Coronado

Coronado Global Resources, Inc.

Financial Report

for the 12 month period ending

31 December 2018

18

Contents

Appendix 4E

Coronado Global Resources Inc.

ARBN 628 199 468

Results for announcement to the market

Reporting period ("Current period"): 31 December 2018

Previous corresponding period ("Previous period"): 31 December 2017

			USD$'000
Revenue from ordinary activities is up by	158%	to	1,980,504
Profit from ordinary activities after tax attributable to members is down by	19%	to	114,681
Net profit for the period attributable to members is down by	19%	to	114,681

Interim dividends	Amount per security	Franked amount per security
Current period – interim dividend	NIL	NIL
Previous corresponding period – special dividend	NIL	NIL
Record date for determining entitlements to the dividend	N/A	

Final dividends	Amount per security	Franked amount per security
Current period – final dividend	NIL	NIL
Previous corresponding period – special divided	NIL	NIL
Record date for determining entitlements to the dividend	N/A	

On 18 February 2019 the board of directors of Coronado Global Resources, Inc. declared a dividend of $0.31 per Chess Depository Instrument ("CDI"). The dividend will have a record date of 5th of March 2019, payable on the 29th of March 2019. Holders of CDIs trading on the Australian Securities Exchange will be paid an equivalent amount in Australian currency, based on the exchange rate on the record date. The ex- dividend date will be 4th of March 2019.

A review of the consolidated entity's operations during the year ended 31 December 2018 and the results of those operations are included in the Coronado Global Resources Inc. 31 December 2018 directors' report set out on pages 4 to 34.

Net tangible asset backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (US$)	12.5	N/A

Change in ownership of controlled entities	Coronado Curragh Pty Ltd was acquired by the group on March 29, 2018.
Net profit contribution from acquired entities (US$'000)	USD $164,331 net income contributed to the group during the period from March 29, 2018 to December 31, 2018
Dividend reinvestment plans	There are no dividend reinvestment plans in place.

Directors' Report

For the year ended 31 December 2018

The Directors present their report together with the consolidated financial report of Coronado Global Resources Inc ('the Company', 'the Group' or 'Coronado'), being the Company and its controlled subsidiaries, and the Group's interest in joint operations for the year ended 31 December 2018 ('FY18') and the auditors' report thereon.

Details of the Directors of the Company during the year or since the end of the year are set out on pages 16 to 17 of the Remuneration Report.

All amounts are stated in United States dollars, unless otherwise stated. All coal volumes are reported in metric tonnes, unless otherwise stated.

1. Operating and financial review

The Directors of Coronado Global Resources Inc. present the operating and financial review of the consolidated entity, for the year ended 31 December 2018. The information provided in this review forms part of the Directors' Report and provides information to assist readers in assessing the operations, financial position and business strategies of Coronado.

The principal activity of Coronado during the period was the development and operation of premium quality metallurgical coal mines in Queensland, Australia (Curragh) and in the states of Pennsylvania, Virginia and West Virginia (Buchanan, Logan Greenbrier) in the United States of America.

On 23 October 2018 Coronado was listed on the Australian Securities Exchange. In preparation for the listing the Coronado group undertook a corporate restructure, details of which can be found on page 42 of the Financial Statements.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year that have not been noted in the review of operations.

2. Performance overview

To provide investors with comparable analysis, financial data is provided on a statutory and proforma basis to enable comparisons to be made as if the Curragh mine had always been part of Coronado. All commentary is on a full year proforma basis unless otherwise stated.

FY18 represented a record year for Coronado with the acquisition of Curragh in March 2018 and continued stable performance from our US mining assets. Our operating results place Coronado as the fifth largest met coal producer globally by volume to the seaborne export market. Following this strategic acquisition of Curragh, the Company:

- Listed on the Australian Securities Exchange following a successful IPO that raised total proceeds of A$774 million
- Increased Reserves by 82 Mt[1] being the Stanwell Reserve Area (SRA) acquired in August 2018 under the Curragh Mine New Coal Supply Deed with Stanwell Corporation Limited
- Successfully syndicated a $350 million Revolving Credit Facility and a A$370 million Bank Guarantee Facility
- Ended the year with a Net Cash Balance of $124.9 million and no drawn debt
- Acquired the Curragh asset and increased total production for the Group by 12.2Mt (152%) compared to FY17, significantly increasing total production of the group to 20.2Mt during FY18. The Group's met coal saleable production has increased to 78.7% of total production
- Achieved its best safety performance record, outperforming Australian and US rolling twelve national averages with TRIFR of 3.3 and TRIR of 2.31

Coronado's FY18 financial results exceeded prior year and Prospectus forecasts, with Group proforma EBITDA of $595.3 million, 3% higher than Prospectus. Revenues of $2,296.7 million was $17.6 million ahead of the Prospectus forecast and was driven by higher met coal prices and improved sales mix during the year. Group Sales Volume was 20.1Mt, 0.8Mt below Prospectus forecast. Sales Volume was adversely impacted by rail network constraints (bushfires, maintenance and industrial action) in Queensland and reduced thermal production at Logan in the US. Cost of Coal Revenue was $1,137.3 million, which was $3.9 million lower than Prospectus. However, cost per tonne sold of $56.6 per tonne was marginally higher than Prospectus due to reduced saleable production.

[1] Before depletions as a result of production during the 18 months to 31 December 2018. Refer section headed 2018 JORC Reserve and Resource Statements

	Actual Statutory		Proforma		
US$	FY17	FY18	FY18 Actual	FY18 Prospectus	Var
Saleable Production (Mt)	8.0	17.3	20.2	21.2	-5%
Sales Volumes (Mt)	8.5	17.4	20.1	20.9	-4%
Revenue ($m)	768.2	1,980.5	2,296.7	2,279.1	1%
Cost of coal revenues ($m)	463.6	992.0	1,137.3	1,141.2	0%
Net Income ($m)	142.3	114.6	192.3	275.6	-3%
Add: Net interest expense ($m)	9.9	58.0	40.3	23.9	-167%
Add: Other FX losses ($m)	-	9.0	9.0	-	-100%
Add: Income tax expense ($m)	-	75.2	115.0	110.2	-4%
Add: Loss on debt extinguishment ($m)	-	58.1	54.1	-	N/A
EBIT ($m)	152.2	314.9	410.7	409.7	0%
Add: Depreciation, depletion and amortization ($m)	75.5	162.1	184.6	168.0	10%
EBITDA ($m)	227.7	477.0	595.3	577.7	3%
Cost per tonne sold ($)	54.5	57.0	56.6	54.6	-4%
Met Coal Sales %	85.5	79.8	78.6	75.6	4%
Thermal Coal Sales %	14.5	20.2	21.4	24.4	-12%

An underlying (unaudited) EBITDA of $601.7 million (underlying Net Income of $279.8 million) is reported for FY18 upon adjusting for Curragh acquisition and one off non-recurring costs. A reconciliation is provided below:

EBITDA	FY18 Actual Statutory	FY18 Actual Proforma	FY18 Proforma Prospectus
Curragh	314.2	382.5	363.3
Buchanan	212.5	212.5	209.0
Logan	31.9	31.9	49.9
Greenbrier	(1.4)	(1.4)	5.3
Corporate and Other	(80.2)	(30.2)	(49.8)
Total EBITDA	**477.0**	**595.3**	**577.7**
Add back Proforma Adjustments:			
Landholder (Stamp) Duty/FX Swap & Other (Corp & Other)	50.0	-	-
Adjusted EBITDA	**527.0**	**595.3**	**577.7**
Add Curragh Acquisition fees	6.4	6.4	-
Underlying EBITDA	**533.4**	**601.7**	**577.7**

3. Review of group financial performance

Coronado proforma EBITDA is $595.3 million, which is $17.6 million higher than Prospectus forecast. This was driven by 4% higher reported EBITDA for Curragh and Buchanan combined with 39% lower than forecast expenses within Corporate and Other.

Statutory Net income after tax was $114.6 million which is $51.5 million below the Prospectus forecast. This was mainly the result of a non-cash and non-recurring opening adjustment to the deferred tax liability balance which relates to the corporate reorganisation undertaken by Coronado in preparation for the IPO. The reorganisation resulted in an initial recognition of deferred tax balances on transfer of the legacy US businesses to Coronado Global Resources on September 19, 2018. Prior to the IPO the US business was treated as a partnership that passed through income and losses to its members for US federal and state income tax purposes.

This opening tax adjustment was previously presented in the Prospectus Proforma Balance Sheet. As part of the FY18 audit, the Company's Auditor KPMG undertook a technical review and has now changed the previous position adopted by another of its affiliated entities acting as Investigating Accountant for the IPO in relation to the correct accounting treatment for this item. This has resulted in the opening balance adjustment being reallocated to Tax Expense rather than the Balance Sheet. Notwithstanding that the Company had received independent advice at the time of the IPO and that the Investigating Accountant supported the original accounting treatment, the Company has decided to adopt the change in accounting treatment recommended by KPMG as Auditor.

Underlying Net Income after tax of $279.8 million was $4.2 million above Prospectus forecast and underlying EBITDA after adjusting for non-recurring items was $601.7 million, $24.0 million above Prospectus forecast. The key non-recurring expenses (excluding non-recurring tax adjustments) relate to landholder stamp duty costs of $33.0 million which have been provided for (but not paid) and foreign exchange losses of $15.7 million (pre-tax) in relation to the acquisition of Curragh.

Reconciliation of Underlying Net Income ($ million)	FY18 Actual Statutory	FY18 Actual Proforma	FY18 Proforma Prospectus
Net income	**114.6**	**232.9[1]**	**275.6**
Add back:			
Landholder (Stamp) Duty	33.0	-	-
FX Swap	11.0	-	-
Curragh Acquisition Costs	6.4	6.4	-
Loss on Debt Extinguishment	40.7	-	-
Non Cash Tax restructure adjustment	40.5	40.5	N/A
Underlying net income	**246.1**	**279.8**	**275.6**

[1] Excludes $40.7 million loss on debt extinguishment aligned with proforma prospectus

Total Group revenue is $2,296.7 million for FY18, up 5.7% on FY17 proforma historical result and higher than Prospectus forecast. The strong revenue performance was driven by favourable export market pricing and the higher margin sales mix. The portion of met coal sales to thermal coal sales was 78.6% to 21.4%, respectively, for FY18, up 4% compared to Prospectus forecast. While sales volumes were lower than Prospectus, 20.1Mt of sales achieved despite significant transportation disruptions in Queensland.

Group costs of coal revenue per tonne sold of $56.6/ tonne were $2.0/ tonne higher than Prospectus, predominantly due to lower production and consequently reduced sales volumes down 0.8Mt (20.1Mt vs 20.9Mt). Total cost of coal revenues was $1,137.3 million, $3.9 million below Prospectus ($992.0 million vs $995.9 million, statutory basis). US cost of coal revenues of $500.2 million in FY18 was $21.7 million below Prospectus on lower production volumes. Total freight costs were lower than Prospectus due to lower sales volumes and Corporate and other costs of $30.2 million were $19.6 million favourable relative to Prospectus with lower foreign exchange and compliance related costs. Offsetting the costs savings was higher Stanwell rebate and government royalties, as a direct result of higher realised prices. Lowering costs of coal revenues remains a focus for Coronado and continued investment in wash plants and equipment improvements are being made to help deliver increased product output efficiency.

4. Summary of financial position

Cash Flow ($ million)	FY18 Actual (Statutory)	FY18 Prospectus (Statutory)	Variance
Cash Flow from Operating Activities	364.8	353.0	3%
Cash outflow from Investing Activities	(666.4)	(664.5)	0%
Financing Cash Flows	407.2	412.9	-1%
Net Cash Flow Movement (Excluding FX translation)	105.6	101.4	4%
Effect of exchange rate changes	(8.8)	-	N/A
Net Cash Flow Movement	96.8	101.4	-5%
Add Opening Balance	28.1	28.1	0%
Closing Cash Balance	124.9	129.5	-4%

Net Cash Flow, excluding the impact of FX for FY18 of $105.6 million was $4.2 million higher than Prospectus forecast mainly due to improved operating cash flows. Financing cash flows incorporate net proceeds from the initial public offering of $442.3 million.

Cash Flow from operating activities was $11.8 million better than prospectus driven by higher EBITDA performance. Curragh contributed 35% of operating cash flows to the group from its 9 months of ownership.

Investing cash flows includes the $537.2 million cash outflow relating to the acquisition of Curragh. “Stay-in-business” capital expenditure of $114.3 million was $12.7 million lower than Prospectus forecast, primarily due to the timing of projects and equipment component lead times.

As at 31 December 2018 Coronado had $124.9 million of cash with no debt drawn.

5. Production and development

Measures		Actual Statutory	Proforma Prospectus	12 Months End Dec 18	12 Months End Dec 17	% Change Year on Year	% Change vs Prospectus
ROM Production	**Mt**	**27.4**	**31.6**	**30.9**	**30.8**	**0.3%**	**(2.2%)**
Curragh	Mt	11.9	15.8	15.4	15.4	0.0%	(2.5%)
Buchanan	Mt	7.3	7.0	7.3	7.3	0.0%	4.3%
Logan	Mt	7.0	7.6	7.0	7.1	(1.4%)	(7.9%)
Greenbrier	Mt	1.2	1.2	1.2	1.0	20.0%	0.0%
Saleable Production	**Mt**	**17.3**	**21.2**	**20.2**	**20.2**	**0.0%**	**(4.7%)**
Curragh	Mt	9.2	12.4	12.1	12.2	(0.8%)	(2.4%)
Buchanan	Mt	4.7	4.8	4.7	4.9	(4.1%)	(2.1%)
Logan	Mt	2.7	3.2	2.7	2.6	3.8%	(15.6%)
Greenbrier	Mt	0.7	0.8	0.7	0.5	40.0%	(12.5%)
% Met coal	%	79.7%	78.3%	78.7%	76.6%	2.7%	0.5%

Coronado’s total FY18 production of 20.2Mt is up 12.2Mt from FY17 predominantly due to the acquisition of Curragh. Additionally, the acquisition of the SRA (within Curragh) in August 2018 provided Coronado with immediate access to 318Mt of Resource which has been assessed as providing 82Mt of economic reserves and extending Curragh’s life of mine until approximately 2041.

Consideration for the additional reserves are deferred and payable as a discount to thermal coal over the term of the agreement with Stanwell. Development of the SRA mining area is planned to commence during 2019 -2020 with first coal extraction expected in 2020. No export rebates are payable to Stanwell during the term of the New Coal Supply Deed.

In addition to the SRA there exists opportunities to review Curragh’s significant land acreage for other opportunities, including underground mining opportunities, which will be evaluated over time.

In the US, Coronado acquired 3.2Mt of new Reserves adjacent to Logan.

Coronado Group Resources and Marketable Reserves have been updated for depletion and development as summarised below:

Operation / Location	Resources Total (Mt)	Reserves Proved (Mt)	Reserves Probable (Mt)	Reserves Total (Mt)
Curragh	957	221	30	251
Buchanan	251	105	7	112
Logan	220	58	30	88
Greenbrier	90	14	14	28
Amonate	356	25	32	57
Russell County	157	23	5	28
Pennsylvania	493	89	59	147
Total[1]	**2,524[1]**	**535**	**177**	**711**
Australia	957	221	30	251
United States	1,567	314	147	460
Total[1]	**2,524[1]**	**535**	**177**	**711**

[1] Australian resources are estimated inclusive of 5.3% insitu moisture. United States resources are estimated on a dry basis. * Refer also section headed 2018 JORC Resource and Reserve Statements at the end of this release. Reserves and Resources reflected as at 31 December 2018

A reconciliation from opening to closing coal reserves is shown below:

Operation	Opening balance at 1 Jan 2018 (Mt)	Additions (Mt)	Depletion (Mt)	Closing balance at 31 December 2018 (Mt)
Curragh	252[1]	82	23	311
Buchanan	185	0	8	177
Logan	158	3	6	155
Greenbrier	61	0	1	60
Amonate	133	0	0	133
Russell	47	0	0	47
Pennsylvania	201	0	0	201
Total	**1,037**	**85**	**38**	**1,083**

[1] Balance as at 30 June 2017. JORC estimates not calculated at 1 January 2018

6. 2018 Asset Performance

Curragh

	Statutory FY18 Actual	Proforma FY18 Actual Proforma	Proforma FY18 Prospectus	Var
ROM (Mt)	11.9	15.4	15.8	-3%
Saleable Production (Mt)	9.2	12.1	12.4	-2%
Sales Volume (Mt)	9.3	12.0	12.2	-2%
Cost per tonne sold (US /t)	52.9	53.1	51.0	-4%
Realised Met Price (FOB) (US /t)	154.6	154.3	148.5	4%

Curragh's financial performance exceeded expectations, driven primarily by favourable revenues resulting from enhanced price and sales mix and improved operating efficiencies. This was partially offset by higher costs stemming from the impact of the publicised rail disruptions throughout the year including track maintenance, bush fires and industrial action.

Curragh's export sales consisted of 72.5% met coal, which was 3% better than Prospectus and contributed to the higher realised pricing benefits. The full year cost of coal revenues was above expectations at $637.1 million (up $17.8 million) or $53.1 per tonne sold. This was $2.1 /t higher due to a combination of production being 0.3mt below plan (unplanned outages on the wash plant for maintenance and due to adverse weather in Q4 2018) and higher fuel costs (volume and pricing). FY19 exposures to fuel prices has been mitigated through fuel price hedging.

Curragh's met coal saleable production since acquisition (statutory basis) was 7.6% higher compared to the equivalent period in FY17 which has led to favourable revenue results given the better margin made on met coal sales.

Since Coronado acquired Curragh on 29 March 2018, a range of operational initiatives contributed to improved production and better revenues including:

- Enhanced operating processes that delivered an 8.1% improvement in dragline efficiency compared to the preceding nine months
- Targeted specific reserves for met coal production improved prime strip ratios by 9.9% during the period.
- Continued investment in wash plants to improve productivity and output capacity
- Supply chain optimisation projects (including low cost country sourcing) are currently being executed to reduce procurement costs and to identify maximum levels of coal that can be produced through current infrastructure

Expansion projects

- The acquisition of the SRA in August 2018 provides Coronado with access to an additional 318Mt of Resources and will deliver a material near term uplift in production. Incorporating the new SRA into the existing Curragh mine plan has resulted in an increase of economic reserves of 82Mt excluding depletion.
- Forecast for SRA development to commence from FY19 with first coal from FY20 adding an estimated 5-10 years to the life of mine at Curragh North.
- Curragh is currently undertaking an expansion study to identify opportunities to mine underground resources with a focus on improving incremental tonnage output. This study is expected to be completed mid-2019.

Buchanan

	Statutory FY18 Actual	FY18 Prospectus	Var
ROM (Mt)	7.3	7.0	4%
Saleable Production (Mt)	4.7	4.8	-2%
Sales Volume (Mt)	4.8	4.8	0%
Cost per tonne sold (US /t)	52.4	53.9	3%
Realised Met Price (FOR) (US /t)	107.9	107.7	0%
Total Revenue per tonne sold (US /t)	105.5	106.2	-1%

Buchanan is one of the largest met coal producing mines in the US, contributing approximately 24% of total group production in FY18. Buchanan is also the lowest cost per sales tonne mine within Coronado's portfolio. Buchanan outperformed its Prospectus forecast with total production of 4.7Mt in FY18. Buchanan's costs per tonne sold was lower than Prospectus forecast partially driven by lower workers' compensation costs resulting from an excellent safety record and focused management of claims.

Expansion project

The Pangburn-Shaner-Fallowfield (PSF) development project located in Pennsylvania has Marketable Reserves of 147Mt of High-Vol met coal in the Upper Freeport Seam. Exploration drilling continued in the fourth quarter of FY18 to refine the mine plan and infrastructure placement. Permitting efforts and activities, this will progress further in 2019.

Logan

	FY18 Actual	FY18 Prospectus	Var
ROM (Mt)	7.0	7.6	-8%
Saleable Production (Mt)	2.7	3.2	-16%
Sales Volume (Mt)	2.6	3.1	-16%
Cost per tonne sold (US /t)	69.9	62.3	-12%
Realised Met Price (FOR) (US /t)	106.1	104.4	2%
Total Revenue per tonne sold (US /t)	88.8	84.1	6%

FY18 saleable production at Logan was 2.7Mt was lower than Prospectus forecast with the shortfall largely representing lower thermal coal production. The production shortfall in FY18, which mainly occurred in Q4, is expected to be fully recovered in 2019.

The lower production resulted in revenue being below Prospectus forecast, however costs of coal revenues were favourable by $8.8 million primarily due to the lower production volume. Logan has launched several new initiatives to mitigate the impact of the adverse conditions and to increase production in FY19 including:

- Redesigned and altered mine planning allowing changes to overburden removal methods
- Replanned high wall mining in the Toney Fork mining area
- Altering output to increase the production of metallurgical coal resulting in a 1.6% increase in the proportion of met coal produced in FY18 compared to the prior year.
- Plant upgrade underway (design stage) that will increase plant capacity to approximately 1080 met tonnes per hour

Expansion project

During Q4 FY18, the Company completed an acquisition that provides access to approximately 3.2Mt of surface and highwall mineable coal Reserves in an area adjacent to Logan's existing surface operations. The acquired Reserves consist of approximately 56% quality met coal.

Greenbrier

	FY18 Actual	FY18 Prospectus	Var
ROM (Mt)	1.2	1.2	0%
Saleable Production (Mt)	0.7	0.8	-13%
Sales Volume (Mt)	0.7	0.8	-13%
Cost per tonne sold (US /t)	97.9	92.4	-6%
Realised Met Price (FOR) (US /t)	104.2	107.2	-3%
Total Revenue per tonne sold (US /t)	102.4	105.9	-3%

Greenbrier delivered a 40% increase in saleable production year on year and was marginally below Prospectus forecast. This was due to a failure of the High Wall Miner (HWM) equipment which resulted in approximately 7 weeks of lost production due to equipment replacement lead time. Similarly, sales volumes were above prior year but lower than Prospectus forecast.

Greenbrier has the highest quality coal (Mid-vol) within Coronado's portfolio. Greenbrier has a high cost per tonne due to thinner coal seams and more challenging mining conditions. Coronado has historically achieved a quality premium in the market place for coal produced from Greenbrier. Total costs were $5.2 million below Prospectus forecast primarily due to lower production volumes. Cost controls are expected to continue as mining transitions to lower cost surface and high wall mining operations from underground mining.

Coal Market Outlook

Steel usage is a function of economic growth. As a result, metallurgical coal, which is a key component in the production of steel is in high demand by global steel mills that require a high-quality product with consistent and reliable production supply.

Coronado is currently benefiting from a strong coal price environment and experiencing resilient demand from global steel producers. This demand is expected to remain stable during 2019 while supply growth continues to be relatively muted, keeping global metallurgical coal markets in tight balance. Forward shipping commitments for January to March are likely to be above expectations.

Market pricing is heavily influenced by China. Higher met coal prices, and narrowing discounts, are reflecting Chinese steel mill preferences for higher quality coal. In addition, the Chinese port restriction policy has resulted in China becoming more selective on the grades of coal it chooses to import.

It is likely that given constrained port capacity, Chinese demand will be more price driven for lower coking coal grades and PCI. This is likely to have minimal impact on the demand for high-quality HCC produced at Curragh.

7. Business strategy and opportunities

Business Strategy

Coronado is one of the largest global producers of high-quality metallurgical coal and is strategically positioned to respond to the growing demands of the global steel industry.

