

# QUARTERLY REPORT

## March 2019

### Highlights

#### OPERATIONS

- ROM production of 7.8 Mt, up 5.4% compared to the corresponding quarter in 2018 and up 4.0% compared to the December quarter
- Saleable production of 5.0 Mt, up 2.0% on the prior quarter
- Safety performance in Australia (rolling 12-month TRIFR of 3.70) and the US (rolling 12-month TRIR of 2.63) continued to outperform industry national averages
- Continued improvements in efficiencies at Curragh with CHPP operating hours up 4.6% on the prior quarter
- Positive dragline performance at Curragh with efficiency improvement of 7.1% compared to the prior quarter
- Logan saleable production of 0.7 Mt, up 19.3% compared to the prior quarter

#### COAL SALES

- Sales volumes of 5.0 Mt, in line with the previous quarter and up 6.4% compared to the 2018 March quarter
- Metallurgical coal as a proportion of saleable production 79.9%, up 2.5% on the prior quarter
- Export sales of 75.4%, up 8.6% compared to the 2018 March quarter
- Group realised metallurgical coal price of \$137.1 per tonne, up 3.2% compared to the prior quarter

#### FINANCIAL AND CORPORATE

- Unaudited total year to date revenue of \$592 million for the quarter ended 31 March 2019
- Year to date cost per tonne sold was \$54.1/t
- Final dividend of \$0.31 per CDI paid on 29 March 2019 to shareholders on the record date 5 March 2019

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#### About Coronado

Coronado Global Resources Inc is a leading international producer of high-quality metallurgical coal, an essential element in the production of steel. Our coals, transformed in the steelmaking process, support the manufacture of every day steel-based products that enrich lives around the world.

Coronado has a portfolio of operating mines and development projects in Queensland, Australia, and in Pennsylvania and West Virginia in the US. Coronado is one of the largest metallurgical coal producers globally by export volume and the largest metallurgical coal producer in the US by production volume.

The management team has over 100 years of combined experience in all aspects of the coal value chain and has a successful track record of building and operating coal mining operations in Australia, the US and globally. This operational experience is supplemented with a strong knowledge base of Australian and US domestic and international coal markets and their key drivers.

Coronado was listed on the ASX on 23 October 2018.

All \$ values are US dollars unless otherwise stated.

## Message from the CEO

Coronado delivered a strong first quarter performance in FY19, particularly in safety and mining operations.

During the period, our Australian operations achieved a rolling 12-month TRIFR at the end of the quarter of 3.70 while the US operations achieved a rolling 12-month TRIR of 2.63. These results are significantly better than industry averages and we will continue to focus on meeting or exceeding our high safety performance expectations.

### PRODUCTION

March quarter ROM production of 7.8 Mt was up 4% over the previous quarter. Total saleable production for the quarter was 5.0 Mt, which represents a 2% increase on the prior quarter.

The Group is progressing well with several key operational initiatives in FY19 that underpin our market guidance.

Pleasingly, these initiatives have started to positively impact our operations in Australia and the US. During the March quarter, Curragh recorded a 4.6% increase in CHPP operating hours compared to the previous quarter. Our continued focus on dragline operations resulted in an efficiency gain of 7.1%, compared to the previous quarter. This is the second quarter in a row where efficiency gains have exceeded 7%.

New sources of production at the Logan mine were brought into play during the quarter. This resulted in a 19.3% increase to saleable production compared to the previous quarter.

Blending optimisation initiatives continue to be a priority as we target higher realised prices for our metallurgical coal products. During the quarter we ramped up our efforts to increase the supply of blended products to the market. These efforts will continue through the year.

### COAL SALES

Total sales volumes for the quarter was 5.0 Mt. Volumes in Australia for the March quarter totalled 3.1 Mt which was in line with the December quarter and 13.2% higher than the previous corresponding period. Greater volumes could have been achieved



had we not experienced issues with rail services availability as a result of ongoing third-party industrial action. Our expectation is that this short fall will be caught up over the coming nine months as rail availability is expected to improve.

US sales volumes were broadly consistent with the December quarter and the previous corresponding period. Difficult operating conditions at Buchanan impacted our ability to increase sales during the quarter. It is our expectation that sales volumes from Buchanan will increase in the forthcoming periods with mining conditions at the complex forecast to improve.

All operations benefitted from a strong pricing environment with group realised metallurgical coal pricing for the quarter being \$137.1 per tonne.

During the quarter, China continued to enforce restrictions on imported coal, including Australian coals. The impact of this ongoing and evolving policy on the metallurgical coal market is unclear at this stage but is likely to have greater implications on thermal coal than metallurgical coal exports. China's steel producers still require high quality, low impurity, metallurgical coal which can only be sourced from the seaborne market. Currently, Coronado sells metallurgical coal to China indirectly through third parties. Our overall exposure to China is not material and represents approximately 10% our total sales book.

