

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS

ASX Announcement

5 May 2021

Coronado successfully prices US\$350 million senior secured notes offering

Coronado Global Resources Inc. (“Coronado” or the “Company”) announces that its subsidiary, Coronado Finance Pty Ltd, has successfully priced its US\$350 million offering (“Notes Offering”) of 5 year senior secured notes (“Notes”). The Notes Offering was made to qualified institutional buyers in the United States pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the “Securities Act”), and to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

As disclosed in the Company’s Investor Presentation dated 4 May 2021, the Notes will be secured on a first priority basis over substantially all of the Coronado group’s property, other than certain working capital assets including receivables and inventory (“ABL Assets”), and on a second priority basis over the ABL Assets (the “Security”). The Security will be granted to and held by an independent professional collateral trustee, Wilmington Trust, National Association (the “Collateral Trustee”), on behalf of all holders of the Notes, subject to the terms of a collateral trustee agreement (the “Collateral Trustee Agreement”).

The Notes will bear interest at an annual rate of 10.750 percent and will be issued at a price of 98.122 percent of their principal amount.

Closing of the Notes Offering is expected to occur on Wednesday, 12 May 2021 (U.S. time), and is conditional on various matters, including Coronado having entered into an underwriting agreement for the US\$100 million equity entitlement offer announced on 4 May 2021¹ (“Equity Offer”) and on concurrent entry into a proposed senior secured asset-based revolving credit agreement providing for a multi-currency asset-based-loan (“ABL”) credit facility in an initial aggregate principal amount of US\$100 million (the “ABL Facility”), also as announced on 4 May 2021. The settlement proceeds will be held in escrow until: (i) settlement of the institutional part of the Equity Offer, which is expected to occur on Thursday, 13 May 2021 (Australian time)²; and (ii) the completion of certain currency exchange and other funding mechanics with final settlement anticipated to occur on or about Friday, 14 May 2021 (Australian time).

The material terms and conditions of the Notes are summarised in [Attachment A](#) of this announcement.

Use of proceeds

The Company intends to apply the net proceeds of the Notes Offering, together with the proceeds of the Equity Offer, to (1) repay all outstanding obligations under the Company’s current Syndicated Facility Agreement (“SFA”); (2) cash collateralise one or more credit support facilities which will be used to replace and/or provide back-to-back support for bank guarantees that are outstanding under the SFA; (3) pay discounts, fees and expenses related to the Notes Offering, Equity Offer and ABL Facility; and (4) fund working capital and other general corporate needs.

Commitment from EMG

The Energy & Minerals Group, through its affiliate Coronado Group LLC (“EMG”), which is the Company’s largest securityholder with a current holding of approximately 55.9%, has agreed to

¹ This has occurred.

² The release of the escrow proceeds will be subject to certain conditions, including the closing of the institutional part of the Equity Offer, provided that the escrow proceeds, together with the proceeds of the institutional part of the Equity Offer are used for terminating the Company’s current Syndicated Facility Agreement, including replacement of bank guarantees and letters of credit issue thereunder.

participate in the Notes Offering and its affiliate is expected to receive US\$65 million aggregate principal amount of Notes at closing of the Notes Offering.

The Company has obtained a waiver from ASX Listing Rule 10.1 to enable EMG to participate in the Notes Offering on the same terms as other Notes investors (“ASX Waiver”). The material terms and conditions of the ASX Waiver are summarised in Attachment B of this announcement.

The Company considers that EMG participation in the Notes Offering, in addition to third party participation, is in the best interests of securityholders, as it has increased investor demand for the Notes, ensuring the Company could achieve the best possible terms for the Notes Offering. The Notes Offering forms a key part the Company’s proposed US\$550 million refinancing package (which also includes the Equity Offer and ABL) which, when completed, is expected to create a capital structure that is flexible through market cycles with the following specific benefits to Coronado’s stakeholders:

- increased financial flexibility;
- extended maturity profile;
- diversified funding sources; and
- maintenance of liquidity for the business and a reduced net debt level.

The Company considers that the Notes Offering is being entered into on arm’s length terms and is fair and reasonable from the perspective of its securityholders for the following reasons:

- the Security will be held by a professional collateral trustee (Wilmington Trust, National Association) on commercial arm’s length terms and on behalf of all Noteholders;
- the Notes Offering is a transaction between the Coronado group and a large group of arm’s length sophisticated institutional investors; and
- as noted above, EMG will only be issued US\$65 million of the US\$350 million of Notes, making it a minority Noteholder, and, as an affiliate of Coronado, EMG will be precluded from voting on security enforcement decisions.

Form 8-K

Attached to this announcement is the Form 8-K filed with the U.S. Securities and Exchange Commission in relation to the pricing of the Notes Offering.

- Ends -

Approved for release by the Board of Directors of Coronado Global Resources Inc.

For further information please contact:

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This announcement does not constitute an offer to sell, or the solicitation of any offer to buy, the Notes or any other securities. Any offer of the Notes will be made only by means of a private offering memorandum. The Notes are not being registered under the Securities Act nor the securities laws of Australia nor any other jurisdiction. The Notes may not be offered nor sold in the United States without registration under the Securities Act or an applicable exemption from such registration requirements.