With a diversified production base and significant Reserves and Resource, Coronado is well positioned to grow organically over many years to come. As one of the lowest cost global operators Coronado is committed to delivering sustainable returns to shareholders through cycles.

Maintaining the highest safety performance standards is a cornerstone of Coronado's values and the Company's strategy includes preserving its commitment of maintaining an excellent safety record, minimising our impact on the environment and supporting the communities in which we operate.

Opportunities

Coronado has achieved significant milestones in 2018 and has multiple avenues for long term value creation from its existing diversified portfolio of assets. The acquisition of the Curragh mine in March 2018 has enabled Coronado to more than double its annual production base to over 20 Mt per annum. In addition, there are a number of key projects and opportunities being actively pursued during FY19 that will substantially increase the group's production profile and improve margins including the following:

- The acquisition of the Stanwell Reserve Area in August 2018 has resulted in an increase in 2P Reserves by 82 Mt and presents tremendous opportunity for Coronado to increase incremental tonnes at Curragh North for minimal capital expenditure. We have made significant progress in incorporating the SRA into the existing mine plan and we will update the market mid-2019 on the incremental tonnes that the Company expects to deliver.
- CHPP Optimisation work is focusing on several actions to address problems causing downtime in the 2 CHPP's. There have been some early signs of success from some of the quick win projects with January operating hours being better than recent performance while there is a number of projects being worked on that requires capital work which will be completed by September 2019. During February a CHPP expert from the US also spent a week on site investigating opportunities for improvement, his report will be available in March 2019.
- Coal Seam Recovery improvement work has focused on Pisces coal buttressing during blasting as well as a trial with leaving post strip on coal being exposed by draglines. Buttressing of the Pisces coal has the objective of preventing movement of the coal seam during blasting of the interburden above the coal. Pisces coal is more prone to blast damage due to its thickness. Initial indications are that there has been success but that will be confirmed during February 2019. The objective with leaving post strip on coal exposed by draglines is to do the final uncover with a smaller machine i.e. excavator which should result in less coal being lost in the process of removing the interburden.

8. Material business risks

The following material business risks have been identified as key issues that have the potential to impact the Company's performance:

- Commodity price risk, which directly impacts the realised price of the sale of coal products. A deterioration in the global demand for coal can adversely impact Coronado's revenue
- Health, safety and environmental risks are a key priority for the Company and is of critical importance in ensuring it maintains a sustainable business that serves its key stakeholders including employees, the community and its shareholders
- Operational risk, which can include geological factors, equipment failure, schedule risk, reserves risk and cost pressures can have unexpected adverse impacts on the Company's ability to meet anticipated production forecasts
- Infrastructure and transport risk, including rail and ports can impact on Coronado's ability to deliver its product to its key customers. This risk can arise when there are performance issues with operators, there is limited capacity within the existing framework or uncontrollable factors such as weather that can adversely impact on Coronado
- The physical and non-physical impacts of climate change may affect Coronado's assets, productivity or the markets in which coal is sold. Global climate issues continue to attract considerable public and scientific attention. The absence of regulatory certainty, global policy inconsistencies and direct regulatory impacts (such as carbon taxes or other charges) each have the potential to adversely affect Coronado's operations – either directly or indirectly, through suppliers and customers.

Directors' qualifications and experience

A copy of the Directors' resumes can be found in the Remuneration Report on pages 16 to 17.

Company secretary

Mr Richard Rose was appointed to the position of Company Secretary on 13 August 2018. Mr. Rose's resume can be found in the Remuneration Report on page 19.

Corporate governance statement

Details of the Company's corporate governance practices are included in the Corporate Governance Statement set out on the Company's website https://coronadoglobal.com.au/corporate-governance/ in the Board Charter and Corporate Governance Guidelines.

Dividends

Paid During the Year

There have been no dividends (2017: nil) and no capital returns (2017: nil) declared and paid during the year ended 31 December 2018 by Coronado Global Resources Inc.

Declared After End of Year

On 18 February 2019, the Directors declared an unfranked dividend of US$0.31 cents per CDI, comprised of an ordinary dividend of $0.06 per CDI and a special dividend of $0.25 per CDI, totalling $299.7 million. The dividend will have a record date of 5 March 2019 and be payable on 29 March 2019. CDI's will be quoted "ex" dividend on 4 March 2019 and may be subject to withholding tax under the U.S. withholding tax regime.

Share options

Shares Issued on Exercise of Options

During the reporting period no options have been exercised.

Unissued Shares

At the date of this report there were 133,645 unissued ordinary shares of the Company under unquoted options (equivalent to 1,336,454 Chess Depository Interests ('CDIs'), 100,191 unissued performance stock units ('PSUs' equivalent to 1,001,914 CDIs) and 43,750 unissued restricted stock units ('RSUs' equivalent to 437,496 CDIs). Refer to note 20 of the financial statements for further details of the options, PSUs and RSUs outstanding.

Subsequent events

In the period between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

Subsequent to the end of the financial period, the Directors have proposed an unfranked dividend of $0.31 per CDI to be paid on 29 March 2019.

Directors' interests

In this section, reference is made to share ownership. The instruments registered for trade on the Australian Stock Exchange are CHESS Depository Interests (CDIs). The ratio of CDIs to Shares is 10 CDIs to 1 share of common stock. Coronado has established a minimum shareholding policy for Non-Executive Directors, other than Directors appointed by the holder of the Series A Preferred Share (which includes Laura Tyson), or any other Directors determined by the Board to ensure the Directors economic interests are aligned with those of the company. The Series A Share is one share of preferred stock issued by the Company to Coronado Group LLC pursuant to the Certificate of Incorporation. Directors are required to hold CDIs, Restricted Stock Units (RSUs) or Shares that are at least equal in value to the Director's annual gross Board fees in their first year of appointment to the Board. The minimum shareholding requirement will be enforced in the fifth and subsequent years of the Director's tenure so that the minimum shareholding can be progressively acquired over the five years from the time the Director is appointed. The Directors' holdings (either personally or through entities holding an interest in Coronado Group LLC or the EMG Entities) as at 31 December 2018 are outlined below.

Garold Spindler, Ernie Thrasher and Laura Tyson have an indirect economic interest in the Coronado Group LLC's shareholding, arising from holdings of:

– class A units and Management Incentive Units ("MIUs") issued by Coronado Group LLC; and/or
– investments in the EMG Entities.

Garold Spindler's interest in CDIs are subject to a voluntary escrow deed for the period commencing from listing on 23 October 2018 and ending at 4.15pm (Sydney Time) on the first business day after release of the Company's results for FY19.

The relevant interest of each Director in the shares and options issued by the Company, as notified by the Directors to the Australian Securities Exchange in accordance with ASX Listing Rule 3.19A.2, at 31 December 2018 is as follows:

Director	CDIs	Ordinary Shares Equivalent[A]	Minimum A$ Holding required by October 2023
Greg Martin***	82,500	8,250	330,000
Garold Spindler*	8,029,100	802,910	Not applicable
Philip Christensen	-	-	190,000
Bill Koeck***	22,750	2,275	190,000
Greg Pritchard***	50,000	5,000	190,000
Ernie Thrasher****	19,155,770	1,915,577	175,000
Laura Tyson**	101,320	10,132	Not applicable

A Each share is equivalent to 10 CDIs
* Represents an indirect economic interest in the Company held through investments in class A units in Coronado Group LLC. Garold Spindler also holds MIUs issued by Coronado Group LLC.
** Represents an indirect economic interest in the Company held through investment vehicles holding an investment in the EMG Entities.
*** Represents an indirect economic interest in the Company held through trusts/superannuation funds.
****Represents an indirect economic interest in the Company held through investment vehicles holding an investment in the EMG Entities (1,904,640) as well as 10,937 Restricted Stock Units

Directors' meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Director's meetings[1]		Audit, Governance & Risk Committee Meetings		Compensation and Nominating Committee Meetings[2]		Health, Safety, Environment & Community Committee Meetings[3]	
	A	B	A	B	A	B	A	B
Greg Martin	5	5			2	2		
Garold Spindler	5	5						
Philip Christensen	5	5	1	1			0	0
Bill Koeck	5	5	1	1	2	2		
Greg Pritchard	5	5	1	1			0	0
Ernie Thrasher	5	5					0	0
Laura Tyson	11	11			2	2		

A Number of meetings held during the time the Director held office during the year.
B Number of meetings attended
1 There were 6 actions by unanimous written consent of the Board of Directors signed by L. Tyson before the rest of the board was appointed, 3 meetings attended by all Directors and 2 additional actions by unanimous written consent signed by all members of the Board once seated.
2 This includes one meeting attended by each member and one action by unanimous written consent signed by all members.
3 The Health & Safety committee did not meet.

Indemnification and insurance of officers

Indemnification

Under the Company's Certificate of Incorporation, and to the extent permitted by law, every person who is, or has been, a director or officer of the Company is indemnified against:

1. a liability incurred by that person, in his or her capacity as a director or secretary, to another person (other than the Company or a related body corporate of the Company), provided that the liability does not arise out of conduct involving a lack of good faith; and
2. a liability for costs and expenses incurred by that person:

(i) in defending any proceedings in which judgement is given in that person's favour, or in which that person is acquitted, or

(ii) in connection with an application in relation to any proceedings in which the Court grants relief to that person under the Corporations Act.

Insurance Premiums

During the financial year, the Company paid premiums based on normal commercial terms and conditions to insure all directors, officers and employees of the Company against the costs and expenses in defending claims brought against the individual while performing services for the consolidated entity. The premium paid has not been disclosed as it is subject to the confidentiality provisions of the insurance policy.

The Company has entered into Indemnity Deeds to indemnify directors and certain executives of the Company against all liabilities incurred in the course of or arising out of their employment with the Company and its controlled entities, except where the liability results wholly or in part from serious and wilful misconduct by the executive or director.

Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by the Audit, Governance &Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Public Company Accounting Oversight Board (United States) ('PCAOB') for the following reasons:

– all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit, Governance & Risk Committee to ensure they do not impact the integrity and objectivity of the auditor, and
– the non-audit services provided do not undermine the general principles relating to auditor independence as set out in PCAOB Rule 3520, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor of the Company, KPMG, and their related practices for non-audit services provided during the year are set out below.

KPMG	Consolidated 2018	Consolidated 2017
	$	$
Fees paid for non-audit services:		
Taxation services	104,000	214,000
Investigative accountant services relating to IPO	2,703,000	-

Rounding of accounts

The consolidated financial statements have been prepared in accordance with requirements of the US Generally Accepted Accounting Principles ("US GAAP") and amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand United States dollars, unless otherwise stated.

Remuneration Report

Summary

The Directors of Coronado Global Resources Inc ("Coronado" or the "Company") present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 31 December 2018.

Coronado was listed on the Australian Stock Exchange ('ASX') on 23 October 2018. Coronado is a Delaware domiciled company that is listed on the ASX and as such it is subject to remuneration disclosure requirements that are suitable for reporting in both Australia and the United States. This Report forms part of the Directors' Report and has been prepared using the requirements of section 300A of the Australian Corporations Act 2001 as a proxy to determine the contents that we have chosen to report. The Report details the remuneration arrangements for Coronado's key management personnel (KMP):

– Non-Executive Directors (NEDs)
– Executive Directors and senior executives (collectively "the Executives").

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

1. Directors and executives

(a) Non-executive directors

The table below lists the Non-Executive Directors of the Group during FY18:

Name	Age	Director since	Position
Greg Martin*	59	21 September 2018*	Independent Non-Executive Chairman
Philip Christensen	64	21 September 2018	Independent Non-Executive Director
Bill Koeck	65	21 September 2018	Independent Non-Executive Director
Greg Pritchard	56	21 September 2018	Independent Non-Executive Director
Ernie Thrasher	63	21 September 2018	Non-Executive Director
Laura Tyson	47	13 August 2018	Non-Executive Director

*Resigned 4 February 2019

Greg Martin
Independent Non-Executive Chairman

Appointed: 21 September 2018
Resigned: 4 February 2019

Greg Martin has over 35 years' experience in the energy, energy utilities, energy infrastructure and resources sectors. He spent 25 years at The Australian Gas Light Company (AGL) which included five years as Chief Executive Officer and Managing Director. He then held CEO and Managing Director positions at Challenger Financial Services Group and Murchison Metals Limited. Following that he co-founded Prostar Capital, a private equity investment firm focused on the Asia-Pacific mid-market energy value chain. Greg is currently Chairman of Iluka Resources Limited, Chairman of Sydney Desalination Plant Pty Limited, Deputy Chairman of Western Power and a Non-Executive Director of Spark Infrastructure Group. He is a Fellow of the Australian Institute of Managers & Leaders, a Member of the Australian Institute of Company Directors and holds a Bachelor of Laws from the University of Technology, Sydney and a Bachelor of Economics from The University of Sydney.

Philip Christensen
Independent Non-Executive Director

Philip Christensen is a lawyer with more than 30 years' experience in the corporate/M&A area in both Australia and overseas and was a partner at Herbert Smith Freehills for 23 years predominantly advising companies within the resources sector. He is currently the sole director of Christensen Legal, a Brisbane-based boutique law firm practicing general corporate law with a focus on the coal mining sector. Prior to forming Christensen Legal, Philip served in a number of roles, including Executive Director of an Australian coal exploration company, Chairman of a non- listed base metals exploration company, and a Non-Executive Director of ASX-listed companies Aston Resources and Whitehaven Coal. Philip is currently a Non-Executive Director of a start-up company called EcoJoule Energy Pty Ltd. He holds a Bachelor of Commerce (with Merit) and Bachelor of Laws from The University of New South Wales and is a solicitor admitted to practice in Queensland.

Bill Koeck
Independent Non-Executive Director

Appointed Acting Independent Non-Executive Chairman effective 4th February 2019

William (Bill) Koeck is a lawyer with over 40 years' experience in M&A, equity capital markets, private equity, restructuring and workouts, company and securities law and corporate governance. As a former partner in two leading law firms, he has been a guest lecturer in post-graduate corporate and securities at University of Sydney Law Faculty for 20 years. He has represented some of the world's largest mining and resources companies on major transactions and has had extensive experience as legal counsel in the coal industry in Australia and North America. He has served as a Non-Executive Director of two public companies, one as Chairman and the other as Chairman of the Audit and Risk Committee and is a member of the Takeovers Panel which has sole jurisdiction for Australian public company and fund takeovers. He is currently an independent Non-Executive Director of a large privately-held family company group and has been a part- time consultant at global law firm Ashurst since he retired from there in 2016. Bill holds an LLB/LLM (Hons) from The University of Sydney, and a Diploma of Applied Corporate Finance (ASIA).

Greg Pritchard
Independent Non-Executive Director

Greg Pritchard is a corporate executive with broad experience across a range of ASX-listed companies including global energy, mining and finance. Greg was Managing Director of the listed global distributed energy generator, Energy Developments Limited (EDL) for 9 years having joined the company as Finance Director in 2001. Prior to this he was CFO of the listed QCT Resources Limited (QCT) and before that CFO of QNI Limited. QCT was one of Australia's largest coal producers, holding a 32% interest in the CQCA and Gregory Joint Ventures in Queensland's Bowen Basin with BHP Billiton and Mitsubishi and direct ownership of the South Blackwater mine. Greg previously held various senior positions at KPMG and Wardley James Capel in Australia, the United Kingdom and Europe. Greg currently serves as a Non-Executive Director of The Port of Newcastle and is a Fellow of Chartered Accountants Australia & New Zealand. He holds a Bachelor of Commerce from The University of Melbourne and a Master of Applied Finance from Macquarie University.

Ernie Thrasher
Non-Executive Director

Ernie Thrasher has over 40 years' experience in the coal industry. His coal experience began in 1974 working for a family-owned mining company with operations in Maryland. He is the founder, Chief Executive Officer and Chief Marketing Officer of Xcoal, a global coal products supplier and the largest exporter of US origin coal to Asia. whose activities also include the financing and development of mining and related infrastructure projects in West Virginia and in the anthracite coalfield in North eastern Pennsylvania. Prior to forming Xcoal, Ernie spent 22 years in various global marketing positions at Primary Coal and AMCI. In 2015, Ernie founded XLNG Energy & Resources, which plans to market natural gas from reserves in the Marcellus and Utica Shale basins in the US to customer in Europe and Asia. Ernie serves on the board of directors of Barrick Gold Corporation and the President's Leadership Council-Boy Scouts of America. He is a member of the Council on Foreign Relations and serves as a director on the National Committee on US China Relations and the US India Strategic Partnership Forum.

Laura Tyson
Non-Executive Director

Laura Tyson is the Managing Director, Chief Operating Officer and General Counsel for EMG and has over 20 years' experience working on corporate and securities transactions. Prior to joining EMG in 2014, Laura was a Partner at Baker Botts L.L.P. and was a member of the Master Limited Partnership (MLP), Energy and Private Equity practice groups. She was part of the firm's executive committee and served as a hiring partner for four years. In her practice, Laura advised private equity funds, hedge funds and other investors in fund and special purpose vehicle formation as well as in the conduct of their investment activities. While at Baker Botts L.L.P., Laura's practice was focused on the energy sector and MLPs, including those engaged in coal mining and she served as outside counsel to EMG. She also created the first mutual fund focused on investing exclusively in MLPs. Laura currently serves as a director of numerous EMG portfolio companies including Ascent Resources LLC, White Star Petroleum, LLC, Heritage NonOp Holdings, LLC and Sable Permian Resources, LLC. Laura graduated Magna Cum Laude from McNeese State University with a Bachelor of Science in Economics and Finance and received a JD from the University of Houston Law Center graduating Cum Laude.

(b) Executive KMP

The table below outlines the Executive KMP of the Group during FY18:

Name	Age	Executive since	Position
Garold Spindler	71	2011	Managing Director and Chief Executive Officer
James Campbell	66	2011	Chief Operating Officer
Ayten Saridas	51	18 Jun 2018	Group Chief Financial Officer
Richard Rose	57	2017	Vice President, Chief Legal Officer and Secretary

Garold Spindler
Managing Director and Chief Executive Officer

Garold (Gerry) Spindler has more than 30 years' experience in the coal industry. He has held several key executive positions at some of the world's largest coal companies, including CEO of UK Coal, President and CEO of Amax Coal Company (US) and President and CEO of Pittston Coal Company. Gerry is owner and chairman of St Cloud Mining. Over his long standing career, he developed an industry track record of delivering high sales and earnings growth. Gerry was the 2010 recipient of West Virginia University's Distinguished Engineer of Mines, and the 2008 recipient of the Erskine Ramsay Medal Award of the Society of Mining. He holds a Bachelor of Science, as well as a Masters in Mining Engineering from West Virginia University and a Masters of Business Management from Stanford University.

As Chief Executive Officer, Gerry is ultimately responsible for ensuring the successful delivery of Coronado's financial, operational, safety, people and environmental targets and strategies and his reported remuneration is for the period from 1 January 2018 to 31 December 2018. Gerry was also appointed to the Board as Managing Director on 2 September 2018.

James Campbell
President and Chief Operating Officer

James (Jim) Campbell has served as President and Chief Operating Officer since the inception of Coronado in 2011 and holds fiscal responsibilities along with health, safety, operations, sales and marketing. With 40 years of experience in the coal industry, he has significant knowledge and experience in operations, executive management and leadership, as well as global met coal sales and marketing. Prior to joining Coronado, he was the founder, owner and Chief Executive Officer of Spring Creek Energy and Strata Fuels and along with Gerry Spindler started Imagin Natural Resources (INR), a US-based met coal company where he was President and Chief Operating Officer. Preceding INR, Jim spent the majority of his career (22 years) with Pittston Coal Company. Jim served as a member of the Board of Directors for the West Virginia Coal Association and is a former Chairman of the Virginia Coal Council. He was also a member of West Virginia University College of Mineral and Energy Resources Board of Advisors. He holds a Bachelor degrees in Mining Engineering from West Virginia University and Civil Engineering from West Virginia Institute of Technology. He also holds an Executive MBA from the University of Virginia, Darden School of Business.

Ayten Saridas
Group Chief Financial Officer

Ayten Saridas was appointed the Group CFO of Coronado in June 2018 and is responsible for finance, capital management, strategic planning, treasury, tax and risk management. In this role, Ayten is also responsible for ensuring that the financial operations of the Group support the delivery of business objectives including the identification, evaluation and execution of business development opportunities. Ayten has nearly 30 years of international corporate finance experience across a broad range of ASX-listed companies in upstream oil and gas, infrastructure, retail, fast-moving consumer goods and property. Prior to joining Coronado, Ayten was the Chief Financial Officer of ASX-listed AWE Limited for five years. She began her career in banking and has held a number of senior executive finance roles including Group Executive & Treasurer at Santos, CFO at Babcock & Brown Japan Property Trust, Group Treasurer at Woolworths Limited and Head of Corporate Finance at Ausgrid. Ayten is a Fellow of CPA Australia and holds a Master of Applied Finance from Macquarie University and a Bachelor of Commerce from The Australian National University.

Richard Rose
Vice President, Chief Legal Officer & Secretary

Richard (Rick) Rose has been a practising lawyer since 1988, and Coronado's Chief Legal Officer since 2017. As Chief Legal Officer, Rick is responsible for all legal, regulatory, compliance and insurance management matters for Coronado.

For much of his career, Rick was a shareholder in the Pittsburgh office of Buchanan Ingersoll & Rooney, PC where his practice included general corporate counselling, federal securities and M&A. Before becoming a lawyer, he was a certified public accountant and auditor with an international public accounting firm. Prior to joining Coronado, Rick was Interim Senior Vice President, General Counsel and Corporate Secretary of Meritor, Inc. and before that, Senior Vice President, General Counsel and Secretary of Calgon Carbon, Inc. Rick holds a Bachelor of Science in Accounting from The Pennsylvania State University and a JD (Cum Laude) from The University of Pittsburgh School of Law.

There have been no legal proceedings that have taken place in last 10 years that are material to the ability or integrity of Coronado's Directors or Executive KMP.

2. Remuneration governance

This section describes the role of the Board, Compensation and Nominating Committee and external remuneration advisers when making executive remuneration decisions and sets out an overview of the principles and policies that underpin the Company's executive remuneration framework.

2.1 Role of the Board and Compensation and Nominating Committee

The Board is responsible for ensuring that the Company's remuneration structures are equitable, will attract and retain skilled executives and is aligned with the long-term interests of the Company and its shareholders. Consistent with this responsibility, the Board has established a Compensation and Nominating Committee, whose role is to:

- Ensure that Directors and executive KMP are remunerated to deliver outcomes of the business in line with strategic business goals whilst acknowledging the scale and complexity of the business
- Encourage Directors and executive KMP to act in the best interests of the business and deliver on short term objectives whilst pursuing the long term growth and success of the Company
- Review and approve the remuneration policies and practices for the Group generally, including incentive plans and other benefits and defining the relationship between corporate and individual performance
- Review and make recommendations to the Board regarding the remuneration of Directors and executive KMP that is appropriate and fair to stakeholders, and
- Ensure that Directors and executive KMP salaries are competitive within the market and appropriate to attract and retain talented and effective Directors and executives, so as to encourage enhanced performance of the Company and to create value for shareholders

The Compensation and Nominating Committee comprises three Non-Executive Directors:

Bill Koeck (Chairman) – Appointed 21 September 2018
Greg Martin – Appointed 21 September 2018 (Resigned 4 February 2019 – replaced by Greg Pritchard)
Laura Tyson – Appointed 13 August 2018

The Compensation and Nominating Committee has a formal charter, which sets out its roles and responsibilities, composition structure and membership requirements. A copy of this charter can be viewed on Coronado's website http://coronadocoal.com/. Further information regarding the Compensation and Nominating Committee's role, responsibilities and membership is set out in the Company's Corporate Governance Statement.