Overall, Coronado has made a solid start to the year and we reaffirm our market guidance for FY19. Our strong balance sheet, ongoing operational optimisation strategies and diverse export markets provide us with a solid foundation for continued growth.

**Gerry Spindler,**  
Chief Executive Officer

## Production and Sales

### Quarterly Production and Sales Performance (Unaudited)

Summary Information		Mar Q19	Dec Q18	Mar Q18	Mar Q19 vs Dec Q18	Mar Q19 vs Mar Q18
<b>ROM Production</b>	<b>Mt</b>	<b>7.8</b>	<b>7.5</b>	<b>7.4</b>	<b>4.0%</b>	<b>5.4%</b>
Curragh	Mt	4.0	3.7	3.5	7.5%	13.5%
Buchanan	Mt	1.8	1.9	1.9	(4.9%)	(2.4%)
Logan	Mt	1.8	1.7	1.7	4.5%	2.3%
Greenbrier	Mt	0.2	0.2	0.3	5.2%	(34.0%)
<b>Saleable Production</b>	<b>Mt</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>	<b>2.0%</b>	<b>2.0%</b>
Curragh	Mt	3.1	3.0	2.9	2.1%	6.8%
Buchanan	Mt	1.1	1.2	1.2	(5.9%)	(9.0%)
Logan	Mt	0.7	0.6	0.7	19.3%	9.6%
Greenbrier	Mt	0.1	0.1	0.2	30.0%	(28.6%)
<b>% Met coal</b>	<b>%</b>	<b>79.9%</b>	<b>78.0%</b>	<b>80.5%</b>	<b>2.5%</b>	<b>(0.6%)</b>
<b>Sales Volumes</b>	<b>Mt</b>	<b>5.0</b>	<b>5.0</b>	<b>4.7</b>	<b>0.0%</b>	<b>6.4%</b>
Curragh	Mt	3.1	3.1	2.7	(0.0%)	13.2%
Buchanan	Mt	1.2	1.2	1.2	(5.7%)	(0.7%)
Logan	Mt	0.7	0.6	0.6	16.5%	7.1%
Greenbrier	Mt	0.1	0.1	0.2	(17.6%)	(39.6%)
<b>Sales Mix</b>						
Met Coal	%	80.0%	80.0%	80.0%	0.0%	0.0%
Thermal Coal	%	20.0%	20.0%	20.0%	0.0%	0.0%
Export Sales	%	75.4%	70.6%	69.5%	6.9%	8.6%
Domestic Sales	%	24.6%	29.4%	30.5%	(16.5%)	(19.6%)
AU – Realised Met price (FOB)	US\$/t	153.4	156.4	153.2	(1.9%)	0.1%
Index Price	US\$/t	205.8	221.1	228.5	(6.9%)	(9.9%)
<b>% of Index</b>	<b>%</b>	<b>74.5%</b>	<b>70.7%</b>	<b>67.1%</b>	<b>5.4%</b>	<b>11.0%</b>
US – Realised Met price (FOR)	US\$/t	115.2	106.5	111.3	8.1%	3.4%
<b>% of Index</b>	<b>%</b>	<b>56.0%</b>	<b>48.2%</b>	<b>48.7%</b>	<b>16.2%</b>	<b>15.0%</b>
Group - Realised Met price	US\$/t	137.1	132.8	133.3	3.2%	2.9%
<b>% of Index</b>	<b>%</b>	<b>66.6%</b>	<b>60.1%</b>	<b>58.3%</b>	<b>10.8%</b>	<b>14.2%</b>

ROM coal production for the March quarter was 7.8 Mt, up 4.0% compared to the prior quarter due to improved dragline performance at Curragh and the revised mining plan at Logan. ROM production at Buchanan was 4.9% below the prior quarter as adverse roof conditions and rock intrusions impacted underground mining operations.

