this Schedule 1 each Month and make it available to Stanwell in the same format as the agreed Excel spreadsheet (or as otherwise agreed).

Attachment 1 to Schedule 1

[**]

Schedule 2 – Quality Assurance

[**]

Schedule 3 – Rail Performance Levels

[**]

EXECUTED as a deed

Signed by Richard Van Breda for Stanwell Corporation Limited ACN 078 848 674 under power of attorney in the presence of

/s/ Natalie Gordon

9 July 2019

Signature of witness

/s/ Richard Van Breda

Richard Van Breda

Natalie Gordon

Name of witness (print)

Executed by Coronado Curragh Pty Ltd ABN 90 009 362 565 in accordance with Section 127 of the *Corporations Act 2001* (Cth)

/s/ Ayten Saridas

Signature of director

/s/ Ben Pentelow

Signature of director/company secretary
(Please delete as applicable)

Ayten Saridas

Name of director (print)

Ben Pentelow

Name of ~~director~~/company secretary (print)

CERTIFICATION

I, Garold Spindler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coronado Global Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted]
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2019

/s/ Garold Spindler
Garold Spindler
Managing Director and Chief Executive Officer

CERTIFICATION

I, Ayten Saridas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coronado Global Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted]
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2019

/s/ Ayten Saridas
Ayten Saridas
Chief Financial Officer

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coronado Global Resources Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Garold Spindler

Garold Spindler
Managing Director and Chief Executive Officer

/s/ Ayten Saridas

Ayten Saridas
Chief Financial Officer

Date: November 7, 2019

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

Mine Safety Disclosures

Safety is the cornerstone of our Company's values and is the number one priority for all employees at Coronado Global Resources. The operation of our mines located in the United States is subject to regulation by the Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. MSHA inspects these mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. We present information below regarding certain mining safety and health citations that MSHA has issued with respect to our mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the mine; (ii) the number of citations issued will vary from inspector to inspector and mine to mine; and (iii) citations and orders can be contested and appealed and, in that process, are often reduced in severity and amount, and are sometimes dismissed. Since MSHA is a branch of the U.S. Department of Labor, its jurisdiction only applies to our operations in the United States. As such, the mine safety disclosures included herein do not contain information related to our Australian mines.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the Securities and Exchange Commission, or the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K (17 CFR 229.104), we present the following items regarding certain mining safety and health matters, for the quarter ended September 30, 2019, for each of our mine locations that are covered under the scope of the Dodd-Frank Act.

The table that follows reflects citations and orders issued to us by MSHA during the quarter ended September 30, 2019. The table only includes those mines that were issued orders or citations during this period, and commensurate with SEC regulations, does not reflect orders or citations issued to independent contractors working at our mines. The proposed assessments for the quarter ended September 30, 2019 were retrieved from the MSHA Data Retrieval System, or MSHA DRS, as of October 4, 2019.

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
MSHA Mine ID No.	Mine Name (1)(2)(3)	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed (\$ Thousands)	Total Number of Mining Related Fatalities
4404856	Buchanan Mine #1	26	—	—	—	—	\$27.1	—
4609125	Mountaineer Pocahontas No. 1 Prep Plant	0	—	—	—	—	—	—
4609172	Mountaineer Pocahontas No. 1 Mine	4	—	—	—	—	\$3.0	—
4609101	Toney Fork Surface Mine	2	—	—	—	—	\$1.1	—
4609217	Powellton #1 Mine	24	—	—	—	—	\$31.8	—
4609319	Lower War Eagle	30	—	—	—	—	\$63.9	—
4609563	Eagle No. 1 Mine	3	—	—	—	—	\$1.6	—
4609084	Laurel Fork	2	—	—	—	—	—	—
	Total:	91	—	—	—	—	\$128.5	—

- (1) The definition of "mine" under Section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting coal, such as land, structures, facilities, equipment, machines, tools and coal preparation facilities. Also, there are instances where the mine name per the MSHA system differs from the mine name utilized by us.
- (2) Idle facilities are not included in the table above unless they received a citation, order or assessment by MSHA during the current quarterly reporting period or are subject to pending legal actions.
- (3) During the quarter ended September 30, 2019, none of the Company's mines have received written notice from MSHA of a pattern of violations or the potential to have such a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety standards under section 104(e) of the Mine Act.

References used in the table above are as follows:

- A. The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Act (30 U.S.C. 814) for which the operator received a citation from MSHA.
- B. The total number of orders issued under section 104(b) of the Mine Act (30 U.S.C. 814(b)).
- C. The total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Act (30 U.S.C. 814(d)).
- D. The total number of flagrant violations under section 110(b)(2) of the Mine Act.
- E. The total number of imminent danger orders issued under section 107(a) of the Mine Act (30 U.S.C. 817(a)).
- F. The total dollar value of proposed assessments from MSHA under the Mine Act (30 U.S.C. 801 et seq.).
- G. The total number of mining-related fatalities.

The table below presents legal actions pending before the Federal Mine Safety and Health Review Commission, or FMSHRC, for each of the Company's mines as of September 30, 2019, together with the number of legal actions initiated and the number of legal actions resolved during the quarter ended September 30, 2019.

		<u>Legal Actions Pending as of Last Day of Quarter (September 30, 2019) (1)</u>							
		Complaints of							
MSHA Mine ID No.	Mine Name	Contests of Citations and Orders (Subpart B)	Contests of Proposed Penalties (Subpart C)	Complaints for Compensation (Subpart D)	Discharge, Discrimination or Interference (Subpart E)	Applications of Temporary Relief (Subpart F)	Appeals of Judges' Decisions or Orders (Subpart H)	Legal Actions Initiated During Quarter	Legal Actions Resolved During Quarter
4404856	Buchanan Mine #1	—	5	—	—	—	—	3	5
4609101	Toney Fork Surface Mine	—	2	—	—	—	—	0	1
4609217	Powellton #1 Mine	—	5	—	—	—	—	1	1
4609319	Lower War Eagle	1	5	—	—	—	—	3	2
	Total:	1	17	—	—	—	—	7	9

- (1) The legal actions pending shown in the table above have been categorized by type of proceeding with reference to the procedural rules established by the FMSHRC under 29 CFR Part 2700. Reference to the applicable Subparts under this Rule are listed in the columns above.