2.2 Use of external remuneration advisors

From time to time, the Compensation and Nominating Committee seeks and considers advice from external advisors who are engaged by and report directly to the Compensation and Nominating Committee. Such advice will typically cover Non-Executive Director fees, Executive KMP remuneration and advice in relation to equity plans.

The Committee received remuneration guidance from John Egan and Associates in the financial reporting period. The consultant did not provide any other advice to the Company. The total amount paid to John Egan and Associates in 2018 was $42,716. The guidance from John Egan and Associates was provided directly to the Chairman of the Board of Directors, therefore ensuring that the recommendation was free from undue influence of any members of the KMP to whom the information relates.

2.3 Executive KMP remuneration principles and framework

The key objectives of Coronado's executive remuneration packages are to align the interests of senior executives and shareholders, attract and retain suitably qualified senior executives and structure short and long term incentives that are linked to the creation of sustainable performance.

Executive remuneration structures are designed to align the interests of shareholders with remuneration outcomes by taking into account:

- The performance of the Company including:
  - The growth in total returns to shareholders;
  - The consolidated entity's financial results;
  - The results of exploration, development and production activities;
  - Business growth;
  - Delivery of strategic objectives;
  - Adherence to health, safety and environment policies and targets; and
  - Compliance with regulations
- The capability and experience of senior executives; and
- Current economic and industry circumstances

Four principles guide our decisions about executive remuneration at Coronado:

- **Fairness:** provide a fair level of reward to all employees
- **Transparency:** build a culture of achievement by transparent links between reward and performance
- **Alignment:** promote mutually beneficial outcomes by aligning employee, customer and shareholder interests
- **Coronado Culture:** drive leadership performance and behaviours that create a culture that promotes safety, diversity and employee engagement.

In order to attract and retain suitably qualified senior executives and technical personnel, and to ensure that the salary packages are reasonable and competitive, fixed remuneration levels and "at risk" remuneration structures in the form of short and long term incentives are benchmarked against market practice. The market for qualified senior executives and technical personnel with coal mining experience is competitive and the Company's remuneration framework is structured accordingly.

2.4 Elements of Executive Remuneration

Fixed remuneration

Fixed remuneration consists of salary, superannuation/401(k) and other non-monetary benefits and is designed to reward for:

- The scope of the Executive's role
- The Executive's skills, experience and qualifications
- Individual performance

It has been set with reference to comparable roles in similar companies.

Remuneration component and link to strategy	Operation and performance framework
Salary A competitive salary is paid in order to attract and retain high quality and experienced individuals, and to provide appropriate remuneration for these important roles within the business.	Salaries are broadly aligned with salaries for comparable roles in global companies of similar global complexity, size, reach and industry, and reflects the executives' responsibilities, location, skills, performance, qualifications and experience. Executive KMP salaries are reviewed annually with effect from 1 January. Reviews are informed, but not led, by benchmarking to comparable roles (as above), changes in responsibility and general economic conditions. Substantial weight is also given to the general salary increases for employees.
Superannuation/401(k) Provides a market-appropriate level of post-employment benefits.	Depending on the payment jurisdiction, executive KMP will receive contributions into either their superannuation fund in Australia, or their 401(k) in the United States. These rates are outlined in Section 4 and 6 of this report.
Benefits Provides a mix of short term and long term benefits at an appropriate level.	Benefits may be provided, as determined by the Compensation and Nominating Committee, and currently include: – Non-monetary short term benefits such as parking, vehicle, and basic life insurance. – Long term benefits such as long service leave entitlements accrued for the year for executive KMP residing in Australia and basic accidental death and dismemberment insurance for those in the US.

Short-Term Incentive arrangements

Under the Short Term Incentive scheme (STI), all executives have the opportunity to earn an annual incentive award which is delivered in cash and/or deferred shares. The STI recognises and rewards annual performance.

How and when is it paid?

Any award of STI to the CEO, COO and Group CFO will be delivered as follows:

- 50% will be delivered in cash after the release of the Company's audited full-year financial results; and
- 50% will be deferred for 12 months. The deferred component of the STI award will be delivered as RSUs that will vest after the release of the Company's audited full-year financial results for the year following the year of the award (e.g. the RSUs for the FY2019 STI deferred component will be granted following the release of the Company's audited full year financial results for FY2019 and will vest following release of the Company's audited full-year financial results for FY2020).

Richard Rose, Chief Legal Officer will receive his entitlement in cash without any deferral.

How much can executives earn?

Executive KMP	Maximum STI opportunity	Payable as
Garold Spindler, CEO & MD	100% of base salary	50% cash, 50% deferred RSUs
James Campbell, COO	50% of base salary	50% cash, 50% deferred RSUs
Ayten Saridas, CFO	50% of fixed annual remuneration	50% cash, 50% deferred RSUs
Richard Rose, CLO	50% of base salary	100% cash

Each RSU is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash or Shares), plus additional CDIs (or the equivalent value in cash or Shares) equal to any distributions made (assuming such distributions are reinvested in CDIs at the ex-distribution date), until the RSU is settled. The RSUs are granted for nil consideration, as they form part of the participant's remuneration package.

How is performance measured?

The amount of the STI award that executive KMP becomes entitled to each year (if any) will be determined by the Board and Compensation and Nominating Committee based on the achievement of set financial and non-financial performance targets.

Executive KMP will have at least 50% of their performance measured against Company specific targets in addition to personal KPI's which will be reviewed by the Board. The percentage mix between Company versus Personal performance targets will vary from individual to individual but in most cases will be split evenly.

In determining an appropriate set of financial and non-financial performance targets for the Company Scorecard management has benchmarked and researched the STI performance targets of its peers. The proposed Company STI performance targets for FY2019 are as follows:

		Weighting		STI Award (75%)	STI Award (100%)
Metrics	1 Safety	30%	AU	10% reduction in TRIFR compared to prior year	20% reduction in TRIFR compared to prior year
			US	TRIR = 80% of national average	TRIR = 60% of national average
	2 Production	35%	All	21.7mt	22.3mt
	3 EBITDA	35%	All	US$737m	US$980m

Performance will be measured over a 12-month fiscal period (except for the initial FY2019 grant which includes the additional period from 1 October 2018 to 31 December 2018). The STI awarded will be pro-rated when performance is between the 75% and 100% thresholds.

Deferral terms

It is intended that the number of RSUs that may be granted if an award is made will be equal to 50% of the value of the participant's total STI award for the fiscal period, divided by the 30-day volume weighted average price of CDIs to 1 January in the fiscal period of the date the STI award is determined. The vesting of the deferred STI will be contingent on continued service to the vesting date (except in certain 'good leaver' scenarios including genuine retirement, death and total and permanent disablement).

What happens if an executive leaves?	The Compensation and Nominating Committee and the Board retain the right to exercise discretion not to award an STI where the executive KMP has ceased employment with the Group during the performance period, or in limited other cases, including if a financial restatement is required or in cases of employee misconduct.
What happens if there is a change of control?	The Board has the discretion to make STI payments in the event of specific circumstances relating to changes in control including takeovers, mergers or de-mergers that might occur.
Are executives eligible for dividends?	Executive KMPs are entitled to receive additional CDIs (or the equivalent value in cash or Shares) equal to any distributions made (assuming such distributions are reinvested in CDIs at the ex-distribution date), until the RSU is settled.

Executive KMP have been paid a bonus to remunerate them for their performance for the period from 1 January 2018 (or appointment if later) to the date of IPO on 23 October 2018. This was granted on the successful listing of Coronado on the Australian Stock Exchange and is documented in the table on page 26.

Long-Term Incentive arrangements

Under the Long Term Incentive Plan (LTI) for FY18, a grant was made to Executive KMP to align remuneration with the creation of shareholder value over the long-term. Awards will be in the form of Performance Security Units (PSUs) and Options granted under the Equity Incentive Plan. The LTI is designed to provide an incentive for sustained long-term performance and longer-term growth in shareholder value, while maintaining a total remuneration opportunity that enables the Company to retain, attract and motivate qualified and high performing executives.

How and when is it paid?	The LTI plan is made is made up of PSU's and options over CDIs and is measured over a three-year performance period from 1 January of year one to 31 December of year three. The PSUs and Options will be subject to a further 12-month vesting period and will generally be settled after release of the Company's audited full-year financial results after the end of the vesting period (e.g. for the performance period from 1 January 2019 to 31 December 2021, PSUs and Options will be subject to a vesting period of 1 January 2022 to 31 December 2022 and will generally be settled by 31 March 2023). Any vested PSUs will entitle the holder to additional CDIs (or the equivalent value in cash or Shares) equal to any distributions made during the 12-month vesting period (assuming such distributions are reinvested in CDIs at the ex-distribution date).
How much can executives earn?	

Executive KMP	Maximum LTI opportunity	Payable as
Garold Spindler, CEO & MD	100% of base salary	50% PSUs, 50% options
James Campbell, COO	100% of base salary	50% PSUs, 50% options
Ayten Saridas, CFO	75% of fixed annual remuneration	50% PSUs, 50% options
Richard Rose, CLO	35% of base salary	50% PSUs, 50% options

Each PSU is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash or Shares). The PSUs and Options are granted for nil consideration, as they form part of the participant's remuneration package.

Each Option is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash or Shares), subject to the satisfaction of the relevant vesting conditions and payment of the applicable exercise price. The exercise price for the FY2019 Options will be the Offer Price.

How is performance measured?	For the initial grant, the number of PSUs and/or Options that vest will be determined by the Board and Compensation and Nominating Committee based on the achievement of an LTI scorecard, as outlined below, as well as the participant's continued employment with the Group over the performance period (except in certain 'good leaver' scenarios including genuine retirement, death and total and permanent disablement). The LTI scorecard measures are determined and approved by the Board at the beginning of the performance period, having regard to the Company's budgeted cost forecasts, business plans and strategy.

Metrics		%		LTI Award (0%)	LTI Award (50%)	LTI Award (100%)
	1. Safety	25%	AU	TRIFR > national average on a 3-year rolling basis	TRIFR = national average on a 3-year rolling basis	TRIFR < national average on a 3-year rolling basis
			US[1]	TRIR > national average on a 3-year rolling basis	TRIR = national average on a 3-year rolling basis	TRIR < national average on a 3-year rolling basis
	2. TSR	25%	ALL	< 50th percentile	= 50th percentile	>= 70th percentile
	3 Production [2]	25%	ALL	<21.1 mt	= 23.1 mt	> 23.1 mt
	4 Cash costs per tonne[3]	25%	ALL	> US$52 / t	= US$52 / t	< US$52 / t

1. As published by MSHA
2. Refers to saleable tonne
3. Excludes sales related costs such as royalties and reflects nominal costs for FY2021

Management has assessed the performance targets of its peers and whilst the metrics vary, the proposed metrics for CRN are consistent with its peers in respect of including performance against TSR, safety and other company specific financial targets. The LTI awarded will be pro-rated when performance is between the 0%, 50% and 100% thresholds.

When is performance measured?

The long-term incentive (LTI) grant is measured over a three-year performance period from 1 January of year one to 31 December of year three.

What happens if an executive leaves?

The Compensation and Nominating Committee and the Board retain the right to exercise discretion to cancel PSUs and/or Options where the executive has ceased employment with the Group during the performance period, or in limited other cases, including if a financial restatement is required or in cases of employee misconduct.

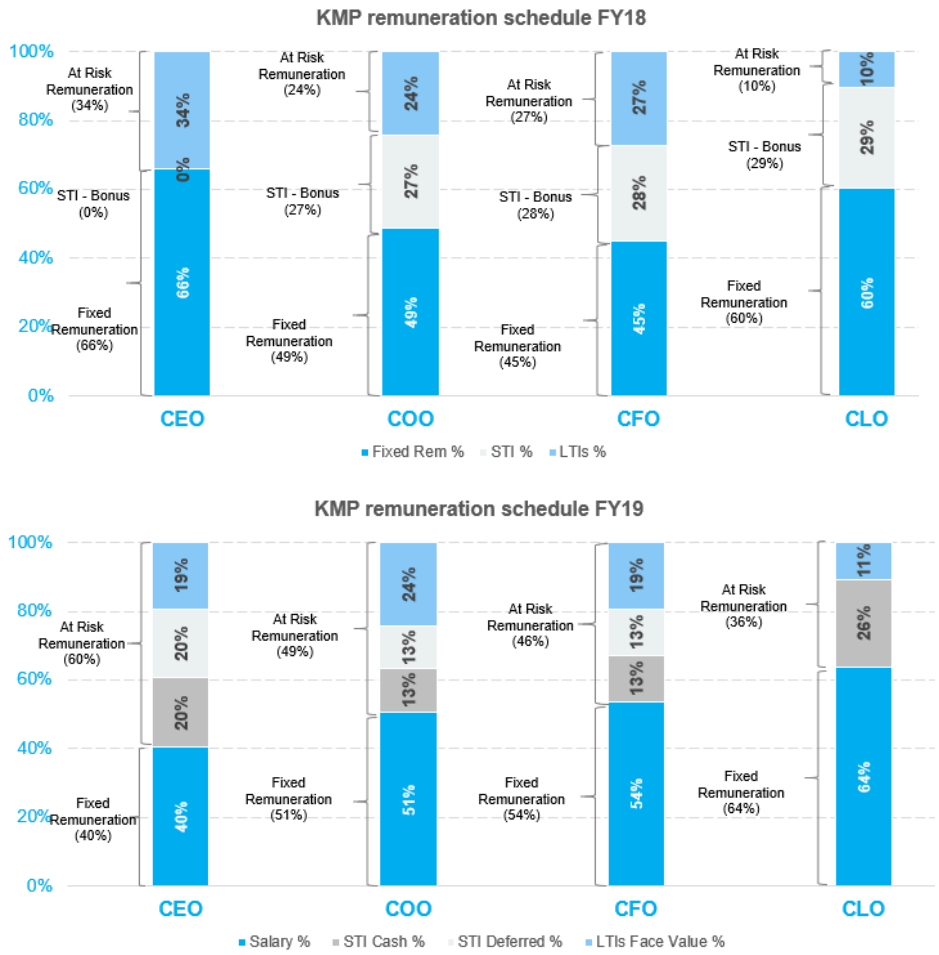
What happens if there is a change of control?

Unless the Board determines otherwise, upon a Change in Control that occurs during the Performance Period, a number of the executive's PSUs and/or Options prorated from January 1, 2019 through the date of the Change in Control will vest subject to satisfaction of the Performance Metrics measured at the time of the Change in Control as determined by the Committee in its sole discretion, and any Options and/or PSUs that do not vest in accordance with this sentence shall be forfeited for no consideration upon the Change in Control. Any vested but unexercised Options and/or will be automatically exercised on a Change in Control, unless the Board determines otherwise.

Are executives eligible for dividends?

Options and PSUs do not qualify for distributions. However, the total number of CDIs granted in respect of vested PSUs will be increased to reflect distributions that would have been paid on those PSUs between the end of the Performance Period and the date of settlement. No equivalent adjustment will be made for Options that vest.

Executive KMP remuneration mix



* LTI percentage is calculated based on the value granted during the year, determined using the fair value of share options at grant date.

2.5 Remuneration clawback and share trading policy

Clawback / Recapture

The Equity Incentive plan has a clawback / recapture provision which provides for grantees of an LTI award to be required to repay vested and previously paid incentives under specific circumstances such as fraud or dishonest behaviour, gross misconduct, breaches of duties or obligations to the Company, financial misstatement or any other actions which bring the Company into disrepute. In situations where the Board determines that such behaviour has occurred, they may determine that any unvested or vested but unexercised awards will lapse or deemed to be forfeited and that the grantee must pay or repay to the Company:

- all or part of the net proceeds of sale where CDIs or Shares allocated under the Plan have been sold;
- any cash payment received on vesting of Awards or in lieu of an allocation of CDIs or Shares; and/or
- any dividends received in respect of CDIs or Shares allocated under the Plan.

Share trading policy

Coronado has a share trading policy in place for all employees, including Key Management Personnel and Directors which prohibits employees from dealing in Coronado Global Resources Inc. securities while in possession of material non-public information relevant to the Group. A copy of this policy is available on Coronado's website in the Corporate Governance section.

3. 2018 Performance

Company Performance for FY2018

A detailed review of Company performance for the financial year is set out in the Operating and Financial Review on pages 4 to 11 of the Directors' Report. Key performance items to disclose are as follows:

	2018
Revenue ($m)	1,980.5
Operating EBITDA before significant items ($m)	477.0
Profit / (loss) attributable to the Group ($m)	114.7
Share price at year end (AUD dollars per CDI)	AUD $3.04
Basic EPS post IPO (cents per share)	0.21
Diluted EPS post IPO (cents per share)	0.21
Shareholder distributions declared (per share)	$3.10
Total Reportable Injury Frequency Rate (TRIFR)	3.3
Managed saleable production – Mt	17.3
Cash costs per sales tonne	57.0

4. Executive KMP Realised Remuneration 2018

Executive KMP – Statutory Remuneration Table

The following table sets out KMP remuneration for the financial period from 1 January 2018 to 31 December 2018 (unless stated otherwise) and is reported in US Dollars. A supplemental table is shown underneath this to document the fees in Australian Dollars to allow for comparability with payments made to executive KMP in the Australian market.

								Share-based payments			
	FY	Salary & fees US$	FY18 Bonus[1] US$	Non – monetary benefits[2] US$	Superannuation /401(k) US$	Other long term benefits[3] US$	Termination Benefits US$	PSUs US$[4]	Options US$[4]	Total Remuneration US$	Performance Related %
Garold Spindler	2018	918,968[A]	-	41,918	11,000	76	-	7,998	4,120	984,080	1%
James Campbell	2018	625,000	350,000	28,807	11,000	109	-	-	-	1,022,793	18%
Ayten Saridas[B]	2018	255,208	176,491	20,390	9,028	26,777	-	1,428	736	487,521	37%
Richard Rose	2018	318,550	155,000	16,308	11,318	168	-	464	239	502,048	27%

A Includes $47,436 of back pay relating to FY17

B Remuneration data for Ayten Saridas is for the period from 18 June 2018 to 31 December 2018

1 Relates to the payment of bonuses for the performance of executives in FY2018 up to the date of IPO on 23 October 2018, other than Richard Rose whose bonus covered the full 2018 year. The following USD payments were made in the year relating to FY17 and have been excluded from the amounts reported above:
Garold Spindler: 1,300,000
James Campbell: 1,000,000
Richard Rose: 75,000

2 Non-monetary short term benefits (which include cost to the company) include such items as parking, vehicle, and basic life insurance.

3 Other long term benefits relate to long service leave entitlements accrued for the year (A. Saridas only) and basic accidental death and dismemberment insurance
for G. Spindler, J. Campbell and R. Rose.

4 The Company recognises compensation expense related to Options and PSUs that cliff vest using the straight-line method.

								Share-based payments			
	FY	Salary & fees A$	FY18 Bonus[1] A$	Non – monetary benefits[2] A$	Superannuation/401(k) A$	Other long term benefits[3] A$	Termination Benefits A$	PSUs[4] A$	Options[4] A$	Total Remuneration A$	Performance Related %
Garold Spindler	2018	1,302,023[A]	-	59,391	15,585	107	-	11,332	5,838	1,394,276	1%
James Campbell	2018	885,520	495,891	40,814	15,585	155	-	7,366	3,795	1,449,126	18%
Ayten Saridas[B]	2018	361,587	250,058	28,890	12,792	37,938	-	2,023	1,042	690,735	37%
Richard Rose	2018	451,332	219,609	23,106	16,036	238	-	658	339	711,317	27%

A Includes $67,209 of back pay relating to FY17

B Remuneration data for Ayten Saridas is for the period from 18 June 2018 to 31 December 2018

1 Relates to the payment of bonuses for the performance of executives in FY2018 up to the date of IPO on 23 October 2018, other than Richard Rose whose bonus covered the full 2018 year. The following AUD payments were made in the year relating to FY17 and have been excluded from the amounts reported above:
Garold Spindler: 1,841,882
James Campbell: 1,416,832
Richard Rose: 106,242

2 Non-monetary short term benefits (which include cost to the company) include such items as parking, vehicle, and basic life insurance.

3 Other long term benefits relate to long service leave entitlements accrued for the year (A. Saridas only) and basic accidental death and dismemberment insurance
for G. Spindler, J. Campbell and R. Rose.

4 The Company recognises compensation expense related to Options and PSUs that cliff vest using the straight-line method.

Executive KMP – Superannuation/401(k) Table

The following table sets out the jurisdiction under which the executive KMP are paid and the superannuation/401(k) that they receive based on this.

Executive KMP	Payment Jurisdiction	Superannuation / 401(k)
Garold Spindler	USA	401(k)
James Campbell	USA	401(k)
Ayten Saridas	Australia	Superannuation
Richard Rose	USA	401(k)

Superannuation is paid at a rate of 9.5% on fixed remuneration up to the Maximum Contributions Base ($20,531 per annum). The 401(k) match provided by Coronado is at a maximum rate of 4% on employee contributions.

LTI Awards Granted in FY2018

A summary of the LTI awards granted to Executive KMP on 23 October 2018 (i.e. the value and the fair value of the LTI granted to each Executive KMP) is set out in the table below. The performance period for these awards commences on 1 January 2019.

Executive KMP	Number of performance stock units granted[A]	Number of options granted[B]	Value of performance stock units granted	Value of options granted	Value of performance stock units granted	Value of options granted
			A$	A$	US$	US$
Garold Spindler	175,910	586,367	453,408	222,819	320,015	157,266
James Campbell	114,342	381,139	294,717	144,833	208,011	102,223
Ayten Saridas	62,813	209,375	161,901	79,562	114,269	56,155
Richard Rose	20,428	68,095	52,653	25,876	37,163	18,263

[A] Each PSU represents an unfunded, unsecured promise by Coronado to deliver to the Grantee one CDI
[B] Each Option represents the right to purchase one CDI

Coronado measures the cost of the above PSUs and options, at fair value on the grant date and recognises such costs within the consolidated statements of operations, using a straight-line method of expense. As vesting is dependent upon achieving certain operating performance goals, the Company estimates the likelihood of achieving the performance goals during the 3-year performance period. Stock-based compensation expense is recognised net of an estimated forfeiture rate and compensation expense is only recognised for awards that are expected to vest. Forfeiture estimates are trued-up through the vesting date or settlement date, to ensure that total compensation expense is recognized only for those awards that ultimately vest.

PSUs

The grant date fair value of the PSUs with market vesting conditions (25% of total) was measured using a Monte Carlo simulation that takes into account the exercise price, the term of the PSU, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the grantee's entitlement to dividends, and the risk free interest rate for the term of the PSU. The remaining PSUs' grant date fair value is the market value of the Company's stock (CDIs) on the grant date less the present value of the expected dividends not received during the relevant period. As of December 31, 2018, the weighted average grant date fair value of all PSU Awards granted was US$1.83 (AUD$2.58).