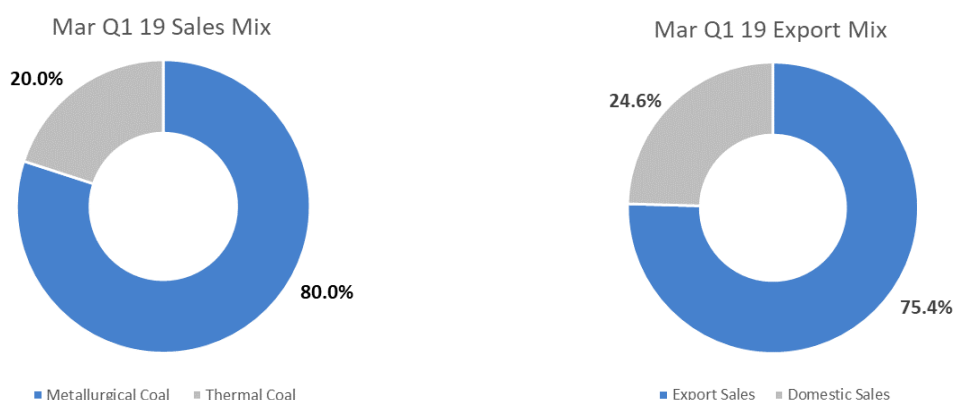
Saleable production for the Group of 5.0 Mt was up 2.0% compared to the prior quarter. Production at Curragh was 3.1Mt, representing an increase of 2.1% compared to the previous quarter and mainly attributed to a 4.6% increase in operating hours of the CHPP compared to the prior quarter. Saleable production at Buchanan of 1.1 Mt was 5.9% lower than the previous quarter due to lower clean coal yields resulting from adverse roof conditions and rock intrusions in the first part of the quarter. Production at Buchanan has since improved following the rock intrusion. Logan's saleable production increased to 0.7Mt, representing a 19.3% improvement compared to the December quarter as new sources of production commenced operation during the period.

March quarter sales volume of 5.0 Mt was in line with the 2018 December quarter. Curragh's sales volume for the quarter was 3.1 Mt, in line with the prior quarter and 13.2% higher than the 2018 March quarter. Sales volumes were impacted by rail availability issues due to the on-going industrial dispute between Aurizon and the representative union. Coronado expects the disruptions experienced to date will reduce in the next quarter to enable recovery of sales volumes.

Buchanan's sales volume was 5.7% lower than the 2018 December quarter as roof conditions and rock intrusions impacted the clean coal yield achieved at the complex. Sales volume at Logan improved 16.5% compared to the prior quarter as new production sources commenced operation.

The realised metallurgical coal price for Curragh was \$153.4 (FOB) for the March 2019 quarter which represented a decrease of 1.9% compared to the previous quarter. The modest reduction in realised pricing at Curragh was a reflection of the index price reducing by 7% partly offset by improved product mix and rolling average pricing for a portion of metallurgical coal sales.

The US operation's realised metallurgical coal price of \$115.2 (FOR) was 8.1% higher than the prior quarter. Realised metallurgical coal pricing for both regions benefited from a strong market with the Platts PLV HCC (FOB Australia) averaging \$205.8 per tonne during the quarter.



Coronado's metallurgical coal sales mix was consistent with the December quarter, representing 80.0% of the total sales mix. Export sales as a percentage of total sales for the March quarter was 75.4%, an increase of 6.9% compared to the 2018 December quarter.

### Financial and Corporate

The Group total year-to-date revenue (unaudited) for the quarter ended 31 March 2019 was \$592 million. Unaudited year-to-date cost per tonne sold was \$54.1 which was a result of lower than expected production volumes at Curragh and Buchanan. The Company maintains its costs per tonne market guidance range of \$51.0 and \$52.0 per tonne for FY19.

Year-to-date capital expenditure for the quarter was \$29.7 million.

A final dividend of \$299.2 million (\$0.31 per CDI) was paid on 29 March 2019. The dividend was funded by cash of \$215 million and an \$84 million drawdown under the revolving credit facility.

As at 31 March 2019 the Group's net debt position was \$75.5 million. The Company expects to return to a net cash position by 30 June 2019.

The Annual General Meeting of Shareholders of Coronado Global Resources Inc will be held at the Marriott Hotel, Brisbane, on 22 May 2019, commencing at 10.30AM. The Notice of Meeting will be distributed in late April.

### Reaffirmed FY19 Guidance

	FY19 Guidance Range
<b>Production</b>	21.6Mt – 22.0Mt
<b>EBITDA</b>	\$737m - \$807m
<b>Cost</b>	\$51/t - \$52/t
<b>CAPEX</b>	\$160m - \$180m





## Operational Overview

### Safety

In Australia, the 12-month rolling average Total Reportable Injury Frequency Rate (TRIFR) at the end of the quarter was 3.70. In the US the Total Reportable Incident Rate (TRIR) for 12-month period was 2.63. The Group's safety performance of the outperformed the national average in both Australia and the US.

### Curragh

ROM production of 4.0 Mt was 7.5% higher compared to the 2018 December quarter as a 7.1% improvement to dragline efficiencies led to increased coal exposure.

Saleable production of 3.1 Mt improved by 2.1% on the prior quarter as a result of efficiency gains at the CHPP. CHPP operating hours were 4.6% higher than the 2018 December quarter, positively impacting performance at Curragh.