Options

The Company's 2018 options were granted on the date of the Australian IPO with an exercise price of $2.84 US$ ($4.00 A$) per CDI which is equal to the Company's IPO Price on October 23, 2018. The grant date fair value of the options with market vesting conditions (25% of total) was measured using a Monte Carlo simulation that takes into account the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the grantee's entitlement to dividends, and the risk free interest rate for the term of the option. The remaining options' grant date fair value was measured by adopting a Black-Scholes methodology, which considers factors such as estimating the expected term of stock options and the expected volatility of our stock. As of December 31, 2018, the weighted average grant date fair value of all Option Awards granted was $0.27 US$ ($0.38 A$).

There were no options or PSUs forfeited or vested during the period.

5. Executive KMP Employment Contracts

This section sets out an overview of key terms of employment for the Executive KMP, as provided in their service agreements and notice of the key payments that would be made to each member of the executive KMP team were there a termination of employment (non-performance related) or change in control.

Garold Spindler, Managing Director and Chief Executive Officer

Term	Description
Employer	Coronado Global Resources Inc.
Base salary	US$1,000,000 per annum
Incentives	As described in sections 2 and 4 of this Remuneration Report.
Termination	Mr. Spindler's employment will terminate automatically on 31 December 2019 (Automatic End Date). However, each year the Automatic End Date will automatically extend to 31 December of the following year, if neither party gives notice of termination on or before 30 September of the year in which the Automatic End Date is scheduled to occur. There are additional circumstances in which Mr Spindler's employment may terminate automatically (e.g. his death) or may be terminated on notice prior to an Automatic End Date (e.g. incapacity). If Mr Spindler's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits. If Mr Spindler's employment is terminated without cause, or he resigns with good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits, and a termination payment of 12 months' base salary, payable six months after the date his employment terminates. For termination due to death or disability, Mr Spindler will be entitled to receive a pro rata portion of his short-term incentive award plus any accrued and vested LTI (subject to board approval and the achievement of specified targets) plus a lump sum healthcare benefit that is payable by AD&D insurance for which Coronado currently pays a premium.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of at least 12 months following termination, some of which apply across the United States and Australia. Unless the Company waives Mr Spindler's restraints, it will pay him one half of his annual salary, in 12 monthly payments. In return, Mr Spindler is required to provide consultation services to the Company upon request.

President and Chief Operating Officer James Campbell

Term	Description
Employer	Coronado Global Resources Inc.
Base salary	US$650,000 per annum
Incentives	As described in sections 2 and 4 of this Remuneration Report.
Termination	Mr Campbell's employment will terminate automatically on 31 December 2019 (Automatic End Date). However, each year the Automatic End Date will automatically extend to 31 December of the following year, if neither party gives notice of termination on or before 30 September of the year in which the Automatic End Date is scheduled to occur. There are additional circumstances in which Mr Campbell's employment may terminate automatically (e.g. his death) or may be terminated on notice prior to an Automatic End Date (e.g. incapacity). If Mr Campbell's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits. If Mr Campbell's employment is terminated without cause, or he resigns with good reason, he will be entitled to receive his base salary through to the date of termination and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits, and a termination payment of 12 months' base salary, payable six months after the date his employment terminates. For termination due to death or disability, Mr Campbell will be entitled to receive a pro rata portion of his short-term incentive award plus any accrued and entitled LTI (subject to board approval and the achievement of specified targets) plus a lump sum healthcare benefit that is payable by AD&D insurance for which Coronado currently pays a premium.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of at least 12 months following termination, some of which apply across the United States and Australia. Unless the Company waives Mr Campbell's restraints, it will pay him one half of his annual salary, in 12 monthly payments. In return, Mr Campbell is required to provide consultation services to the Company upon request.

Group Chief Financial Officer Ayten Saridas

Term	Description
Employer	Curragh Queensland Mining Pty Ltd (Curragh Queensland Mining)
Fixed annual remuneration	A$670,000 per annum
Incentives	As described in sections 2 and 4 of this Remuneration Report.
Termination	Ms Saridas' employment can be terminated by either her or Curragh Queensland Mining giving the other party three months' written notice (or by Curragh Queensland Mining making payment in lieu of part or all of her notice period). Curragh Queensland Mining is entitled to terminate Ms Saridas' employment immediately without notice in certain circumstances, including if she engages in serious or wilful misconduct, engages in any other conduct which in the reasonable opinion of Curragh Queensland Mining is likely to affect adversely the reputation of Curragh Queensland Mining and/or her ability to effectively perform her duties, or is unwilling or unable to properly and effectively perform her duties. Ms Saridas is entitled to a termination payment of six months of her fixed annual remuneration, if her employment is terminated for any reason, other than those reasons listed here plus any accrued leave entitlements.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of up to 12 months following termination, some of which apply across Australia.

Richard Rose, Vice President, Chief Legal Officer & Secretary

Term	Description
Employer	Coronado Global Resources Inc.
Base Salary	US$331,800 per annum
Incentives	As described in sections 2 and 4 of this Remuneration Report.
Termination	Mr. Rose's employment will terminate automatically on 31 December 2019 (Automatic End Date). However, each year the Automatic End Date will automatically extend to 31 December of the following year, if neither party gives notice of termination on or before 30 September of the year in which the Automatic End Date is scheduled to occur. There are additional circumstances in which Mr. Rose's employment may terminate automatically (e.g. his death) or may be terminated on notice prior to an Automatic End Date (e.g. incapacity). If Mr. Rose's employment is terminated for cause, or he resigns without good reason, he will be entitled to receive his base salary and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits. If Mr. Rose's employment is terminated without cause, or he resigns with good reason, he will be entitled to receive his base salary and other entitlements, such as leave or cash entitlements, and any deferred compensation or vested benefits, and a termination payment of 12 months' base salary, payable 6 months after the date his employment terminates. For termination due to death or disability, Mr Rose will be entitled to receive a pro rata portion of his short-term incentive award plus any accrued and entitled LTI (subject to board approval and the achievement of specified targets) plus a lump sum healthcare benefit that is payable by AD&D insurance for which Coronado currently pays a premium.
Restraints	Post-employment non-competition and non-solicitation restraints for a period of 12 months following termination, some of which apply across the United States of America and Australia. Unless Coronado Global Resources Inc. waives Mr. Rose's restraints, it will pay him one half of his annual salary, in twelve monthly payments. In return, Mr. Rose is required to provide consultation services to Coronado Global Resources Inc. upon request

Change in control termination

In the event of a Change in Control, unless otherwise set forth in an applicable Award Agreement, a Grantee's Award shall be treated, to the extent determined by the Committee to be permitted under Section 409A, in accordance with one of the following methods as determined by the Committee in its sole discretion:

- settle such Awards for an amount (as determined in the sole discretion of the Committee) of cash or securities, where in the case of stock options and stock appreciation rights, the value of such amount, if any, will be equal to the in-the-money spread value (if any) of such awards;
- provide for the assumption of or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted under the Plan, as determined by the Committee in its sole discretion;
- modify the terms of such awards to add events, conditions or circumstances (including termination of Employment within a specified period after a Change in Control, subject to ASX Listing Rules) upon which the vesting of such Awards or lapse of restrictions thereon will accelerate;
- deem any performance conditions satisfied at target, maximum or actual performance through closing or provide for the performance conditions to continue (as is or as adjusted by the Committee) after closing;
- accelerate the vesting of Awards in full or on a pro-rata basis as determined by the Committee; or provide that for a period of at least 20 days prior to the Change in Control, any stock options or stock appreciation rights that would not otherwise become exercisable prior to the Change in Control will be exercisable as to all CDIs and Shares subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the Change in Control and if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the exercise will be null and void) and that any stock options or stock appreciation rights not exercised prior to the consummation of the Change in Control will terminate and be of no further force and effect as of the consummation of the Change in Control.

For the avoidance of doubt, in the event of a Change in Control where all stock options and stock appreciation rights are settled for an amount (as determined in the sole discretion of the Committee) of cash or securities, the Committee may, in its sole discretion, terminate any stock option or stock appreciation right for which the exercise price is equal to or exceeds the per share value of the consideration to be paid in the Change in Control transaction without payment of consideration therefor. Similar actions to those specified in this section may be taken in the event of a merger or other corporate reorganization that does not constitute a Change in Control.

6. Non-Executive Director Remuneration

This section explains the fees paid to Non-Executive Directors during FY2018.

6.1 Setting non-executive director fees

Non-Executive Directors fees are designed to ensure that the Company can attract and retain suitably qualified and experienced Non-Executive Directors.

Non-Executive Directors do not receive shares, share options or any performance-related incentives as part of their fees from the Company. There is a minimum shareholding policy which is documented in Directors' interests section of the Directors' report.

Non-Executive Directors are also reimbursed for travel and other expenses reasonably incurred when attending meetings of the Board or in connection with the business of the Company.

The Compensation and Nominating Committee reviews and makes recommendations to the Board with respect to Non-Executive Directors' fees and Committee fees.

6.2 Current non-executive director fees

The table below sets out the Board and Committee fees in United States dollars for FY2018. The Australian Dollar (AUD) equivalent has also been presented given that these fees are payable in AUD.

	Chairman A$	Member A$	Chairman US$	Member US$
Board	330,000	175,000	232,914	123,515
Audit, Governance & Risk Committee	15,000	-	10,587	-
Compensation and Nominating Committee	15,000	-	10,587	-
Health Safety, Environment and Community Committee	15,000	-	10,587	-

None of the Board receive additional fees for being a member of a Board Committee.

The Non-Executive Director fees for Laura Tyson will be paid to the EMG Entities that holds interests in the Company in return for EMG making Ms Tyson available to the Company.

The fees above exclude mandatory statutory superannuation contributions made on behalf of the Non-Executive Directors.

In addition to the meetings that the Non-Executive Directors attended (as shown on page 14), a number of the Non-Executive Directors participated in site visits to Australia and the United States to support in the execution of due diligence activities to support the IPO.

Non-Executive Director Fees

The following table documents remuneration paid to Non-Executive Directors for the period from appointment to 31 December 2018 in United States Dollar. A supplemental table is shown underneath this to document the fees in AUD given that these payments are made in AUD.

			Short Term Benefits		Post–employment benefits	Share-based payments	
Non–Executive Directors	FY	Board & Committee fees[B]	Non–monetary benefits	Other benefits (non–cash)	Superannuation benefits	Options and rights	Total fees for services as a Non–executive Director
Greg Martin	2018	95,719	-	-	3,623	-	99,342
Philip Christensen	2018	68,665	-	-	3,503	-	72,168
Bill Koeck	2018	68,545	-	-	3,623	-	72,168
Greg Pritchard	2018	68,665	-	-	3,503	-	72,168
Ernie Thrasher	2018	35,290	-	-	-	30,879[A]	66,169
Laura Tyson	2018	33,967[C]	-	-	-	-	33,967
Total		**370,851**	**-**	**-**	**14,252**	**30,879**	**446,861**

A Relates to 10,937 restricted stock units granted in lieu of fees

B Upon completion of the IPO, Greg Martin, Philip Christensen, Bill Koeck and Greg Pritchard received USD 35,290 as compensation for due diligence work completed prior to Listing, including attendance at site visits in Australia and the United States. This payment has been included in the short-term benefits values stated above. Ernie Thrasher is due to receive his fee in FY19.

C An agreement is in place for Laura Tyson's fees to be paid directly to EMG given that she is acting as the representative of this major shareholder and fulfilling her obligations as a Director. As such these fees are due to be paid directly to EMG in FY19.

			Short Term Benefits		Post–employment benefits	Share-based payments	
Non–Executive Directors	FY	Board & Committee Fees A$[B]	Non–monetary benefits A$	Other benefits (non–cash) A$	Superannuation Benefits A$	Options and rights	Total fees for services as a Non–executive Director A$
Greg Martin	2018	135,617	-	-	5,133	-	140,750
Philip Christensen	2018	97,286	-	-	4,964	-	102,250
Bill Koeck	2018	97,117	-	-	5,133	-	102,250
Greg Pritchard	2018	97,286	-	-	4,964	-	102,250
Ernie Thrasher	2018	50,000	-	-	-	43,750[A]	93,750
Laura Tyson	2018	48,125[C]	-	-	-	-	48,125
Total		**525,431**	**-**	**-**	**20,194**	**43,750**	**589,375**

A Relates to 10,937 restricted stock units granted in lieu of fees

B Upon completion of the IPO, Greg Martin, Philip Christensen, Bill Koeck and Greg Pritchard received AUD 50,000 as compensation for due diligence work completed prior to Listing, including attendance at site visits in Australia and the United States. This payment has been included in the short-term benefits values stated above. Ernie Thrasher is due to receive his fee in FY19.

C An agreement is in place for Laura Tyson's fees to be paid directly to EMG given that she is acting as the representative of this major shareholder and fulfilling her obligations as a Director. As such these fees are due to be paid directly to EMG in FY19.

Non–Executive Directors - Superannuation / 401(k) Table

The following table sets out the jurisdiction under which the Non-Executive Directors are paid and the superannuation / 401(k) that they receive.

Executive KMP	Payment Jurisdiction	Superannuation / 401(k)
Greg Martin	Australia	Superannuation
Philip Christensen	Australia	Superannuation
Bill Koeck	Australia	Superannuation
Greg Pritchard	Australia	Superannuation
Ernie Thrasher	USA	N/A due to RSUs being received in lieu of fees
Laura Tyson	USA	N/A as no fees received

Superannuation is paid at a rate of 9.5% on fixed remuneration up to the Maximum Contributions Base ($20,531 per annum). The 401(k) match provided by Coronado is at a maximum rate of 4% on employee contributions.

7. Related Party Transactions and Additional Disclosures

7.1 Loans with Executive KMP and Non-Executive Directors

There were no loans outstanding to any Executive KMP or any Non-Executive Director or their related parties, at any time in the current or prior reporting periods.

7.2 Other KMP Transactions

Apart from the details disclosed in this report, no Executive KMP or Non-Executive Director or their related parties have entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving those people's interests existing at year end.

7.3 Movement in Options and Rights Over Equity Instruments Held by Executive KMP

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each Executive KMP and each Non-Executive Director, including their related parties is as follows:

	Instrument	Balance as at appointment date (number)	Granted (number)[1]	Granted (value)[2] US$	Vested during the year (number)	Exercised (number)	Exercised (value)	Lapsed (number)	Lapsed (year of grant)	Balance as at 31 Dec 2018 (number)	Vested and exercisable at 31 Dec 2018
Garold Spindler	PSUs (LTIs) [A]	-	175,910	320,015	-	-	-	-	-	175,910	-
	Options (LTIs) [B]	-	586,367	157,266	-	-	-	-	-	586,367	-
James Campbell	PSUs (LTIs) [A]	-	114,342	208,011	-	-	-	-	-	114,342	-
	Options (LTIs) [B]	-	381,139	102,223	-	-	-	-	-	381,139	-
Ayten Saridas	PSUs (LTIs) [A]	-	62,813	114,269	-	-	-	-	-	62,813	-
	Options (LTIs) [B]	-	209,375	56,155	-	-	-	-	-	209,375	-
Richard Rose	PSUs (LTIs) [A]	-	20,428	37,163	-	-	-	-	-	20,428	-
	Options (LTIs) [B]	-	68,095	18,263	-	-	-	-	-	68,095	-

A Each PSU represents an unfunded, unsecured promise by Coronado to deliver to the Grantee one CDI
B Each Option represents the right to purchase one CDI
1 The number of Options and PSUs granted during FY2018 includes the FY2018 LTI awards.
2 The value of Options and PSUs granted in the year is the fair value of the Options and PSUs at grant date.
Unvested LTI and STI awards have a minimum value of zero if they do not meet the relevant performance or service conditions.

The maximum value of unvested LTI and STI awards is the sale price of the Company's shares at the date of vesting, or where applicable, exercise (plus the value of any dividend equivalent payment attaching to the award on vesting or, where applicable exercise).

7.4 Additional Disclosures Relating to Ordinary Shares

In this section, reference is made to share ownership. The instruments registered for trade on the Australian Stock Exchange are CHESS Depository Interests (CDIs). The ratio of CDIs to Shares is 10 CDIs for 1 share of common stock. The movement during the reporting period in the number of shares of common stock in the Company held, directly, indirectly or beneficially, by each Executive KMP and each Non-Executive Director, including their related parties is as follows:

Non-Executive Directors	Balance at 23 October 2018[A]	Received on vesting and exercise of STI/LTI	Received as remuneration	Other net change[A]	Held at 31 Dec 18[A]
Greg Martin	-	-	-	***8,250	8,250
Philip Christensen	-	-	-	-	-
Bill Koeck	-	-	-	***2,275	2,275
Greg Pritchard	-	-	-	***5,000	5,000
Ernie Thrasher	*1,904,640	-	10,937		1,915,577
Laura Tyson	*10,132	-	-	-	10,132
EXECUTIVE KMP					
Garold Spindler	**802,910	-	-	-	802,910
James Campbell	**190,487	-	-	-	190,487
Ayten Saridas	-	-	-	***3,000	3,000
Richard Rose	-	-	-	-	-

A Each share is equivalent to 10 CDIs

* Represents an indirect economic interest in the Company held through investment vehicles holding an investment in the EMG Entities.

** Represents an indirect economic interest in the Company held through investments in class A units in Coronado Group LLC.

*** Represents an indirect economic interest in the Company held through trusts/superannuation funds.

Signed in accordance with a resolution of the Directors:

Bill Koeck
Acting Chairman
Dated at Brisbane this 18th day of February 2019

Financial Statements 2018

KPMG LLP
Suite 2000
1021 East Cary Street
Richmond, VA 23219-4023

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Coronado Global Resources, Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income, stockholders' equity / members' capital, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/KPMG

We have served as the Company's auditor since 2013.

Richmond, Virginia
February 18, 2019

Consolidated Balance Sheet

December 31, 2018 and 2017
(Dollars quoted in US$ thousands, except the share data)

Assets	Note		2018	2017
Current assets:				
Cash and restricted cash		$	124,881	28,069
Trade receivables			206,127	93,784
Related party receivables			36,716	578
Other receivables			18,170	1,056
Income tax receivable	21		12,017	-
Coal Inventories	7		46,480	7,106
Supplies inventory	7		48,623	10,974
Prepaid expenses and other current assets			22,744	6,054
Total current assets			515,758	147,621
Property, plant, and equipment, net	8		1,618,558	761,040
Goodwill	9		28,008	28,008
Intangible assets, net	9		5,402	5,733
Deposits and reclamation bonds			11,635	3,289
Deferred income tax assets	21		11,848	-
Other assets	10		18,355	6,101
Total assets		$	2,209,564	951,792
Liabilities and Shareholders' Equity/Members' Capital				
Current liabilities:				
Accounts payable		$	42,962	20,969
Accrued expenses and other current liabilities	12		243,496	41,014
Income tax payable	21		9,241	-
Current asset retirement obligations	13		7,719	3,463
Contingent royalty consideration - current	22		26,832	-
Current installments of contract obligations	16		39,116	5,982
Current installments of other financial liablities and capital lease obligations			9,035	7,107
Current installments of interest bearing liablities	14		-	1,750
Total current liabilities			378,401	80,285
Asset retirement obligations, excluding current portion	13		118,072	52,966
Contract obligations, excluding current portion	16		253,578	37,792
Deferred consideration liability	17		155,332	-
Interest bearing liablities, excluding current installments	14		-	128,516
Other financial liablities, excluding current installments	15		4,073	7,150
Capital leases, excluding current installments	23		2,481	3,764
Contingent royalty consideration – non-current	22		3,371	8,019
Deferred income tax liability	21		38,838	-
Other liabilities			1,610	-
Total liabilities			955,756	318,492
Total Coronado Group LLC members' capital			-	553,524
Common stock $0.01 par value; 1,000,000,000 shares authorised, 96,651,692 shares are issued and outstanding as of December 31, 2018 and 2017 respectively.			967	
Series A Preferred stock $0.01 par value; 100,000,000 shares authorised,			-	-
1 Share issued and outstanding as of December 31, 2018			-	-
Additional paid-in capital			1,107,948	-
Accumulated other comprehensive income (loss)			(49,609)	-
Retained earnings			194,220	79,539
Noncontrolling interest	11		282	237
Total shareholders' equity/members' capital			1,253,808	633,300
Total liabilities and shareholders' equity/members' capital		$	2,209,564	951,792

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations and Comprehensive Income

December 31, 2018 and 2017
(Dollars in US$ thousands, except the share data)

	Note		2018	2017
Revenues:				
Coal revenues		$	1,500,730	384,722
Coal revenues from related parties	25		444,870	371,663
Other revenues			34,904	11,859
Total revenues			1,980,504	768,244
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)			991,994	463,638
Depreciation, depletion and amortisation			162,117	75,503
Freight expenses			117,699	15,880
Stanwell rebate	5		127,692	-
Other royalties			181,715	39,665
Selling, general, and administrative expenses			66,207	21,793
Total costs and expenses			1,647,424	616,479
Operating income			333,080	151,765
Other income (expenses):				
Interest income			2,029	168
Interest expense			(60,007)	(10,123)
Loss on debt extinguishment			(58,085)	-
Other, net	5		(27,216)	473
Total other income (expense), net			(143,279)	(9,482)
Income before tax			189,801	142,283
Income tax expense	21		(75,212)	-
Net income			114,589	142,283
Less: Net loss attributable to noncontrolling interest			(92)	(70)
Net income attributable to Coronado Global Resources, Inc.		$	114,681	142,353
Other comprehensive income, net of income taxes:				
Foreign currency translation adjustment			(45,827)	-
Decrease in fair value of cash flow hedges			(3,782)	-
Total comprehensive income			64,980	142,283
Less: Net loss attributable to noncontrolling interest			(92)	(70)
Total comprehensive income attributable to Coronado Global Resources, Inc.		$	65,072	142,353
Earnings per share of common stock[1]				
Basic		$	0.21	
Diluted		$	0.21	
Pro forma earnings per share of common stock[2]				
Basic		$	0.97	
Diluted		$	0.97	

[1]Represents earnings per share of common stock and weighted-average shares of common stock outstanding for the period from October 24, 2018 through December 31, 2018, the period following the initial public offering. See Note 6(b).

[2]The pro forma financial information presented has been computed to reflect income tax expense assuming our initial public offering occurred on January 1, 2018. See Note 6(b).

See accompanying notes to consolidated financial statements

Consolidated Statements of Shareholders' Equity/Members' Capital

(Dollars in US$ thousands, except the share data)

		Members' capital	Retained earnings	Non-controlling interest	Common stock Shares	Common stock Amount	Preferred stock Series A	Preferred stock Amount	Additional paid in capital	Retained earnings	Accumulated other comprehensive Income / (loss)	Non-controlling interest	Total stockholders' / members' capital
Balance December 31, 2016	$	936,650	(62,814)	290	-	-	-	-	-	-	-	-	874,126
Members' contributions		(383,126)	-	17	-	-	-	-	-	-	-	-	(383,109)
Net income (loss)		-	142,353	(70)	-	-	-	-	-	-	-	-	142,283
Balance December 31, 2017	$	553,524	79,539	237	-	-	-	-	-	-	-	-	633,300
Members' distributions before Reorganisation Transactions		(69,074)	-	-	-	-	-	-	-	-	-	-	(69,074)
Members' contributions before Reorganisation Transactions		181,610	-	137	-	-	-	-	-	-	-	-	181,747
Reorganisation Transactions		(666,060)	(79,539)	(374)	80,000,000	800	1	-	665,260	79,539	-	374	-
Proceeds from initial public offering, net		-	-	-	16,651,692	167	-	-	442,147	-	-	-	442,314
Share-based compensation for equity classified awards		-	-	-	-	-	-	-	541	-	-	-	541
Net unrealised losses on cash flow hedges (net of $1,529 deferred income tax asset)		-	-	-	-	-	-	-	-	-	(3,782)		(3,782)
Net income (loss)		-	-	-	-	-	-	-	-	114,681	-	(92)	114,589
Foreign currency translation adjustment (net of deferred income tax asset)		-	-	-	-	-	-	-	-	-	(45,827)	-	(45,827)
Balance December 31, 2018	$	-	-	-	**96,651,692**	**967**	**1**	**-**	**1,107,948**	**194,220**	**(49,609)**	**282**	**1,253,808**

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

Years ended December 31, 2018 and 2017
(Dollars US$ in thousands)

		2018	2017
Cash flows from operating activities:			
Net income	$	114,589	142,283
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:			
Depreciation, depletion and amortisation		162,351	75,503
Amortisation of deferred financing costs		5,181	688
Non-cash interest expense		9,919	436
Amortisation of contract obligations		(31,870)	(4,032)
Gain on disposal of property, plant and equipment		122	(722)
Increase (decrease) in contingent royalty consideration		8,825	(1,588)
Loss on interest rate swap		3,239	-
Equity-based compensation expense		541	-
Change in deferred income taxes		55,123	-
Reclamation of asset retirement obligations		(4,743)	(1,180)
Change in estimate of asset retirement obligation		(234)	-
Changes in operating assets and liabilities:			-
Accounts receivable - including related party receivables		(63,126)	37,926
Coal inventories		24,695	452
Supply inventories		(1,276)	(510)
Prepaid expenses and other assets		(15,057)	1,432
Other assets		-	(757)
Accounts payable		12,684	(2,625)
Accrued expenses and other current liabilities		81,593	8,272
Change in other liabilities		2,197	-
Net cash provided by operating activities		364,753	255,578
Cash flows from investing activities:			
Capital expenditures		(114,302)	(63,923)
Proceeds from the disposal of property, plant, and equipment		66	922
Purchase of deposits and reclamation bonds		(9,789)	(2,376)
Redemption of deposits and reclamation bonds		1,443	6,054
Acquisition of Curragh, net of cash acquired		(537,207)	-
Payment of contingent purchase consideration		(6,628)	-
Net cash used in investing activities		(666,417)	(59,323)
Cash flows from financing activities:			
Proceeds from borrowings, net of debt discount		720,083	175,645
Proceeds from interest rate swap		28,251	-
Payments on interest rate swap		(31,490)	-
Debt issuance costs and other financing costs		(42,075)	(5,752)
Principal payments on interest bearing liabilities and other financial liabilities		(815,758)	(43,499)
Principal payments on capital lease obligations		(1,801)	(1,402)
Payment of contingent purchase consideration		(4,922)	
Members' contributions (distributions), net		112,536	(383,126)
NCI member's contributions		137	17
Proceeds from initial public offering, net		442,314	-
Net cash provided by (used in) financing activities		407,275	(258,117)
Net increase in cash and restricted cash		105,611	(61,862)
Effect of exchange rate changes on cash and restricted cash		(8,799)	-
Cash and restricted cash at beginning of period		28,069	89,931
Cash and restricted cash at end of period	$	124,881	28,069
Supplemental disclosure of cash flow information:			
Cash payments for interest	$	39,821	8,690
Cash paid for taxes	$	23,612	-

The Company decreased asset retirement obligations and assets in the amount of $30,928 and non-cash increases to assets in the amount of $153,793 related to the Stanwell Reserved Area asset in 2018 and increased asset retirement obligations and assets in the amount of $4,804 during 2017 for changes in cash flow projections.

See accompanying notes to consolidated financial statements

Notes to Consolidated Financial Statements

1. Description of Business, Basis of Presentation

(a) Organisation and nature of operations

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

Coronado was incorporated on August 13, 2018 pursuant to the laws of the State of Delaware by conversion of Coronado Group HoldCo LLC, from a limited liability company to a corporation. Coronado Group HoldCo LLC was a wholly-owned subsidiary of Coronado Group LLC ("Coronado LLC"), a Delaware limited liability company.

Coronado LLC was formed on April 1, 2015 to consolidate Coronado Coal LLC and Coronado II LLC under common ownership. The consolidation was completed on July 31, 2015 through the contribution of the membership interests of Coronado Coal LLC and Coronado II LLC, in exchange for membership interest in Coronado LLC. On June 30, 2016, Coronado IV LLC contributed its membership interest in exchange for membership interest in Coronado LLC. Coronado Coal LLC, Coronado II LLC and Coronado IV LLC are referred to herein as the "US LLC's".

(b) Curragh Acquisition

On December 20, 2017 Coronado Australia Holdings Pty Ltd ("CAH") was formed as a wholly owned subsidiary of Coronado Group HoldCo LLC for acquiring and/or investing in coal mining related interests in Australia.

On March 29, 2018, CAH purchased all the outstanding shares in Wesfarmers Curragh Pty Ltd (since renamed Coronado Curragh Pty Ltd) including two wholly owned subsidiaries, consisting of Curragh Queensland Mining Pty Ltd and Curragh Coal Sales Co Pty Ltd (collectively, "Curragh"). Curragh's primary assets are mining facilities in Queensland, Australia.

Refer to Note (3) for further information related to the acquisition.

(c) Reorganisation Transaction

During the period, Coronado LLC and Coronado Global Resources, Inc. completed a reorganisation of their legal entity structure (the "Reorganisation Transaction"). In connection with the Reorganisation Transaction:

- Coronado Group HoldCo LLC was converted into Coronado Global Resources, Inc., a Delaware corporation to consolidate Coronado Coal Corporation and Coronado Australia Holdings Pty Ltd under common ownership.
- Coronado LLC contributed all membership interest in the US LLC's to Coronado Coal Corporation, a wholly-owned subsidiary of Coronado Global Resources, Inc.

Immediately following the Reorganisation Transaction, Coronado Global Resources, Inc. held all the interests of Coronado Australia Holdings Pty Ltd and Coronado Coal Corporation and remained a subsidiary of Coronado LLC, owned by funds managed by The Energy & Minerals Group ("EMG") and members of Coronado management.

(d) Initial Public Offering

On October 23, 2018, Coronado Global Resources, Inc. completed an initial public offering ("IPO") on the Australian Securities and Exchange ("ASX").

Upon completion of the IPO, Coronado issued 16,651,692 new shares of common stock and Coronado LLC sold the equivalent of 2,691,896.4 shares of common stock. The common stock is publicly traded on the ASX under the ticker "CRN," in the form of CHESS Depositary Interests ("CDIs"). CDIs are units of beneficial ownership in shares of common stock held by CHESS Depositary Nominees Pty Limited ("CDN"), a wholly-owned subsidiary of ASX Limited, the company that operates the ASX.

Each share of common stock is equivalent to 10 CDIs.

Following the IPO, Coronado LLC beneficially owns 773,081,036 CDIs (77,308,103.6 shares) representing 80% of the total CDIs outstanding. The remaining 193,435,884 CDIs (19,343,588.4 shares), are owned by new investors in the form of CDIs.

Coronado LLC holds 1 share of Series A Preferred Stock of the Company which is the only Series A Preferred Stock issued and outstanding. The holders of Series A Preferred Stock are permitted to nominate and elect 10% of the Coronado Board of Directors.

In connection with the IPO, Coronado LLC entered into a voluntary escrow agreement under which they agreed, among other things, to certain restrictions and prohibitions from dealing in its owned securities for a restricted period beginning on October 23, 2018 and ending on the first business day after the release of the 2019 results.

Refer to Note 6 *Capital Structure* for further details.

A portion of the proceeds from the IPO were used to repay all outstanding borrowings under the Term Loan B and Term Loan C (Refer to Note 14), and to pay fees and expenses related to the IPO.

(e) Basis of presentation

The consolidated financial statements have been prepared in accordance with requirements of the US Generally Accepted Accounting Principles ("US GAAP") and are presented in US dollars, unless otherwise stated.

The Reorganisation Transaction was treated as a combination of entities under common control in line with Accounting Standards Codification ("ASC") 805, Business Combinations whereby the receiving entity, Coronado Global Resources, Inc. recorded the contributed assets and liabilities at the carrying value of Coronado LLC.

Prior to the Reorganisation Transaction, the consolidated financial statements of Coronado Global Resources, Inc. reflect the net assets and operations of Coronado LLC. The financial statements presented following the Reorganisation Transaction are those of the receiving entity (Coronado Global Resources, Inc.) 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 LLC. As such, financial information (including comparatives) of Coronado has been presented as a continuation of the pre-existing accounting values of assets and liabilities in Coronado LLC's financial statements.

The consolidated financial statements include the accounts of Coronado Global Resources, Inc. and its affiliates. The Company, or Coronado, are used interchangeably to refer to Coronado Global Resources Inc., Coronado Global Resources and its subsidiaries, or to Coronado LLC, as appropriate to the context. Interests in subsidiaries controlled by the Company are consolidated with any outside stockholder interests reflected as noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

The Company has reclassified certain amounts relating to its prior period results to conform to its current period presentation. These reclassifications have not changed the results of operations of prior periods.

(f) Certain Significant Risks and Uncertainties

External factors, including general economic conditions, international events and circumstances, competitor actions, governmental actions and regulations are beyond the Company's control and can cause continued fluctuations in demand for coal and volatility in the price of commodities. This is turn may hinder the Company's future operating results, purchase or investment opportunities in the coal mining industry.

Concentration of customers

For the year ended December 31, 2018 $980.8 million, or 51% of total revenues were attributable to five (5) customers. In comparison, for the year ended December 31, 2017, $576.8 million, or 76% of total revenues were attributable to five (5) customers. As of December 31, 2018, the Company had four (4) customers that accounted for $128.3 million, or 53%, of accounts receivable. As of December 31, 2017, the Company had four (4) customers in each year that accounted for $69.6 million, or 74%, of accounts receivable.

Concentration of labour

Out of the Company's total employees, 12% are subject to the *Curragh Mine Operations Enterprise Bargaining Agreement 2015.* This agreement covers work carried out by permanent, full-time, temporary, and casual coal mining employees engaged by Curragh to fulfil production, maintenance and processing activities. The agreement passed its expiry date in July 2018, however, will remain in place unless it is replaced or terminated by the Fair Work Commission (which will only occur once the Fair Work Commission has consulted with the affected employees and their unions). The Company has been negotiating in good faith with the workforce representatives and will continue to do so with the intent of entering into a new agreement which will support safe and productive outcomes for the business and our employees. Other than the *Curragh Mine Operations Enterprise Bargaining Agreement 2015*, there are no other collective bargaining agreements or union contracts covering employees of Coronado Global Resources.

2. Summary of Significant Accounting Policies

(a) Newly adopted accounting standards

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606), which replaces existing requirements in US GAAP and provides companies with a single revenue recognition model for recognising revenue from contracts with customers.

Effective January 1, 2018, the Company elected to adopt the requirements of ASC 606 using the modified retrospective method. The Company notes that after the assessment of applicable revenue streams, there is no quantitative impact to the adoption of ASC 606. The comparative information has not been adjusted and continues to be reported under ASC 605.

The standard has been applied to contracts that have not been completed at January 1, 2018, the date of initial application. Furthermore, Coronado has not retrospectively restated the contracts that were modified before the beginning of the earliest reporting period presented in accordance with the standard. The aggregate effect of all modifications when identifying the satisfied and unsatisfied performance obligations were reflected in determining and allocating the transaction price.

In August 2017, the FASB issued ASU 2017-12 *Derivatives and Hedging- Targeted Improvements to Accounting for Hedging Activities*" The amendments expand an entity's ability to apply hedge accounting for nonfinancial and financial risk components and allow for a simplified approach for fair value hedging of interest rate risk. ASU 2017-12 eliminates the need to separately measure and report hedge ineffectiveness and generally requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item. Additionally, the standard simplifies the hedge documentation and effectiveness assessment requirements under the previous guidance. The Company adopted ASU 2017-12 during the year ended December 31, 2018. The adoption of this ASU did not have a significant impact on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting*. The standard is intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax impact, classification in the statement of cash flows and recognition of forfeitures. The Company adopted ASU 2016-09 during the year ended December 31, 2018 which did not have a significant impact on the consolidated financial statements as the Company's share-based compensation plans were new in the current period.

In April 2015, the FASB issued ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements.* The standard changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortisation of the costs is reported as interest expense. At the EITF's June 18, 2015, meeting, the SEC staff clarified that the ASU does not address debt issuance costs associated with such arrangements and announced that it would "not object to an entity deferring and presenting [such] costs as an asset and subsequently amortising the . . . costs rateably over the term of the revolving debt arrangement."

The Company adopted ASU 2015-15 during the year ended December 31, 2018. The Company has elected an accounting policy to present debt issuance costs incurred before the debt liability is recognised (e.g. before the debt proceeds are received) as an asset which will be amortised rateably over the term of the line-of-credit. The costs will not be subsequently reclassified as a direct deduction of the liability. This policy did not have an impact on the presentation of the December 31, 2017 balance sheet. At December 31, 2017, issuance costs incurred to establish the Company's revolver facility have been classified as an asset. Refer to Note (10) "Other Assets."

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issue Task Force)*, or ASU 2016-18. This new standard addresses the diversity that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The Company has adopted this guidance during the year ended December 31, 2018 and has presented restricted cash and restricted cash equivalents as a component of cash and cash equivalents in the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

(b) Recently issued accounting standards

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

The new standard is effective for the Company on January 1, 2019. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application, which will be the effective date of January 1, 2019. Consequently, comparative financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

The most significant impact relates to the recognition of new right of use (ROU) assets and lease liabilities on our balance sheet for our buildings, office equipment, mining equipment and transportation vehicles operating leases. The Company has adopted the practical expedient allowed under ASC 842 which contains transition guidance.

The Company estimates that adoption of the standard will result in the recognition of additional ROU assets of approximately $36.5 million and corresponding lease liabilities on January 1, 2019 of approximately $50.8 million. On adoption, the lease liability is expected to include the reclassification of a terminal services contract liability of $14.3 million, which is classified as a lease under the new standard. The adoption of ASU 2016-02 is not expected to have a material impact on the Company's results of operations or its cash flows.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include asset retirement obligations; useful lives for depreciation, depletion and amortisation; purchase price allocation associated with business combinations; and other contingencies.

(d) Foreign Currency

Financial statements of foreign operations

The reporting currency of the Company is the US Dollar ("US$").

Functional currency is determined by the primary economic environment in which an entity operates. The functional currency of the US operating subsidiaries is the US$. The functional currency of the Company's foreign operating subsidiary, Curragh and its immediate parent CAH, is the Australian dollar ("A$") since Curragh's predominant sources of financing and operating expenses are denominated in that currency.

Assets and liabilities are translated at the year-end exchange rate and items in the statement of operations are translated at average rates with gains and losses from translation recorded in other comprehensive income (loss).

Foreign Currency Transactions

Monetary assets and liabilities are remeasured at year-end exchange rates while non-monetary items are remeasured at historical rates. Income and expense accounts are remeasured at the average rates in effect during the year, except for those expenses related to balance sheet amounts that are remeasured at historical exchange rates.

Gains and losses from foreign currency remeasurement related to Curragh's US dollar coal sales are included in coal revenues. All other gains and losses from foreign currency remeasurement and realised gains and losses on settlement of foreign currency swaps are included in Other, net. The Company believes that this classification best reflects the operational activities of Curragh, whose functional currency is the Australian dollar. The total aggregate impact of foreign currency transaction gains or losses on the consolidated statements of operations was a net loss of $17.8 million and $0 for the year-ended December 31, 2018 and 2017, respectively. The total impact of foreign currency transactions related to US dollar coal sales in Australia (included in the total above) was a net gain of $6.9 million and $0 for the year ended December 31, 2018 and 2017, respectively.

(e) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash at bank and short-term highly liquid investments with an original maturity date of three months or less. At December 31, 2018 and 2017, the Company had no cash equivalents.

"Cash and Restricted Cash", as disclosed in the accompanying consolidated balance sheet includes $0.2 million of restricted cash at December 31, 2018 and nil at 2017.

(f) Trade Accounts Receivable

The Company extends trade credit to its customers in the ordinary course of business. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The estimate of the allowance for doubtful accounts, which is charged off to bad debt expense, is based on management's assessment of current economic conditions and historical collection experience with each customer. Receivables are past due when they are outstanding beyond their contractual terms and are charged off to the

allowance for doubtful accounts when determined uncollectible. There was no allowance for doubtful accounts on accounts receivables at December 31, 2018 and 2017.

(g) Inventories

Coal is recorded as inventory at the point in time the coal is extracted from the mine. Raw coal represents coal stockpiles that may be sold in current condition or may be further processed prior to shipment to a customer. Saleable coal represents coal stockpiles which require no further processing prior to shipment to a customer.

Coal inventories are stated at the lower of average cost and net realisable value. The cost of coal inventories is determined based on an average cost of production, which includes all costs incurred to extract, transport and process the coal. Net realisable value considers the estimated sales price of the particular coal product, less applicable selling costs, and, in the case of raw coal, estimated remaining processing costs.

Supplies inventory is comprised of replacement parts for operational equipment and other miscellaneous materials and supplies required for mining which are stated at cost on the date of purchase. Supplies inventory is valued at the lower of average cost or net realisable value, less a reserve for obsolete or surplus items. This reserve incorporates several factors, such as anticipated usage, inventory turnover and inventory levels. It is not customary to sell these inventories; the Company plans to use them in mining operations as needed.

(h) Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortisation, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognised to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third party independent appraisals, as considered necessary. No impairment losses were recognised for property, plant and equipment or amortising intangible assets during the years ended December 31, 2018 and 2017.

Property, Plant, and Equipment

Costs for mine development incurred to expand capacity of operating mines or to develop new mines are capitalised and charged to operations on the units of production method over the estimated proven and probable reserve tonnes directly benefiting from the capital expenditures. Mine development costs include costs incurred for site preparation and development of the mines during the development stage less any incidental revenue generated during the development stage.

Property, plant, and equipment are recorded at cost and include expenditures for improvements when they substantially increase the productive lives of existing assets. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets of 3 to 10 years for machinery, mining equipment and transportation vehicles, 5 to 10 years for office equipment, and 10 to 20 years for plant, buildings and improvements.

Maintenance and repair costs are expensed to operations as incurred. When equipment is retired or disposed, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposal is recognised in operations.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. In connection with the Buchanan acquisition on March 31, 2016, Coronado recorded goodwill in the amount of $28.0 million. Goodwill is not amortised but is reviewed for impairment annually on December 31 or when circumstances or other events indicate that impairment may have occurred. The Company follows the guidance in Accounting Standards Update 2011-08 “Testing Goodwill for Impairment” (ASU 2011-08) which permits entities to make a qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying amount. Circumstances that are considered as part of the qualitative assessment and could trigger a quantitative impairment test include but are not limited to: a significant adverse change in the business climate; a significant adverse legal judgment; adverse cash flow trends; an adverse action or assessment by a government agency; unanticipated competition; and a significant restructuring charge within a reporting unit. The Company defines reporting units at the business segment level. For purposes of testing goodwill for impairment, goodwill has been allocated to the reporting units to the extent it relates to each reporting unit.

Asset Retirement Obligations

The Company’s asset retirement obligation (ARO) liabilities primarily consist of spending estimates for surface land reclamation and support facilities at both surface and underground mines in accordance with applicable reclamation laws and regulations in the US and Australia as defined by each mining permit.

The Company estimates its ARO liabilities for final reclamation and mine closure based upon detailed engineering calculations of the amount and timing of the future cash spending for a third party to perform the required work. Spending estimates are escalated for inflation and then discounted at the credit-adjusted, risk-free rate. The Company records an ARO asset associated with the discounted liability for final reclamation and mine closure. The obligation and corresponding asset are recognised in the period in which the liability is incurred. The ARO asset is amortised on the units-of-production method over its expected life of the related asset and the ARO liability is accreted to the projected spending date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognised at the appropriate credit-adjusted, risk-free rate. The Company also recognises an obligation for contemporaneous reclamation liabilities incurred as a result of surface mining. Contemporaneous reclamation consists primarily of grading, topsoil replacement and re-vegetation of backfilled pit areas. To settle the liability, the obligation is paid, and to the extent there is a difference between the liability and the amount of cash paid, a gain or loss upon settlement is recorded. The Company annually reviews its estimated future cash flows for its asset retirement obligations.

(i) Borrowing costs

Borrowing costs are recognised as an expense when they are incurred, except for interest charges attributable to major projects with substantial development and construction phases which are capitalised as part of the cost of the asset. There was no interest capitalised during the period ended December 31, 2018.

(j) Leases

i) Operating leases

Operating lease payments are recognised as an expense in the statement of operations on a straight-line basis for the period in which the costs relate. Operating lease incentives are recognised as a liability when received and released to earnings on a straight-line basis over the lease term.

Fixed rate increases to lease payments, excluding contingent or index based rental increases, such as Consumer Price Index and other similar increases, are recognised on a straight-line basis over the term of the lease. Where it is applicable, an asset or liability is recognised for the difference between the amount paid and the lease expense released to earnings on a straight-line basis.

ii) Capital leases

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as capital leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under capital leases are apportioned between the interest expense and the reduction of the outstanding liability. The interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(k) Royalties

Lease rights to coal lands are often acquired in exchange for royalty payments. Advance mining royalties are advance payments made to lessors under terms of mineral lease agreements that are recoupable against future production. The Company had advance mining royalties of $3.1 million and $2.1 million respectively, included in prepaid expenses and other current assets as of December 31, 2018 and 2017.

The Stanwell rebate relates to a contractual arrangement entered into by Curragh with Stanwell Corporation Limited, a State of Queensland owned electricity generator, which requires payment of a rebate for export coal sold from some of Curragh's mining tenements. The rebate obligation is accounted for as an executory contract and the expense is recognised as incurred.

(l) Revenue Recognition

Prior to the Company's adoption of ASU 2014-09 Revenue from Contracts with Customers (ASC 606), coal sales were recognised when coal was loaded onto transport carriers for delivery to customers and the customer took ownership and assumed risk of loss, collection of the relevant receivable was probable, persuasive evidence of an arrangement existed and the sales price was fixed or determinable. Freight and handling costs paid to third party carriers and invoiced to coal customers were recorded as freight expenses and other revenues, respectively.

Revenue from contracts with customers

The Company accounts for revenue in accordance with ASC 606. ASC 606 was issued by the Financial Accounting Standards Board (FASB) in May 2014 in order to replace the existing requirements under US GAAP and provide the Company with a single

revenue recognition model for recognising revenue from contracts with customers. The Company adopted ASC 606 on January 1, 2018, using the modified retrospective method.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Once a contract is identified, the Company evaluates whether the combined or single contract should be accounted for as more than one performance obligation.

The Company recognises revenue when control is transferred to the customer. For the Company's contracts, in order to determine the point in time when control transfers to customers, the Company uses standard shipping terms to determine the timing of transfer of legal title and the significant risks and rewards of ownership. The Company also considers other indicators including timing of when the Company has a present right to payment and when physical possession of products is transferred to customers. The amount of revenue recognised includes any adjustments for variable consideration, which is included in the transaction price and allocated to each performance obligation based on the relative standalone selling price. The variable consideration is estimated through the course of the contract using management's best estimates.

The majority of the Company's revenue is derived from short term contracts where the time between confirmation of sales orders and collection of cash is not more than a few months.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction that are collected by the Company from a customer are excluded from revenue.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied.