Sales volumes of 3.1 Mt was in line with the prior quarter. Availability of rail during the quarter was impacted by continued industrial action. Rail availability is expected to improve during the June quarter. Further to this, operational initiatives implemented by Aurizon are delivering increased rail capacity.

The anticipated increase in rail availability during FY19 is expected to enable Curragh to deliver sales volumes that were not achieved in the March quarter.

The realised metallurgical coal price for Curragh was \$153.4 (FOB) for the quarter which was in line with the same period in 2018.

The optimisation plans for the Curragh mine are continuing and well advanced and expected to be finalised mid-year.

### Buchanan

ROM production was 1.8 Mt for the quarter which was 4.9% lower compared to the 2018 December quarter. Saleable production for the quarter was 1.1 Mt or 5.9% lower than the 2018 December quarter as roof conditions and rock intrusions impacted production and clean coal yields. Production at Buchanan has improved since the rock intrusion was encountered.

Sales volumes for the quarter of 1.2 Mt was 5.7% lower than the previous quarter. Sales volumes were impacted by lower production during the quarter.

Clean coal yields are expected to increase with the relocation of the longwall system in the June quarter to an area where mining conditions are expected to be more favourable. The improvements in mining conditions, and in turn clean coal yields, is expected to result in the recovery of short fall in production over the proceeding nine months of this financial period.

### Logan

ROM production of 1.8 Mt was 4.5% higher than the 2018 December quarter and 2.3% higher than the 2018 March quarter. Saleable Production for the quarter was 19.3% higher than the prior quarter or 9.6% higher than the 2018 March quarter. The increase in production was attributed to the reconfiguration of Logan's production plan and the achievement of slightly higher clean coal yields.

Sales volume for the quarter was 16.5% higher than the 2018 December quarter and 7.1% higher than the 2018 March quarter. Logan experienced strong demand for High Volatile coal as the market remains in tight supply for this product.

### Greenbrier

ROM production at Greenbrier was 5.2% higher than the previous quarter, as the mine recovers from the high wall miner failure which occurred in the 2018 December quarter.

Saleable production was 30.0% higher than the previous quarter, however, sales volumes were 17.6% lower than the prior quarter due to timing of shipments. Production and sales for Greenbrier are expected to improve in the June quarter.

Mid Volatile coal produced from Greenbrier remained in strong demand during the quarter.

## Exploration & Development

There was no expenditure on exploration activities during the quarter.

A drilling and seismic exploration program was approved during the quarter to define a potential underground resource at Curragh. Exploration work is expected to commence in the second half of FY19.

## Coal Market Outlook

The Group continues to benefit from a strong metallurgical coal price environment. Demand from Coronado's customers remains stable as steel mills continue to produce positive cash margins. Higher iron ore prices resulted in steel producers purchasing weaker metallurgical coal grades to offset the cost of iron ore.

Availability of Australian metallurgical coal increased during the March quarter, resulting in an increase in the volume of spot metallurgical coal offered into the market.

Market pricing for seaborne metallurgical coal is heavily influenced by China. In the March quarter, China released a policy restricting the quantum of coal imports from Australia. Demand for high quality metallurgical coal supplied by Australia will likely continue as Chinese steel mills prefer higher quality coal. It is likely metallurgical coal imports will receive preferential treatment over thermal coal imports.

## Glossary

<b>A\$</b>	Australian dollar currency
<b>CHPP</b>	Coal Handling Preparation Plant
<b>FOB</b>	Free Onboard Board in the vessel at the port
<b>FOR</b>	Free Onboard Rail in the railcar at the mine
<b>HCC</b>	Hard coking coal
<b>Index</b>	Platts Prime Low Volatile HCC, US\$/t FOB East Coast Australia, except for Prospectus proforma, Wood Mackenzie Qld HCC benchmark
<b>Kt</b>	Thousand tonnes, metric
<b>Met Coal</b>	Metallurgical quality coal
<b>Mt</b>	Million tonnes, metric
<b>PCI</b>	Pulverised Coal Injection
<b>Prospectus</b>	The Coronado Global Resources Inc Prospectus lodged with ASIC on 24 September 2018
<b>Realised price</b>	Weighted average revenue per tonne sold
<b>ROM</b>	Run of Mine, coal mined
<b>Saleable production</b>	Coal available to sell, either washed or bypassed
<b>Sales volumes</b>	Sales to third parties
<b>Strip Ratio</b>	Ratio of overburden removed to coal mined (ROM)
<b>TRIFR</b>	Total Reportable Injury Frequency Rate
<b>TRIR</b>	Total Reportable Incident Rate
<b>US\$</b>	United States dollar currency

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