The Company's contracts have multiple performance obligations as the promise to transfer the individual unit of coal is separately identifiable from other units of coal promised in the contracts and, therefore, distinct. Performance obligations, as described above, primarily relate to the Company's promise to deliver a designated quantity and type of coal within the quality specifications stated in the contract.

For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price is determined at each contract inception using an adjusted market assessment approach. This approach focuses on the amount that Coronado believes the market is willing to pay for a good or service, considering market conditions, such as bench mark pricing competitor pricing, market awareness of the product and current market trends that affect the pricing.

Warranties provided to customers are assurance-type of warranties on the fitness of purpose and merchantability of the Company's goods and services. The Company does not provide service-type of warranties to customers.

Revenue is recognised at a point in time and therefore there are no unsatisfied and/or partially satisfied performance obligations at December 31, 2018.

Shipping and Handling

The Company applies the practical expedient in ASC 606-10-25-18B and accounts for shipping and handling activities after the customer obtains control of the good as an activity to fulfil the promise to transfer the good. Therefore, the Company does not evaluate whether the shipping and handling services are promised services to its customers.

Shipping and handling costs paid to third party carriers and invoiced to coal customers are recorded as freight expense and other revenues, respectively.

(m) Commodity Price Risk

The Company has commodity price risk arising from fluctuations in domestic and global coal prices.

The Company's strategy is not to enter into long term financial instruments to hedge against movements in coal prices.

The Company is also exposed to commodity price risk related to diesel fuel purchases. This is a cost that is borne by the Company and as such, the Company may periodically enter into arrangements that protect against the volatility in fuel prices as follows:

– contracts with a fuel supplier to purchase a portion of future estimated fuel usage. As of December 31, 2018, the Company has entered into fixed price contracts to purchase fuel for the US operations (Refer to Note 21 "Commitments."). As of December 31, 2017, the Company did not have fixed fuel contracts.

– enter into derivative financial instruments to hedge exposures to fuel price fluctuations. On November 29, 2018 the Company entered into forward contracts with respect to its 2019 diesel fuel requirements for the Curragh mine. As of December 31, 2018, the carrying value and fair value of the fuel derivatives liability is $5.4 million.

(n) Comprehensive Income

Comprehensive income for the year ended December 31, 2018 is not equal to net income, as foreign currency translation flows through other comprehensive income. This is in contrast to the year ended December 31, 2017 where comprehensive income equals net income as there were no components of other comprehensive income (loss).

(o) Income Taxes

The Company uses the asset and liability approach to account for income taxes as required by ASC 740, Income Taxes, which requires the recognition of deferred income tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Valuation allowances are provided when necessary to reduce deferred income tax assets to the amount expected to be realised, on a more likely than not basis.

The Company recognises the benefit of an uncertain tax position that it has taken or expects to take on income tax returns it files if such tax position is more likely than not to be sustained on examination by the taxing authorities, based on the technical merits of the position. These tax benefits are measured based on the largest benefit that has a greater than 50% likelihood of being realised upon ultimate resolution.

Prior to its conversion to a Delaware corporation in August 2018, the Company was a Delaware limited liability company, or LLC, that passed through income and losses to its members for U.S. federal and state income tax purposes. As a result of its conversion to a Delaware corporation and to reflect the fact that as a corporation the Company will be subject to entity level taxation, deferred income tax liabilities of approximately $0.1 million were recognised through income tax expense in the Statement of Operations and Comprehensive income related to temporary differences that existed as of the date of its tax status change.

On September 19, 2018 the legacy U.S. businesses were distributed to Coronado Global Resources, Inc. The Company recognised approximately $40.5 million of net deferred income tax liabilities through income tax expense in the Statement of Operations and Comprehensive income which consisted principally of excess book-over-tax basis in mineral reserves and property, plant and equipment and certain accruals that were transferred from the limited liability company to the corporation.

Coronado LLC, the Company's accounting predecessor, is a limited liability company that is not subject to US federal income tax. The Curragh entities are treated as a branch for U.S. tax purposes and all income flows through to the ultimate parent (Coronado Global Resources, Inc.).

The Company's foreign structure consists of Australian entities which are treated as corporations subject to tax under Australian taxing authorities. The Curragh entities are treated as a branch for U.S. tax purposes and all income flows through to the ultimate parent (Coronado Global Resources, Inc.).

(p) Fair Value Measurements

The Company utilises valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the Company distinguishes between observable and unobservable inputs, which are categorised in one of 3 levels of inputs.

See Note 22(b), "Derivatives and Fair Value Measurement" for detailed information related to the Company's fair value policies and disclosures.

(q) Derivative accounting

The Company recognises at fair value all contracts meeting the definition of a derivative as assets or liabilities in the consolidated balance sheet.

With respect to derivatives used in hedging activities, the Company assesses, both at inception and at least quarterly thereafter, whether such derivatives are highly effective at offsetting the changes in the anticipated exposure of the hedged item. The effective portion of the change in the fair value of derivatives designated as a cash flow hedge is recorded in "Accumulated other comprehensive income (loss)" until the hedged transaction impacts reported earnings, at which time any gain or loss is reclassified to earnings. To the extent that periodic changes in the fair value of derivatives deemed highly effective exceeds such changes in the hedged item, the ineffective portion of the periodic non-cash changes are recorded in earnings in the period of the change. If the hedge ceases to qualify for hedge accounting, the Company prospectively recognises changes in the fair value of the

instrument in earnings in the period of the change. The potential for hedge ineffectiveness is present in the design of certain of the Company's cash flow hedge relationships.

The Company's asset and liability derivative positions are offset on a counterparty-by-counterparty basis if the contractual agreement provides for the net settlement of contracts with the counterparty in the event of default or termination of any one contract.

(r) Share-based compensation

The Company has a share-based compensation plan which allows for the grant of certain equity-based incentives including stock options, performance stock units ("PSU") and restricted stock units ("RSU") to employees and executive directors, valued in whole or in part with reference to the Company's CDI's or equivalent common shares (on a 10:1 CDI to common share ratio).

The fair value of each stock option granted is estimated on the date of grant using Black-Scholes-Merton option-pricing model which is a closed-form option pricing model. The pricing model requires assumptions, which impact the assumed fair value, including the expected life of the stock option, the risk-free interest rate, expected volatility of the Company's stock over the expected life and the expected dividend yield. For certain options and PSUs granted in 2018, the Company includes a relative Total Shareholder Return ("TSR") modifier to determine the number of shares earned at the end of the performance period. The fair value of awards that include the TSR modifier is determined using a Monte Carlo valuation model. The fair value of all other PSUs and RSUs granted is equal to the market price of the Company's stock at date of grant less the present value of expected dividends over the vesting period.

The expense for these equity-based incentives is based on their fair value at date of grant and is amortised over the requite service period, generally the vesting period. The Company estimates forfeitures when determining the amount of compensation costs to be recognised in each period.

See Note 20, "Share-Based Compensation" for detailed information related to the Company's share-based compensation plans.

(s) Earnings per Share

Basic earnings per share is computed by dividing net income attributable to shareholders of the Company by the weighted-average number of shares of common stock outstanding during the reporting period.

Diluted net income per share is computed using the weighted-average number of shares of common stock and dilutive potential shares of common stock outstanding during the period. Dilutive potential shares of common stock primarily consist of employee stock options and restricted stock.

3. Acquisitions

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

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

The aggregate consideration on the date of the Transaction totalled $563.8 million.

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

In connection with the acquisition, Coronado Australia Holdings Pty Ltd incurred acquisition related costs for 2018 of $53.8 million; $38.5 million of which is recorded in selling, general, and administrative expenses. The remainder, relating to foreign currency losses, is recorded in Other, net.

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

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

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

Unaudited pro forma financial information

The following pro forma summary reflects consolidated results of operation as if the Transaction had occurred on January 1, 2017 (unaudited).

(US$ thousands)		2018	2017
Revenue	$	2,296,661	2,174,100
Net Income		192,281	286,300

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

These pro forma results are based on estimates and assumptions, which the Company believes are reasonable. They are not the results that would have been realised had the acquisition actually occurred on January 1, 2017 and are not necessarily indicative of the Company's consolidated results of operations in future periods. The pro forma results include adjustments related to purchase accounting, depreciation of property and equipment, and do not include any anticipated synergies or other expected benefits that may be realised from the Transaction.

In addition to the above recurring adjustments, the pro forma results for the year ended December 31, 2018 and 2017 exclude non-recurring adjustments of $53.8 and $0, respectively, of transaction costs.

4. Segment Information

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

- During 2018, Coronado acquired the Curragh Mining business from Wesfarmers Limited. Curragh as a separate reportable segment due to having separate management, location, assets, and operations. Curragh is located in central Queensland, Australia and the reportable segment produces a wide variety of metallurgical coal.
- During 2016, Coronado acquired the Buchanan Mining business from CONSOL. Buchanan is a separate reportable segment due to having separate management, location, assets, and operations. Buchanan is located in Buchanan County, Virginia and the reportable segment's primary output is low-vol coal.
- The Company added the Logan reportable segment in connection with its December 31, 2014 acquisition of mining interests, coal reserves, and facilities located in Logan County, West Virginia. Logan's primary output is high-vol coal.
- The Greenbrier reportable segment is comprised of multiple operating segments, comprised of coal mining facilities in the south-eastern region of West Virginia, primarily producing mid-vol coal.

The organisation of the four reportable segments reflects how Coronado's chief operating decision maker ("CODM") manages and allocates resources to the various operations.

"Other and corporate" relates to additional financial information for the corporate function such as accounting, treasury, legal, human resources, compliance, and tax. As such, the corporate function is not determined to be a reportable segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financials.

The accounting policies of the segments are the same as those described in Note 2 - Summary of Significant Accounting Policies, except that the disaggregated financial results for the segments have been prepared using a management approach, which is consistent with the basis and manner in which management internally disaggregates financial information for the purposes of assisting internal operating decisions. Generally, the Company evaluates performance based on stand-alone segment net income (loss) before income taxes, interest, depreciation, depletion, and amortisation, other foreign exchange losses and loss on debt extinguishment ("EBITDA").

Reportable segment results as of and for the years ended December 31, 2018, and 2017 are presented below.

($ thousands)	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
Year ended December 31, 2018						
Total revenues	1,165,580	510,430	234,967	69,527	-	1,980,504
EBITDA	314,227	212,485	31,939	(1,402)	(80,264)	476,985
Net income/(loss)	164,331	130,676	(10,290)	(25,969)	(144,159)	114,589
Total assets	1,187,851	504,313	260,952	140,674	115,774	2,209,564
Capital expenditures (1)	47,208	33,163	29,889	4,009	481	114,750
Year ended December 31, 2017						
Total revenues	-	465,036	241,944	60,105	1,159	768,244
EBITDA	-	211,240	34,897	3,270	(21,666)	227,741
Net income/(loss)	-	170,165	10,996	(7,686)	(31,192)	142,283
Total assets	-	518,340	236,688	153,653	43,111	951,792
Capital expenditures (1)	-	35,296	25,535	12,958	-	73,789

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

The reconciliation of EBITDA to net income attributable to Coronado for the years ended December 31, 2018 and 2017 are as follows:

(US$ thousands)	Year ended December 31,	
	2018	2017
Net income (loss)	$ 114,589	$ 142,283
Depreciation, depletion and amortisation	162,117	75,503
Interest expense (net of income)	57,978	9,955
Other foreign exchange losses	9,004	-
Loss on retirement of debt	58,085	-
Income tax expense	75,212	-
Consolidated EBITDA	$ 476,985	$ 227,741

The reconciliation of Capital expenditures per the Company's segment information to capital expenditures disclosed on the consolidated statements of cash flows for the years ended December 31, 2018 and 2017 are as follows:

(US$ thousands)	Year ended December 31,	
	2018	2017
Capital expenditures per Consolidated Statements of Cash Flows	$ 114,302	$ 63,923
Capital expenditures financed through other financial liabilities	870	9,866
ARO change in estimate to underlying asset	(422)	-
Capital expenditures per segment detail	$ 114,750	$ 73,789

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 recognised at point in time.

Year ended December 31, 2018

(US$ thousands)	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
Product Groups						
Metallurgical coal	$ 1,061,402	496,472	194,974	66,258	—	$ 1,819,106
Thermal coal	74,656	13,830	37,215	792	—	126,493
Other	29,522	128	2,778	2,477	—	34,905
Total	$ 1,165,580	510,430	234,967	69,527	—	$ 1,980,504

Year ended December 31, 2017

(US$ thousands)	Curragh	Buchanan	Logan	Greenbrier	Other and Corporate	Total
Product Groups						
Metallurgical coal	$ -	461,863	189,124	54,479	-$	705,466
Thermal coal	-	3,058	43,169	4,692	-	50,919
Other	-	115	10,810	934	-	11,859
Total	$ -	465,036	243,103	60,105	-$	768,244

Further explanation to table above:

The following is a description of the principal activities by reportable segments.

- The Company primarily offers two types of products to its customers: metallurgical coal and thermal coal of varying qualities. Metallurgical coal can be further distinguished by its volatility, defined as high, mid, or low. Each reporting segment mines a different volatility of metallurgical coal.
- The Greenbrier reportable segment, comprised of coal mining facilities in the south-eastern region of West Virginia, produces hard coking coal, specifically mid-volatility coal.
- The Logan reportable segment, comprised of mining interests, coal reserves, and facilities located in Logan County, West Virginia, produces hard coking coal, specifically high-volatility coal.
- The Buchanan reportable segment, comprised of mining assets and operations located in Buchanan County, Virginia, produces hard coking coal, specifically low-volatility coal.
- The Curragh reportable segment, comprised of mining assets and operations located in Central Queensland, Australia, produces a wide variety of metallurgical coal.

Payments from customers are generally due 30 days after invoicing. Invoicing usually occurs after shipment or delivery of goods. The timing between the recognition of revenue and receipt of payment is not significant.

The Company had certain customers whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, or whose revenue individually represented 10% or more of the Company's total revenue. Management notes each reportable segment has some amount of sales to these key customers

The following table summarises any customer whose revenue individually represented 10% or more of the Company's total revenue in the years ended December 31, 2018 and 2017.

	Year ended December 31,	
	2018	2017
Customer A	23%	49%
Customer B	12%	n/a

The following table presents revenues as a percent of total revenue from external customers by geographic region:

	Year ended December 31,	
	2018	**2017**
USA	42%	100%
India	19%	-%
Japan	14%	-%
Korea	9%	-%
Europe	6%	-%
Australia	6%	-%
Taiwan	2%	-%
China	1%	-%
Brazil	1%	-%
Total	100%	100%

The Company attributes revenue to individual countries based on the location of the physical delivery of the coal.

5. Expenses

Stanwell rebate

The Stanwell rebate relates to a contractual arrangement entered into by the Company with Stanwell Corporation Limited, an electricity generator owned by the State of Queensland in Australia, which requires payment of a rebate for export coal sold from the Curragh mining tenements. The rebate obligation is accounted for as an executory contract. Accordingly, the expense is recognised as incurred.

Other, net

Other, net consists of the following at December 31, 2018 and 2017:

(US$ thousands)		2018	2017
Loss on foreign exchange swap	$	15,695	-
Other foreign exchange losses		9,004	-
Other expenses (income)		2,517	(473)
Total Other, net	$	27,216	(473)

6. Capital Structure

(a) Shareholders' Equity

The Company has securities listed for quotation in the form of CHESS Depository Interests (CDIs) on the Australian Securities Exchange ("ASX") that trade under the symbol "CRN."

Each share of common stock (share) is equivalent to 10 CDIs.

Authorised capital stock

The Company's Articles of Incorporation, as amended, authorise the Company to issue 1,100,000,000 shares of $.01 par value capital stock consisting of 1,000,000,000 shares of common stock and 100,000,000 shares of preferred stock.

Common Stock / CDIs

As each CDI represents one tenth of a share, holders of CDIs will be entitled to one vote for every 10 CDIs they hold. CDI holders are to receive entitlements which attach to underlying shares such as participation in rights issues, bonus issues, capital reductions and liquidation preferences.

The CDIs entitle holders to dividends, if any, and other rights economically equivalent to shares of common stock, including the right to attend stockholders' meetings. CDN, as the stockholder of record, will vote the underlying shares in accordance with the directions of the CDI holders.

Preferred Stock

The Series A Preferred Share provides the holder with Board designation rights which are tied to the level of beneficial ownership of common shares in the Company. The Series A Preferred Share is not entitled to dividends and is non-transferable. The Series A Preferred Share has a liquidation preference of $1.00.

Restrictions

Voluntary escrow: Following the completion of the IPO, Coronado LLC entered into a voluntary escrow agreement whereby 77,308,103.6 shares of common stock (773,081,036 CDIs) were subject to voluntary escrow for a restriction period until the first business day after the release of the Company's 2019 results.

Foreign Ownership Restriction: Coronado's CDIs and shares are considered 'restricted securities' under Rule 144 under the US Securities Act, and offers and sales of the CDIs and underlying shares will be subject to an initial one year distribution compliance period whereby holders of CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available.

Issued Stock

Following the Reorganisation Transaction, 80,000,000 common shares and one Series A preferred Share were issued by the Company and held by Coronado LLC. All common shares and preferred shares have a par value of $0.01.

On October 23, 2018, in connection with the IPO on the ASX, the Company issued 16,651,692 new shares (166,516,920 CDIs), raising cash proceeds of $473.4 million, prior to issuance costs of $30.6 million. Coronado LLC sold 2,691,896.4 shares of common stock (26,918,964 CDIs) and the Company did not receive any proceeds from the sale of these securities.

As of December 31, 2018, 966,516,920 CDIs (96,651,692 shares of common stock) were outstanding.

The following options to purchase common stock are issued and outstanding:

- 1,336,454 CDIs issuable upon the exercise of stock options outstanding at a weighted average exercise price of $2.84 per CDI.
- 1,001,914 CDIs issuable upon settlement of outstanding PSU awards
- 54,687 CDIs issuable upon settlement of outstanding RSU awards.

Dividends

The dividend policy and the payment of future cash dividends are subject to the discretion of the Company's Board of Directors.

(b) Earnings per Share

Basic earnings per share of common stock is computed by dividing net income attributable to Coronado Global Resources, Inc. for the period from October 24, 2018 through December 31, 2018, the period following the IPO, by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income attributable to Coronado Global Resources, Inc. by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. There were no traded shares of common stock outstanding prior to October 23, 2018, therefore no earnings per share information has been presented for any period prior to that date.

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

(US$ thousands, except share data)		2018
Numerator:		
Net Income	$	20,746
Less: Net income attributable to Non-controlling interest		(17)
Net Income attributable to Coronado shareholders (post IPO)	$	20,763
Net Income	$	114,681
Pro forma income tax expense		(21,190)
Pro forma net Income attributable to Coronado shareholders	$	93,491
Denominator		
Weighted-average shares of common stock outstanding		96,651,692
Effects of dilutive shares		4,375
Weighted average diluted shares of common stock outstanding		96,656,067
Earnings Per Share (US$):		
Basic	$	0.21
Dilutive	$	0.21
Pro forma Earnings Per Share (US$):		
Basic	$	0.97
Dilutive	$	0.97

7. Inventories

Inventories consist of the following at December 31, 2018 and 2017:

(US$ thousands)			2018	2017
Raw coal		$	20,106	2,695
Saleable coal			26,374	4,411
	Total coal inventories		46,480	7,106
Supplies inventory			48,623	10,974
	Total inventories	$	95,103	18,080

8. Property, Plant and Equipment

Property, plant, and equipment consist of the following at December 31, 2018 and 2017:

(US$ thousands)		2018	2017
Land	$	26,845	9,431
Buildings and improvements		89,027	9,707
Plant, machinery, mining equipment and transportation vehicles		765,432	398,548
Mineral rights and reserves		464,680	462,098
Office and computer equipment		3,700	1,238
Mine development		479,152	33,868
Asset retirement obligation asset		80,993	14,649
Construction in process		43,691	20,980
		1,953,520	950,519
Less accumulated depreciation, depletion and amortisation		334,962	189,479
Net property, plant and equipment	$	1,618,558	761,040

The amount of depreciation and depletion expense for property, plant and equipment for the years ended December 31, 2018 and 2017 was $152.7 million and $76.9 million, respectively. The 2018 depreciation and depletion expense included a $0.2 million credit related to a change in estimate of the ARO.

9. Goodwill and Other Intangible Assets

(a) Acquired Intangible Assets

(US$ thousands)	December 31, 2018				
	Weighted average amortisation period (years)		Gross carrying amount	Accumulated amortisation	Net carrying amount
Intangible assets:					
Amortising intangible assets:					
Mining permits – Greenbrier	14	$	1,500	760	740
Mining permits – Logan	15		1,642	638	1,004
Mining permits – Buchanan	28		4,000	342	3,658
Total intangible assets		$	**7,142**	**1,740**	**5,402**

(US$ thousands)	December 31, 2017				
	Weighted average amortisation period (years)		Gross carrying amount	Accumulated amortisation	Net carrying amount
Intangible assets:					
Amortising intangible assets:					
Mining permits – Greenbrier	14	$	1,500	679	821
Mining permits – Logan	15		1,642	513	1,129
Mining permits – Buchanan	28		4,000	217	3,783
Total intangible assets		$	7,142	1,409	5,733

Amortisation expense is charged using the straight-line method over the useful lives of the respective intangible asset. The aggregate amount of amortisation expense for amortising intangible assets for the years ended December 31, 2018 and 2017 was $0.3 million and $0.3 million, respectively. Estimated amortisation expense for the next five years is $0.3 million in 2019, $0.2 million in 2020 and $0.2 million in 2021, $0.2 million in 2022, and $0.2 million in 2023.

(b) Goodwill

In connection with the Buchanan acquisition on March 31, 2016, Coronado recorded goodwill in the amount of $28.0 million. The Company performed a qualitative assessment to determine if impairment was required at December 31, 2018 or 2017. Based upon the Company's qualitative assessment, it is more likely than not that the fair value of the reporting unit is greater than their carrying

value at December 31, 2018 and 2017. The Company has not noted any indicators of impairment since the acquisition date. As a result, no impairment was recorded, and the balance of goodwill at both December 31, 2018 and 2017 was $28.0 million.

10. Other Assets

(US$ thousands)		December 31, 2018		
		Gross carrying amount	Accumulated amortisation	Net carrying amount
Other assets:				
Favourable mineral leases	$	4,800	(660)	4,140
Deferred debt issue costs		13,773	(774)	12,999
Long service leave receivable		1,216	—	1,216
Total other assets	$	19,789	(1,434)	18,355

(US$ thousands)		December 31, 2017		
		Gross carrying amount	Accumulated amortisation	Net carrying amount
Other assets:				
Favourable mineral leases	$	4,800	(322)	4,478
Deferred debt issue costs		1,832	(209)	1,623
Total other assets	$	6,632	(531)	6,101

The Company has other assets consisting of favourable mineral leases, deferred debt issue costs, and long service leave receivable. The favourable mineral leases are amortised based on the coal tonnage removed from the lease property relative to the total estimated reserves on that property. The deferred debt issue costs were incurred to establish the revolver and are accordingly amortised over the life of the revolver on a straight-line basis. Long service leave is paid when leave is taken, with a subsequent reimbursement received from the coal mining industries Long Service Leave Trust Fund (Trust Fund) in Australia. The reimbursement is recognised in other assets and is measured as the present value of expected future reimbursements to be received.

11. Investments in Variable Interest Entity - Consolidated

JEP Mining LLC ("JEP") was formed in 2013 between Greenbrier and SYR Energy Partners LP ("SYR"). Greenbrier contributed $0.07 million for 50% ownership and SYR contributed $0.07 million for 50% ownership in JEP (collectively the Membership Interests). JEP is governed by three Managers, two of which are appointed by Greenbrier and one is appointed by SYR.

JEP was created to hold a mine development lease for an approximate 650-acre tract of land and the associated coal reserve and mining rights. Having no operations at inception that would generate profits, additional funding of $0.2 million was provided to JEP in the form of a loan from Greenbrier. At inception of the entity, the expectation was that further capital contributions would be required as JEP continued mine development and paid prepaid lease royalties.

Coronado consolidates the financial statements of JEP as it is the primary beneficiary of the variable interest entity. The Company is responsible for determining the mine plan and for mine development. The approval of the mine plan and any permitting decisions do not require unanimous consent of all three Managers but rather majority approval, and, as such, Coronado has control and would be the primary beneficiary. The amounts presented for JEP in the table below exclude intercompany balances eliminated in consolidation and include the non-controlling interest at redemption value as reported in the consolidated balance sheets.

(US$ thousands)		2018	2017
Assets			
Current assets:			
Prepaid expenses and other current assets	$	250	125
Total current assets		250	125
Property, plant, and equipment, net		637	613
Total assets		887	738
Members' Capital			
Total Coronado Global Resources Inc. equity/Coronado LLC members capital		605	501
Noncontrolling interests		282	237
Shareholders' equity/Members' capital	$	887	738

12. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following at December 31, 2018 and 2017:

(US$ thousands)		2018	2017
Wages and employee benefits	$	50,819	23,403
Taxes other than income taxes		6,512	5,202
Accrued royalties		49,129	5,993
Accrued freight costs		26,509	451
Accrued mining fees		45,615	3,316
Cash flow hedge derivative liability		5,311	-
Acquisition related accruals		30,349	-
Other liabilities		29,252	2,649
Total accrued expenses and other current liabilities	$	243,496	41,014

13. Asset Retirement Obligations

Reclamation of areas disturbed by mining operations must be performed by the Company in accordance with approved reclamation plans and in compliance with state and federal laws. For areas disturbed, a significant amount of the reclamation will take place in the future when operations cease. There were no assets that were legally restricted for purposes of settling asset retirement obligations as of December 31, 2018 and 2017. All mines are bonded for reclamation and mine plans are approved by the states of West Virginia, Virginia, and Queensland Australia. In addition, state agencies monitor compliance with the mine plans, including reclamation.

The Company records the fair value of its asset retirement obligations using the present value of projected future cash flows, with an equivalent amount recorded as basis in the related long-lived asset or a change to the statements of operations if the related permit is closed. An accretion cost, representing the increase over time in the present value of the liability, is recorded each period and the capitalised cost is depreciated over the useful life of the related asset. As reclamation work is performed or liabilities otherwise settled, the recorded amount of the liability is reduced.

Changes in the asset retirement obligations for the year ended December 31, 2018 were as follows:

(US$ thousands)		
Total asset retirement obligations at January 1, 2018	$	56,429
ARO liability acquired		104,305
ARO liability additions		8,776
Accretion		9,376
Reclamation performed in 2018		(4,743)
Gain on settlement of ARO		(854)
Change in estimate recorded to operations		(234)
Change in estimate recorded to assets		(39,677)
Foreign currency translation adjustment		(7,587)
Total asset retirement obligations at December 31, 2018		125,791
Less current portion		(7,719)
	$	118,072

Changes in the asset retirement obligations for the year ended December 31, 2017 were as follows:

(US$ thousands)		
Total asset retirement obligations at January 1, 2017	**$**	**51,849**
ARO liability additions		4,804
Accretion		2,541
Reclamation performed in 2017		(1,180)
Gain on settlement of ARO		(917)
Change in estimate recorded to assets		(668)
Total asset retirement obligations at December 31, 2017		56,429
Less current portion		(3,463)
	$	52,966

14. Interest bearing liabilities

On June 6, 2017, the Company and certain of its subsidiaries entered a six-year $175.0 million term loan with Bank of America ("Bank of America Term Loan"), as administrative agent, and lenders party thereto. Pursuant to the credit agreement, dated as of June 6, 2017, the Bank of America Loan matured on June 6, 2023 and accrued interest at a variable interest rate based on certain financial ratios. The Bank of America Term Loan was a primary obligation of the Company. The Bank of America Loan was extinguished on March 29, 2018.

On June 6, 2017, the Company and certain of its subsidiaries also entered a five-year Asset Backed Loan ("ABL") with Bank of America, as administrative agent, and lenders party thereto. The ABL provided the Company with a revolving credit facility with a capacity of up to $100.0 million that could be used to borrow funds or obtain letters of credit, secured against the receivables of the Company. As of December 31, 2018, no amounts were drawn and no letters of credit were outstanding. As at December 31, 2017 one letter of credit was outstanding for an amount of $9.5 million. The ABL was amended on January 16, 2018 and terminated on October 23, 2018.

On March 29, 2018, the Company and certain of its subsidiaries also entered into a seven-year $700.0 million Term Loan B with Deutsche Bank AG ("TLB"), as administrative agent, and lenders party thereto. Pursuant to the credit agreement, dated as of March 29, 2018, the TLB matured on March 29, 2025 and accrued interest at a variable interest rate based on certain financial ratios. The TLB was terminated on October 24, 2018.

On September 15, 2018, the Company entered into a fully underwritten Multi-Currency Revolving Syndicated Facility Agreement with Westpac Banking Corporation and National Australia Bank Limited ("SFA"). The SFA incorporates two facilities:

– $350.0 million facility for general working capital and general corporate purposes (Facility A); and
– A$370.0 million bank guarantee facility (Facility B).

As at December 31, 2018 Facility A remains undrawn and a significant portion of Facility B has been utilised to cover bank guarantees issued on behalf of the Company (Refer to Note 24 – Contingencies).

The Company's lending arrangements contain, among other terms, events of default and various affirmative, negative, and reporting covenants and cross-default provisions that are typical for a facility of this nature. Should the Company be unable to comply with any future debt-related covenant (and where the non-compliance is not remedied within the permitted timeframe), the Company will be required to seek a waiver of such covenant to avoid an event of default.

The following is a summary of interest bearing liabilities at December 31, 2018:

(US$ thousands)		Principal	Unamortised discount and debt issuance costs
Revolving credit facility with a capacity of up to $350,000. Variable interest rate with variable monthly payments		-	*
Interest bearing liabilities, excluding current instalments	$	-	-

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

The following is a summary of interest bearing liabilities at December 31, 2017:

(US$ thousands)		Principal	Unamortised discount and debt issuance costs
Term Loan maturing on June 6, 2023, payable in variable monthly payments with a variable interest rate.	$	140,354	(10,088)
Revolving credit facility with a capacity of up to $100,000. Variable interest rate with variable monthly payments		-	*
Total interest bearing liabilities		140,354	(10,088)
Less current instalments		1,750	
Interest bearing liabilities, excluding current instalments	$	**138,604**	**(10,088)**

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

15. Other financial liabilities

The following is a summary of other financial liabilities at December 31, 2018:

(US$ thousands)		Principal
Collateralised notes payable to equipment financing companies, payable in aggregate monthly instalments ranging from $1 to $124 through September 19, 2021. Interest is payable at fixed rates ranging up to 5.5% per annum.	$	7,297
Unsecured notes payable to insurance premium finance company, payable in aggregate monthly instalments ranging from $478 to $584 with a fixed rate ranging up to 3.30% per annum.		4,504
Total other financial liabilities		**11,801**
Less current instalments		**7,728**
Other financial liabilities, excluding current instalments	$	**4,073**

The following table presents remaining aggregate contractual maturities for the above:

(US$ thousands)	December 31, 2018
2019	7,728
2020	2,526
2021	1,547
Thereafter	0
Total debt	11,801

The following is a summary of other financial liabilities at December 31, 2017:

(US$ thousands)		Principal
Collateralised notes payable to equipment financing companies, payable in aggregate monthly instalments ranging from $1 to $234 through March 31,2021. Interest is payable at fixed rates ranging up to 8.0% per annum.		**11,002**
Unsecured notes payable to insurance premium finance company, payable in aggregate monthly instalments of $478 with a fixed rate ranging up to 2.95% per annum.		**1,429**
Total other financial liabilities		**12,431**
Less current instalments		**5,281**
Other financial liabilities, excluding current instalments	$	**7,150**

* See Note 10, Other assets, for debt issuance costs related to the revolving credit facility.

The other financial liabilities to equipment financing companies are collateralised by the equipment being financed plus certain other equipment owned by the Company.

16. Contract Obligations

In connection with the acquisition of the Logan assets, the Company assumed certain non-market contracts related to an export terminal services agreement and various coal leases. The terminal services agreement expires on March 31, 2024 and requires the Company to pay for one million tons of trans-loading services each year at a fixed price regardless of whether the Company utilises the terminal services or not. The Company recorded $25.0 million related to this obligation and is amortising it rateably over the trans-loading commitment for the contract term. The non-market coal leases require royalty payments based on a percentage of the realisation from the sale of the respective coal under lease. The Company recorded $27.3 million related to the non-market portion of the coal leases and is amortising it rateably over the respective estimated coal reserves as they are mined and sold.

In connection with the acquisition of Buchanan, the Company assumed certain sales contracts with a fixed pricing component that was effectively below the market price at the date of acquisition. The Company recorded $10.0 million related to the unfavourable pricing of these sales contracts and is amortising it rateably based on the tons sold through the contract.

In connection with the acquisition of Curragh, the Company assumed the Stanwell non-market coal supply agreement (CSA) with a fixed pricing component that was effectively below the market price at the date of acquisition. The Company recorded $307.0 million related to the unfavourable pricing of the Stanwell CSA and is amortising it rateably based on the tons sold through the contract. For the year ended December 31, 2018 the amortisation of this liability was $28.3 million and was recorded as other revenues in the statement of comprehensive income.

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

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

The following is a summary of the contract obligations as of December 31, 2017:

(US$ thousands)		Short-term	Long-term	Total
Terminal services contract liability	$	2,718	14,266	16,984
Coal leases contract liability		843	23,526	24,369
Sales contract liability		2,421	-	2,421
	$	5,982	37,792	43,774

17. Deferred consideration liability

On August 14, 2018 the Company completed the purchase of the Stanwell Reserved Area ("SRA") adjacent to the current Curragh mining tenements. This area was acquired on a deferred consideration basis and on acquisition the Company recognised a 'Right-to-mine-asset' and a corresponding deferred consideration liability of $155.2 million, calculated using a pre-tax discount rate of 13% representing fair value of the arrangements and the date of acquisition. The deferred consideration liability will reflect passage of time changes by way of an annual accretion at the pre-tax discount rate of 13% while the liability will decrease as domestic coal is supplied to Stanwell from the SRA.

(US$ thousands)		2018	2017
Stanwell Reserved Area deferred consideration		155,332	-
	$	155,332	-

18. Workers' Compensation and Pneumoconiosis ("Black Lung") Obligations

In the United States, coal mine operations generate traumatic workers compensation claims, as well as workers' compensation occupational disease claims for black lung disease. Injured workers generally file claims for traumatic injury under the governing state workers compensation act. Workers may file claims due to black lung under the governing state workers compensation act or under a series of federal laws that include the Federal Coal Mine Health and Safety Act of 1969, as amended, the Black Lung Benefits Act of 1973, and the Black Lung Benefits Reform Act of 1977. The Company provides for both traumatic workers compensation claims and occupational disease claims through an insurance policy.

On June 1, 2018, the Company obtained workers' compensation insurance for work related injuries, including black lung, through a third party commercial insurance company for claims that exceed $0.5 million per occurrence or aggregate claims in excess of $18.0 million for policy year ending May 31, 2019. On June 1, 2017, the Company obtained workers' compensation insurance for work related injuries, including black lung, through a third party commercial insurance company for claims that exceed $0.5 million per occurrence or aggregate claims in excess of $11.5 million as amended for the policy year ending May 31, 2018. Per the contractual agreements, the Company was required to provide a collateral deposit of $16.6 million for policy years ending May 31, 2019 and May 31, 2018, which was accomplished through posting surety bonds totalling $7.9 million and $8.8 million of cash collateral in an escrow account.

Effective June 1, 2016, the Company purchased coverage from a commercial insurance company for all claims and is no longer subject to an aggregate claim limitation for the policy year ended May 31, 2017.

For the years ended December 31, 2018 and 2017, the consolidated statements of operations included Company incurred claims, premium expenses and administrative fees related to worker's compensation benefits of $18.7 million and $18.0 million, respectively. As of December 31, 2018, and December 31, 2017, the estimated workers' compensation liability was $16.4 million and $11.1 million, respectively, representing claims incurred but not paid based on the estimate of the outstanding claims under the coverage limits and the actuarially determined retained liability under the aggregate claim amount. For December 31, 2017, the liability includes $3.0 million due to AIG related to a previous policy year. The Company's estimated workers' compensation liabilities are recorded within accrued expenses and other current liabilities in the consolidated balance sheets.

19. Employee Benefit Plans

The Company has a 401(k)-defined contribution plan in which all US full-time employees are eligible to participate upon their date of hire. Employees generally may contribute up to 100% of their qualifying compensation subject to statutory limitations. Effective January 1, 2014, the Company matches up to 100% up to the first 4% of the participant's annual compensation for all employees except for those employed at Buchanan. For employees at Buchanan, the Company matches up to 100% of the first 6% of the participant's annual compensation. The Company's contributions immediately vest. Total Company contributions for the years ended December 31, 2018 and 2017 amounted to $3.6 million and $3.0 million, respectively.

In the United States, the Company is self-insured for employee health care claims up to the lesser of $0.2 million per covered person or an aggregate amount depending on the various coverages provided to employees throughout the plan year for all employees. The Company has purchased coverage from a commercial insurance carrier to provide for any claims in excess of these amounts. At December 31, 2018 and 2017, the Company had provided accruals of $1.8 million and $3.3 million, respectively, for claims incurred but not paid based on management's estimate of the Company's self-insured liability. For the years ended December 31, 2018 and 2017, the Company incurred claims, premium expenses and administrative fees related to this plan totalling $23.7 million and $19.3 million respectively.

20. Share-Based Compensation

(a) 2018 Equity Incentive Plan

In connection with the completion of the Company's initial public offering of common stock, the Company implemented the Coronado 2018 Equity Incentive Plan (the "2018 Plan") which is designed to align compensation for certain key executives with the performance of the Company.

The 2018 Plan provides for the grant of awards including stock options ("Options"); stock appreciation rights; restricted stock units ("RSUs"); and restricted stock, valued in whole or in part with reference to shares of the Company's CDIs or common stock, as well as performance-based awards, including performance stock units ("PSUs") denominated in CDIs or shares of common stock. In 2018, the Company granted Options, RSUs and PSUs, all in CDIs with 10 CDIs representing 1 share of common stock.

Relative TSR Awards: For 25% of Options and PSUs granted in 2018 (the "Relative TSR Options" and the "Relative TSR PSUs"), the Company includes a relative total shareowner return ("TSR") modifier to determine the number of shares which will vest at the end of the performance period. For these awards determined based on the Company's total shareowner return over the 3-year performance period relative to a predefined comparator group of companies.

Scorecard Awards: For the remaining 75% of Options and PSUs granted in 2018 (the "Scorecard Options" and the "Scorecard PSUs"), the number of awards that will ultimately vest is based on the certified achievement of the predefined scorecard performance metrics related to safety, production volumes and production costs which are tested at the end of the defined 3-year performance period.

Coronado measures the cost of all stock-based compensation, including stock options, at fair value on the grant date and recognises such costs within the consolidated statements of operations. The Company recognises compensation expense related to Options and PSUs that cliff vest using the straight-line method. For stock-based awards where vesting is dependent upon achieving certain operating performance goals, the Company estimates the likelihood of achieving the performance goals during the 3-year performance period. Stock-based compensation expense is recognised net of an estimated forfeiture rate and compensation expense is only recognised for awards that are expected to vest. Forfeiture estimates are trued-up through the vesting date or settlement date, to ensure that total compensation expense is recognised only for those awards that ultimately vest.

All 2018 Awards require the grantee to be employed by the Company at either the vesting date or settlement date except for grantees who meet certain retirement criteria under the 2018 Plan.

On October 23, 2018, 1,336,454 Options and 1,001,914 PSUs were granted under the 2018 Plan (the "2018 Awards").

Total stock-based compensation expense was $0.5 million and $0 for the years ended December 31, 2018 and December 31, 2017 respectively, and was included as a component of selling, general, and administrative expenses in the Company's consolidated statements of operations. This includes compensation expense which has been recognised in full at the grant date for employees that meet certain retirement eligibility criteria per the 2018 Plan.

As of December 31, 2018, the Company had $0.4 million (2017: $0) of total unrecognised compensation cost related to nonvested stock-based compensation awards granted under the plans. This cost is expected to be recognised over a weighted-average period of 4.25 years as stock-based compensation expense. This expected cost does not include the impact of any future stock-based compensation awards.

Stock Option Awards

The Company's 2018 stock option awards were granted on the date of the IPO with an exercise price of $2.84 per CDI (A$4.00 per CDI) which was equal to the Company's IPO Price.

75% of the Company's 2018 stock option awards are subject to "Scorecard" criteria and vest based on service and performance conditions. The fair value of the Scorecard Options is estimated on the grant date using a Black-Scholes-Merton option-pricing model, which considers factors such as estimating the expected term of stock options and the expected volatility of our stock. The assumptions used in the Black-Sholes-Merton option-pricing model for such grants are as follows:

	December 31, 2018
Expected term of the stock options (i)	7.22 years
Dividend yield (ii)	10%
Expected volatility (iii)	35%
Risk-free interest rate (iv)	2.46%

i) Expected term represents the period that the Company's stock-based awards are expected to be outstanding and is determined using the simplified method, which equates to a weighted average of the vesting period and total contractual term of the award. All awards cliff vest at the end of the requisite service period

ii) Dividend yield is the expected average yield of dividends expected over the vesting period. The Company has never paid dividends.

iii) Expected volatility is estimated using comparable public company's volatility for similar terms as the Company does not have a long enough operating period as a public company to estimate its own volatility. Over time as the Company develops its own volatility history it will begin to incorporate that history into its expected volatility estimates.

iv) Risk-free interest rate is based on an interpolated Australian Government Bond Rate at the time of the grant for periods corresponding with the expected term of the option.

25% of the Company's 2018 stock option awards are subject to TSR criteria and vest based on service and market conditions. The fair value of Relative TSR Options was estimated using a Monte Carlo simulation model.

Coronado's Stock Option activity is summarised below:

Stock Option Plan Activity	Number of Options		Weighted-Average Exercise Price per CDI	Weighted-Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2017	-	$	-	-
Granted	1,336,454			
Forfeited	-			
Exercised	-			
Outstanding at December 31, 2018	1,336,454	$	2.84	4.25
Exercisable at December 31, 2018	-	$	-	-

As of December 31, 2018, the weighted average grant date fair value of all Option Awards granted was $0.27. There were no options forfeited or vested during the period.

Performance Stock Unit Awards

The Company's 2018 PSU awards were granted on the date of the IPO.

75% of the Company's 2018 PSU awards are subject to "Scorecard" criteria and vest based on service and performance conditions. The fair value of the Scorecard PSUs is the market value of the Company's CDIs on the grant date less the present value of the expected dividends not received during the relevant period. Holders of Scorecard PSUs are entitled to dividends only from the end of the performance period until the settlement date. Dividends are forfeitable under the same conditions as the PSU awards.

25% of the Company's 2018 PSU awards are subject to TSR criteria and vest based on service and market conditions. The grant date fair value of Relative TSR PSUs is estimated using a Monte Carlo simulation model.

Activity of Coronado's performance stock units (PSUs) that are ultimately payable in the Company's CDIs or the equivalent number of shares of common stock granted under the 2018 Equity Incentive Plan is summarised below:

Performance Stock Units Plan Activity	Number of PSUs		Weighted-Average Grant Date Fair Value (per CDI)
Nonvested at December 31, 2017	-	$	-
Granted	1,001,914		
Forfeited	-		
Vested	-		
Nonvested at December 31, 2018	1,001,914	$	1.83

As of December 31, 2018, the weighted average grant date fair value of all PSU Awards granted was $1.83 (A$2.58). There were no PSUs forfeited or vested during the period.

(b) Non-Executive Director Equity Incentive Plan

Restricted Stock Units

During the year ended December 31, 2018, the Company granted 54,687 restricted stock units ("RSUs") in lieu of a salary to a non-executive director. The RSU's are granted for nil consideration, as they form part of the participant's remuneration package.

Each RSU represents the right to receive one CDI. The fair value of such awards was determined using the weighted average closing CDI price on the grant date and compensation expense is recorded over the requisite service period. Awards vest in full on the grant date.

Activity of the Company's restricted stock units (RSUs) that are ultimately payable in CDIs stock granted under the 2018 Non-Executive Director Equity Incentive Plan is summarised below:

Restricted Stock Units Plan Activity	Number of RSUs		Weighted-Average Grant Date Fair Value (per CDI)
Nonvested at December 31, 2017	-	$	-
Granted	54,687		
Forfeited	-		
Vested	(10,937.4)		
Nonvested at December 31, 2018	43,749.6	$	2.84

(c) Short Term Incentive Plan

The amount of the STI award that each participant becomes entitled to each year (if any) will be determined by the Board and Compensation and Nominating Committee based on the achievement of set financial and non-financial performance targets. 50% of the award is to be delivered in cash after the release of the Companies audited full-year financial results and then 50% will be deferred for 12 months. The deferred component of the STI will be delivered as Restricted Stock Units ("RSUs") that will vest after the release of the Company's audited full year results following the year of the award.

Each RSU is an entitlement to receive one CDI (or, if the Board determines, the equivalent value in cash of common shares), plus additional CDIs (or the equivalent value in cash or common shares) equal to any distributions made until the RSU is settled. The RSU's are granted for nil consideration, as they form part of the participant's remuneration package.

The CEO is the only Director who is entitled to participate in the grant of RSUs under deferral arrangements in the STI Plan.

21. Income Taxes

Prior to August 13, 2018, Coronado Global Resources and its related entities were treated as partnerships for U.S. income tax purposes and therefore provided no income taxes within the financial statements. On August 13, 2018, Coronado Global Resources converted to a c-corporation and began to provide U.S. income taxes on the earnings of the Curragh operations. The Curragh entities are treated as a branch for U.S. tax purposes and all income flows through to the ultimate parent (Coronado Global Resources). On September 19, 2018, the legacy U.S. businesses were contributed to Coronado Global Resources and became taxable under the ownership of Coronado Global Resources at that time.

On December 22, 2017, the Tax Cuts and Jobs Act ("Tax Act") was enacted and revised the U.S. corporate income tax system. Among other changes, the Tax Act reduced the corporate income tax rates from 35% to 21%, implemented a territorial tax system, and imposed a repatriation tax on deemed repatriated earnings of foreign subsidiaries. The law change had no immediate impact on the Company due to the partnership tax status prior to the Tax Act enactment. The Company is currently recording its income taxes in accordance with the new law.

Income (loss) from continuing operations before income taxes for the periods presented below consisted of the following:

(US$ thousands)	December 31, 2018	December 31, 2017
U.S.	$ 133,120	$ -
Non-U.S.	56,681	-
Total	$ 189,801	$ -

Total income tax expense for the periods presented below consisted of the following:

(US$ thousands)	December 31, 2018	December 31, 2017
Current:		
U.S. federal	$ 12,613	$ -
Non-U.S.	7,493	-
State	1,885	-
Total current	21,991	-
Deferred:		-
U.S. federal	33,190	-
Non-U.S.	11,728	-
State	8,303	-
Total deferred	53,221	-
Total income tax expense	$ 75,212	$ -

The following is a reconciliation of the expected statutory federal income tax expense (benefit) to the Company's income tax benefit for the periods presented below:

(US$ thousands)	December 31, 2018	December 31, 2017
Expected income tax expense (benefit) at U.S. federal statutory rate	$ 39,858	-
Non-taxable Income	(21,777)	-
Permanent differences	147	-
Initial recognition of deferred taxes	40,557	
Australian branch impact on US taxes	13,236	-
State income taxes, net of federal benefit	3,191	-
		-
Total income tax expense	$ 75,212	-
Effective tax rate	39.63%	-

The Company is recording pre-tax book income for a full year of activity. As the Company was only subject to entity-level taxation in the U.S. for the Australian operations after August 13, 2018, and for the U.S. operations after September 19, 2018, the earnings prior to these dates, for the respective operations, were included as a permanent tax difference on the effective tax rate reconciliation.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes using the enacted tax rates and laws currently in effect. Significant components of the Company's deferred income tax assets and liabilities as of December 31, 2018 were as follows:

(US$ thousands)	December 31, 2018	December 31, 2017
Deferred income tax assets:		
Accruals and provisions	$ 27,632	-
Contract obligations	171,790	-
Asset retirement obligations	23,776	-
Interest limitation carried forward	7,561	-
Total deferred income tax assets	230,759	-
Deferred income tax liabilities:		
Property, plant, equipment and mine development, principally due to differences in depreciation, depletion and asset impairments	(238,342)	-
Warehouse stock	(12,219)	-
U.S. liability on foreign deferred taxes	(7,188)	-
Total deferred income tax liabilities	(257,749)	-
Net deferred income tax asset (liability)	(26,990)	-

Unrecognised Tax Benefits

The Company utilises the "more likely than not" standard in recognising a tax benefit in the financial statements. The Company concluded that they do not have any unrecognised tax benefits for the year ended December 31, 2018. If accrual for interest or penalties is required, it is the Company's policy to include these as a component of income tax expense.

Tax Returns Subject to Examination

The Company will file its initial U.S. federal income tax return, various state returns, and foreign income tax returns during 2019. The Company and its wholly-owned subsidiary, Coronado Australia Holdings Pty Ltd, will also file its first initial return in Australia during 2019. As this is the Company's first filing in all jurisdictions, it is currently not subject to any open tax audits for periods before the year-ended December 31, 2018.

22. Derivatives and Fair Value Measurement

(a) Derivatives

During the year the Company entered into forward contracts to reduce its exposure to the variability of diesel fuel prices used in the operations at Curragh. The forward diesel fuel contracts are designated as cash flow hedges.

Activity related to the Company's derivative instruments designated as cash flow hedges consisted of the following:

(US$ thousands)	Amount of loss recognised from derivatives		
Derivatives designated as hedging instruments	**2018**	**2017**	**Location of loss recognised from derivatives**
Designated forward fuel contracts	3,782	-	Other comprehensive income (loss), net of tax

During the year the Company entered into a foreign exchange swap contract to hedge against the exposure fluctuations in the Australian Dollar against the US Dollar on the purchase price of Curragh between the Agreement date and the completion date. The Company elected not to formally designate the swaps as cash flow hedges. As such, the Company accounted for the foreign exchange swaps as an economic hedge and recorded at fair value at the end of each reporting period. Pursuant with ASC 815, the foreign exchange swaps were initially recorded at fair value and all subsequent changes were recorded to Other, net within the Consolidated Statements of Operations. As of December 31, 2018, the Company did not have any foreign exchange swaps outstanding.

(US$ thousands)	Amount of loss recognised from derivatives		
Derivatives not designated as hedging instruments	**2018**	**2017**	**Location of loss recognised from derivatives**
Undesignated portion of foreign exchange swaps	15,695	-	Other, net

(b) Fair Value of Financial Instruments

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

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

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

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

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 December 31, 2018, the Company has the following liabilities that are required to be measured at fair value on a recurring basis:

- Forward commodity Contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)
- Contingent royalty: fair value is determined using the Black-Scholes option pricing formula (Level 3)
- VSM: fair value is determined using the Monte Carlo pricing simulation (Level 3)

The following tables set forth the hierarchy of the Company's net financial liabilities positions for which fair value is measured on a recurring basis as of December 31, 2018:

(US$ thousands)		Level 1	Level 2	Level 3	Total
Forward commodity contracts	$	-	5,402	-	5,402
Contingent royalty		-	-	17,216	17,216
VSM		-	-	12,987	12,987
	$	-	5,402	30,203	35,605

The Company's net financial liability positions for which fair value is measured on a recurring basis as of December 31, 2017 was as follows:

(US$ thousands)		Level 1	Level 2	Level 3	Total
Contingent royalty		-	-	8,019	8,019
	$	-	-	8,019	8,019

Contingent Royalty Consideration

The Company recorded a liability in relation to the five year contingent royalty consideration when it acquired Buchanan on March 31, 2016. The liability was initially valued at $900 on acquisition of Buchanan.

The fair value of the liability at December 31, 2018 and December 31, 2017 was $17,216 and $8,019, respectively. As a result of the valuation on December 31, 2018 a $9,197 increase in expense was recorded as part of royalties in the consolidated statements of operations to mark the liability to market for the year-ended December 31, 2018. As a result of the valuation on December 31, 2017 a $1,588 decrease in expense was recorded as part of royalties in the consolidated statements of operations to mark the liability to market for the year-ended December 31, 2017. The Company developed a fair value of the royalty using the Black-Scholes option pricing formula for call options in a risk-neutral framework. Key assumptions in the valuation include 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 December 31, 2018	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability	17,216	Option model	Gross sales price forecast per tonne	$91.03 to $120.34 ($99.27)
			Export volume forecast (000's)	8,412 tonnes over 2 years and 3 months
			Volatility	13.80%
			Risk-free rate	2.43% to 2.61% (2.52%)
			Company credit spread	0.0348

(US$ thousands)	Quantitative Information about Level 3 Fair Value Measurements			
	Fair value at December 31, 2017	Valuation technique	Unobservable input	Range (Weighted Avg.)
Contingent Royalty Liability	8,019	Option model	Gross sales price forecast per tonne	$61.40 to $88.89 ($78.69)
			Export volume forecast (000's)	12,222 tons over 3 years and 3 months
			Volatility	23.0%
			Risk-free rate	1.15% to 2.03% (1.77%)
			Company credit spread	1.74%

Value Share Mechanism

Coronado recorded a liability in relation to contingent consideration, specifically the VSM, when it acquired Coronado Curragh on 29 March 2018. On the date of acquisition, the VSM liability represented the fair value of a two-year 25% royalty on sales from met coal mined at Curragh. The royalty only applies to the realised price on metallurgical coal sales above $145 per metric tonne. This liability is marked-to-market at each reporting date, with any fluctuations included as an operating expense in the statement of operations.

The fair value of the liability at December 31, 2018 and 2017 is $13.0 million and $0, respectively. The liability was initially valued at $26.6 million on March 29, 2018, the date of the acquisition of Curragh. As a result of the valuation on December 31, 2018, a $13.6 million decrease in expense was recorded as part of Other royalties in the consolidated statements of operations to mark the liability to market as at December 31, 2018. The Company developed a fair value of the royalty using the Monte Carlo pricing simulation. The Monte Carlo simulation performs risk analysis by building models of possible results by substituting a range of values for any factor that has inherent uncertainty (in this case the future coal prices). It then calculates results over and over, each time using a different set of random values from the probability functions. Key assumptions in the valuation include the risk-free rate, the tax rate, distribution, price volatility, and Foreign Exchange (“FX”) rate.

(US$ thousands)	Quantitative Information about Level 3 Fair Value Measurements			
	Fair value at December 31, 2018	Valuation technique	Unobservable input	Range (Weighted Avg.)
Value Share Mechanism (VSM)	12,987	Monte Carlo simulation	Gross sales price forecast per tonne	$160.0 to $195.8 (176.16)
			Volatility	22.50%
			Risk-free rate	2.85%
			Tax rate	30.00%
			FX rate	0.7048

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

(US$ thousands)			2018 activity			
	Account classification		Contingent Royalty Liability	VSM	Incurred royalties	Total
Beginning balance at January 1, 2018:		$	8,019		1,652	**9,671**
Beginning balance at March 29, 2018:		$		26,552		**26,552**
Statement of Operation activity:						
Contingent liability / VSM expense incurred	Other royalties	$			34,752	**34,752**
Decrease in VSM Liability value	Other royalties			(13,565)		**(13,565)**
Increase in Contingent Royalty Liability value	Other royalties		9,197			**9,197**
Total Statement of Operations activity:		$	9,197	(13,565)	34,752	**30,384**
Cash paid to CONSOL/Wesfarmers		$			(28,109)	**(28,109)**
Balance sheet:						
Royalties payable to CONSOL/Wesfarmers	Accrued expenses and other liabilities	$			8,295	**8,295**
VSM Liability	Contingent royalty consideration – current			12,987		**12,987**
Contingent Royalty Liability	Contingent royalty consideration[1]		17,216			**17,216**
Total liabilities		$	17,216	12,987	8,295	**38,498**

[1] $13.845 million of this amount is classified as a current liability with the remainder of $3.371 million being classified as a non current liability.

(US$ thousands)			2017 activity		
	Account classification		Contingent Royalty Liability	Incurred royalties	Total
Beginning balance at January 1, 2017:		$	9,607	5,316	14,923
Statement of Operation activity:					
Contingent liability expense incurred	Other royalties	$		11,049	11,049
Decrease in Contingent Royalty Liability value	Other royalties		(1,588)		(1,588)
Total Statement of Operations activity:		$	(1,588)	11,049	9,461
Cash paid to CONSOL		$		(14,713)	(14,713)
Balance sheet:					
Royalties payable to CONSOL	Accrued expenses and other liabilities	$		1,652	1,652
Contingent Royalty Liability	Contingent royalty consideration		8,019		8,019
Total liabilities related to the Contingent Royalty Liability		$	8,019	1,652	9,671

Other than the estimated fair values of the assets acquired, and liabilities assumed in connection with the acquisitions described in Note 3 and Note 17, which are level 3 fair value measurements, there are no other fair value measurements of assets and liabilities that are measured at fair value on a nonrecurring basis as of December 31, 2018 and December 31, 2017.

Assets acquired, and liabilities assumed in connection with acquisitions (refer to Note 3) - The total cost of the acquisitions is allocated to the underlying identifiable net tangible and intangible assets based on their respective estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires management's judgment, the utilisation of independent valuation experts, and often involves the use of significant estimates and assumptions with respect to the timing and amounts of future cash inflows and outflows, discount rates, market prices and asset lives, among other things.

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

– Working capital, excluding inventory, were recorded at the carrying value of the seller, which is representative of the fair value on the date of acquisition. Inventory was valued at its net realisable value.
– Mine development assets and mineral rights and reserves was recorded at fair value utilising the income approach. The income approach utilised the Company's operating projections as of the valuation date. Under the income approach, fair value was estimated based upon the present value of future cash flows. A number of assumptions and estimates were involved in forecasting the future cash flows including sales volumes and prices, costs to produce (including costs for labour, commodity supplies and contractors), transportation costs, capital spending, working capital changes and a risk adjusted, after-tax cost of capital (all of which generally constitute unobservable Level 3 inputs under the fair value hierarchy).
– Plant and equipment, and other assets were recorded at fair values based on the cost and market approaches. The cost approach utilised trending and direct costing techniques to develop replacement costs. The market approach is based on independent secondary market data (which generally constitute Level 2 inputs under the fair value hierarchy).

Other Financial Instruments

The following methods and assumptions are used to estimate the fair value of other financial instruments as of December 31, 2017 and 2017:

– Cash and restricted cash, accounts receivable, accounts payable, and accrued expenses and other current liabilities: The carrying amounts reported in the consolidated balance sheets approximate fair value due to the short maturity of these instruments.
– Deposits and reclamation bonds, current instalments of other financial liabilities, current instalments of interest bearing liabilities, current instalments of capital lease obligations, other financial liabilities, excluding current instalments, interest bearing liabilities, excluding current instalments and capital leases, excluding current instalments: The fair values approximate the carrying values reported in the consolidated balance sheets.

23. Commitments

(a) Mineral and Operating Leases

The Company leases mineral interest and surface rights from land owners under various terms and royalty rates. The Company also has operating lease commitments for certain buildings and mining equipment. The future minimum royalties and payments under these leases as of December 31, 2018 are as follows:

(US$ thousands)		Amount
Year ending December 31,		
2019		19,917
2020		18,110
2021		13,751
2022		12,237
2023		12,231
Thereafter		16,861
Total	$	93,107

The above table includes amounts due under noncancelable leases with initial or remaining lease terms in excess of one year. Certain leases in the above table terminate when all mineable coal is mined; these leases are assumed to expire in 2026.

Rent expense amounted to $22.8 million and $8.9 million, respectively, for the years ended December 31, 2018 and 2017.

(b) Capital Leases

The Company is obligated under capital leases for certain equipment that expire in 2020. Future minimum capital lease payments as of December 31, 2018 and 2017 are:

(US$ thousands)		Short-term	Long-term	Total
Balance January 1, 2017	$	329	438	767
New capital lease obligations		2,153	4,072	6,225
Repayments		(1,402)	-	(1,402)
Reclass to short-term		746	(746)	-
Balance December 31, 2017		1,826	3,764	5,590
New capital lease obligations				
Repayments		(1,801)	-	(1,801)
Reclass to short-term		1,283	(1,283)	-
Balance December 31, 2018	$	**1,308**	**2,481**	**3,789**

The gross book value of property, plant, and equipment under capital leases was $7.1 million and $7.1 million as of December 31, 2018 and 2017, respectively, related primarily to mining equipment. The accumulated depreciation for these items was $2.9 million and $0.9 million at December 31, 2018 and 2017, respectively, and changes thereto have been included in “Depreciation, depletion and amortisation” in the consolidated statements of operations.

Future principal payments on capital leases as of December 31, 2018 are as follows:

(US$ thousands)		Amount
Year ending December 31,		
2019	$	1,505
2020		2,569
Total minimum lease payments		4,074
Less: Amount representing interest (6.25% interest)		285
Present value of net minimum lease payments	$	3,789

(c) Other commitments

As of December 31, 2018, purchase commitments for capital expenditures were $8.5 million, all of which is obligated within the next year.

The company has entered into fix price contracts to purchase fuel for the US operations. As of December 31, 2018, the commitment for fuel purchases were $11.3 million, all of which is obligated within the next year.

In Australia, the Company has generally secured the ability to transport coal through rail contracts and coal export terminal contracts that are primarily funded through take-or-pay arrangements with terms ranging up to 11 years. In the U.S., the Company typically negotiates its rail and coal terminal on an annual basis. As of December 31, 2018, these Australian and U.S. commitments under take-or-pay arrangements totalled $1.13 billion, of which approximately $111.3 million is obligated within the next year.

24. Contingencies

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

As at December 31, 2018 Facility B of the SFA, as described in Note 14, has been utilised to issue $343.2 million of bank guarantees on behalf of the Company. A significant portion of these bank guarantees have been issued in respect of the Company's asset retirement obligations.

Coronado Curragh is a co-defendant to proceedings in the Queensland Supreme Court brought by Aurizon Network. Aurizon Network's claim relates to costs relating to the co-defendants' use of the WICET rail links – in particular, whether the 'First Milestone Target Date', which triggers certain 'WIRP Fee' payments under the WIRP Deed, has been achieved. Coronado intends to continue to strongly contest the matter together with the other WICET users who are joint defendants in the proceedings. The proceedings include a claim for damages for breach of contract against Coronado Curragh. While it is not possible to precisely quantify Coronado's potential exposure as a result of this litigation, it is currently expected that, were Aurizon Network successful in proving the relevant elements of its claim, Coronado Curragh Pty would be required to pay approximately $2.3 million (Australian dollars) per annum for the term of the WIRP Deed (which is 233 months). Resolution of this dispute would also result in Coronado's below rail access to WICET (of 1.5 Mtpa) becoming a firm contractual capacity entitlement (and the subject of a 20-year take-or pay access agreement) instead of an ad hoc entitlement only. The Company's consolidated balance sheet includes a liability to cover our potential exposure from the date of the WIRP Deed to December 31, 2018 of $3.5 million.

The Company is involved in various other legal proceedings from time to time in the normal course of business including proceedings related to employment matters. At December 31, 2018 and 2017, the Company's consolidated balance sheets include liabilities for these legal actions of $0.2 million and $0.5 million, respectively.

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

25. Related-Party Transactions

Imagin Minerals, Inc.

The Company has entered into an office sharing arrangement with Imagin Minerals, Inc. (Imagin) whereby it has the right to utilise Imagin's premises and to jointly utilise office resources including office personnel. Imagin is wholly owned by Mr. Garold Spindler, CEO of Coronado. 50% of the expenses incurred by Imagin under this arrangement are expensed to the Company. Such expenses in the amount of $0.1 million and $0.1 million, respectively, are recorded as selling, general and administrative expenses on the consolidated statements of operations for the years ended December 31, 2018 and 2017. Accrued expenses due to Imagin of $0.02 million and $0.03 million, respectively, are recorded on the December 31, 2018 and 2017 consolidated balance sheets.

JEP

Additionally, in connection with the JEP Variable Interest Entity, the Company issued a note receivable to their partner in JEP, SYR in 2013. The note provides additional capital to SYR to aid them in funding JEP. At December 31, 2018, the note had a balance of $0.6 million with related interest receivable of $0.2 million. As of December 31, 2017, the note had a balance of $0.5 million with related interest receivable of $0.1 million. These balances are included in related party receivables.

X-Coal

During the year the company sold coal to Xcoal Energy and Resources ("Xcoal"), an entity associated with Non-Executive director, Mr Ernie Thrasher. Revenue from Xcoal of $444.9 million and $371.7 million, respectively are recorded as coal revenues on the consolidated statement of operations for the years ended December 31, 2018 and December 31, 2017. At December 31, 2018 amounts due from Xcoal in respect of coal sales are $36.0 million. As of December 31, 2017, amounts due from Xcoal in respect of coal sales were $42.9 million. These balances are included in related party receivables.

Wiggins Island Coal Export Terminal Pty Ltd

Wiggins Island Coal Export Terminal Pty Ltd (WICET) became a related party when Garold Spindler, a director of the company, became a Curragh representative director on the WICET board of directors in May 2018. WICET is one of the two providers of port services to the Company's Australian operations. Port services cost incurred for the WICET terminal during the period from when WICET become a related party to December 31, 2018 was $16.4 million. Accrued expenses due to WICET of $6.8 million are recorded on the December 31, 2018 consolidated balance sheets.

Coronado Group LLC

Under the Coronado Group LLC agreement (as amended, effective October 23, 2018), 2,900 management incentive units were designated and authorised for issuance to certain members of management to motivate and retain senior management. The plan is designated to allow key members of management to share in the profits of the Company after certain returns are achieved by the equity investors. The incentive units constitute "profit interests" for the benefit of senior management in consideration of services rendered and to be rendered. At December 31, 2018, 2,900 management incentive units were outstanding.

As described in Note 1, Coronado Coal LLC and Coronado II LLC merged to form Coronado Group LLC in July 2015. Coronado IV LLC was merged into Coronado Group LLC on June 30, 2016. Under the updated formation agreement dated June 30, 2016, the 2,500 designated and authorised units under the initial formation of Coronado Group LLC were replaced by these new units. At December 31, 2017, 2,680 management incentive units were outstanding.

The new incentive units are comprised of three tiers, which entitle the holders to receive distributions from the Coronado Group LLC subordinate to the distributions to be received by Members. As of December 31, 2017, a portion of the authorised units have been allocated to various members of Coronado management including Mr. Garold Spindler, CEO, and Mr. James Campbell, President and COO, both of whom are also members of Coronado Group LLC.

Stockholder's Agreement and Registration Rights and Sell-Down Agreement

Following the IPO, Coronado Group LLC has beneficial ownership in the aggregate of 80% of the Coronado's Shares. On September 24, 2018, Coronado Group LLC and Coronado entered into a Stockholder's Agreement and a Registration Rights and Sell-Down Agreement which governs the relationship between Coronado LLC and Coronado while Coronado LLC Group Entities retain an interest in Coronado, including certain governance matters relating to Coronado. Under this Agreement, Coronado LLC has the ability to require Coronado to register its shares under the US Securities Exchange Act of 1934 and to provide assistance to Coronado LLC in selling some or all of its shares (including in the form of CDIs).

The Stockholder's Agreement provides for the following:

- consent rights: Coronado Group LLC (or its successors or permitted assigns) will have certain consent rights, whereby pre-agreed actions require approval by Coronado Group LLC prior to these actions being undertaken;

- provision of information to Coronado Group LLC: There will be ongoing information sharing arrangements relating to the provision of financial and other information by Coronado and its subsidiaries to Coronado Group LLC Group Entities and cooperation and assistance between the parties in connection with any financing (or refinancing) undertaken by Coronado;

- pro rata issuances: While Coronado Group LLC Group Entities beneficially own in the aggregate at least 10% of the outstanding Shares, unless Coronado Group LLC (or its successors or permitted assigns) agrees otherwise, issuances of equity securities must have been offered to Coronado Group LLC in respect of its pro rata shares and any equity securities to be allocated by Coronado under a share incentive plan will be sourced by purchasing them in the market rather than by issuing them; and

- Board rights: Certain rights regarding the board including the right, but not the obligation, to designate the Directors to be included in the membership of any board committee, except to the extent that such membership would violate applicable securities laws or stock exchange or stock market rules.

Relationship Deed

On 24 September 2018, Coronado and Coronado Group LLC entered into a Relationship Deed under which Coronado provides a number of indemnities in favour of Coronado Group LLC, including in relation to certain Offer-related matters and also certain guarantees that have in the past been provided or arranged by Coronado Group LLC and its Affiliates in support of Company obligations. Under the Relationship Deed, Coronado Group LLC also agrees to indemnify Coronado in relation to certain Offer-related matters and reimburse certain costs

26. Subsequent Events

In the period between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

Subsequent to the end of the financial period, the Directors have declared a dividend of $0.31 per CDI which is made up of an ordinary dividend of $0.06 per CDI and a special dividend of $0.25 per CDI. The dividend will have a record date of 5 March 2019 and be payable on 29 March 2019. CDI's will be quoted "ex" dividend on 4 March 2019.

2018 JORC Reserve and Resource Statements

In this announcement, references to ore reserves (Reserves) are compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (JORC Code) and are measured in accordance with the JORC Code.

Information in this ASX Release relating to Reserves and Resources is extracted from information previously published by Coronado and available on the Coronado and ASX websites (2018 JORC Statement). For details of the Reserves and Resources estimates and the Competent Persons statements, refer to relevant Australian and US Operations sections in the 2018 JORC Statement. Coronado confirms that it is not aware of any new information or data that materially affects the information included in the 2018 JORC Statement, and that all assumptions and technical parameters underpinning the estimates in the 2018 JORC Statement continue to apply and have not materially changed. Coronado confirms that the context in which the Competent Persons' findings are presented have not been materially modified from the 2018 JORC Statement.