For personal use only

Attachment A – Material terms and conditions of the Notes

Coronado Global Resources Inc., a Delaware corporation (the “Company”), will enter into an indenture (the “Indenture”) among Coronado Finance Pty Ltd, the Company’s wholly-owned subsidiary (the “Issuer”), the Company, the other guarantors party thereto (collectively with the Company, the “Guarantors”) and Wilmington Trust, National Association, as trustee and notes collateral agent (the “Trustee”), relating to the issuance by the Issuer of US\$350 million aggregate principal amount of 10.750% Senior Secured Notes due 2026 (the “Notes”). The Notes will be sold on May 12, 2021 in a private transaction exempt from the registration requirements of the United States Securities Act of 1933 (the “Securities Act”). The Notes have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

The Notes will bear interest at a rate of 10.750% per annum. Interest on the Notes will be payable semi-annually in arrears on May 15 and November 15 of each year, commencing on November 15, 2021, to record holders of the Notes on the immediately preceding May 1 and November 1, as applicable. The Notes will mature on May 15, 2026 and are secured senior obligations of the Issuer.

The Notes will be guaranteed on a senior secured basis by the Company’s wholly owned subsidiaries (subject to certain exceptions and permitted liens) and secured by (i) a first-priority lien on substantially all of the Company’s assets and the assets of the guarantors (other than accounts receivable and other rights to payment, inventory, intercompany indebtedness, certain general intangibles and commercial tort claims, commodities accounts, deposit accounts, securities accounts and other related assets and proceeds and products of each of the foregoing (collectively, the “ABL Collateral”)) and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien, for the benefit of the lenders under the Company’s senior secured asset-based revolving credit agreement in an initial aggregate principal amount of US\$100 million (the “ABL Facility”).

The Company intends to use the proceeds from the offering of the Notes, along with the proceeds of its previously announced approximately US\$100 million offering of shares of its common stock in the form of CHES Depository Interests that is expected to settle promptly following the offering of the Notes (the “Equity Offer”), to (i) repay all outstanding obligations under the Company’s existing secured multi-currency revolving syndicated facility agreement, dated September 15, 2018 and as amended on September 11, 2019 (the “Syndicated Facility Agreement”), and to terminate such agreement; (ii) cash collateralise a US\$70 million credit support facility which will be used to replace and/or provide back-to-back support for bank guarantees which have been issued under the Syndicated Facility Agreement or to temporarily cash collateralize some or all such bank guarantees to allow for their orderly replacement under a credit support facility (the transactions in clauses (i) and (ii), the “Refinancing”); (iii) pay discounts, fees and expenses related to the offering of the Notes, the ABL Facility, the Equity Offer and the Refinancing; and (iv) fund working capital and other general corporate needs.

The offering of the Notes will close prior to the consummation of the Equity Offer. Therefore, the gross proceeds from the sale of the Notes, less initial purchasers’ discounts and commissions, will be deposited into a separate escrow account for the benefit of the Trustee and the holders of the Notes. The release of the escrow proceeds is subject to certain conditions, including the consummation of the institutional part of the Equity Offer, provided that the escrow proceeds, together with the proceeds of the institutional part of the Equity Offer, are used for the Refinancing.

The terms of the Notes will be governed by the Indenture. The Indenture will contain customary covenants for high yield bonds, including, but not limited to, limitations on investments, liens, indebtedness, asset sales, transactions with affiliates and restricted payments, including payment of dividends on capital stock. The relevant restrictions on dividends are further outlined in clause 3.2 (“Dividends”) of Appendix A to the Company’s Investor Presentation dated 4 May 2021.

Upon the occurrence of a “Change of Control,” as defined in the Indenture, the Issuer will be required to offer to repurchase the Notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. The Issuer will also have the right to redeem the Notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date, following the occurrence of a Change of Control, provided that the Issuer redeems at least 90% of the Notes outstanding prior to such Change of Control. Upon the occurrence of certain changes in tax law (as described in the Indenture), the Issuer may redeem any of the Notes at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The Issuer may redeem any of the Notes beginning on May 15, 2023. The initial redemption price will be 108.063% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The redemption price will decline each year after May 15, 2023, and will be 100% of their principal amount, plus accrued and unpaid interest, beginning on May 15, 2025. The Issuer may also redeem some or all of the Notes at any time and from time to time prior to May 15, 2023 at a price equal to 100% of the principal amount thereof plus a “make-whole” premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

During any twelve-month period ending prior to May 15, 2023, the Issuer may redeem the Notes (including additional Notes, if any) in an aggregate principal amount not to exceed 10% of the aggregate principal amount of the Notes (including additional Notes, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 103.000%, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

At any time and from time to time on or prior to May 15, 2023, the Issuer may redeem in the aggregate up to 40% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) with the net cash proceeds of certain equity offerings, at a redemption price of 110.750%, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, so long as at least 60% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) issued under the Indenture remains outstanding after each such redemption.

The Indenture will contain customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, certain events of bankruptcy and insolvency, and failure to pay certain judgments. An event of default under the Indenture will allow either the Trustee or the holders of at least 25% in aggregate principal amount of the then-outstanding Notes to accelerate, or in certain cases, will automatically cause the acceleration of, the amounts due under the Notes.

The Indenture will be filed with the U.S. Securities and Exchange Commission as an exhibit to the Company’s Current Report on Form 8-K following closing of the offering of the Notes.

Attachment B – Material terms and conditions of the ASX Waiver

On 30 April 2021, ASX granted the Company a waiver from ASX Listing Rule 10.1 to the extent necessary to permit the Company to grant the Security without obtaining shareholder approval, on the following conditions:

1. The material terms and conditions of the Notes and of the ASX Waiver are announced to the market.
2. The announcement includes a description of the reasons why the Company has chosen to seek the financial accommodation from the 10.1 party, being EMG, rather than a lender that is not a 10.1 party and the steps the board of the Company (or, in the case of a listed trust, the responsible entity of the trust) has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the entity's ordinary securities.
3. EMG provides an enforceable undertaking to the Collateral Trustee that:
 - a. they will not vote or direct the Collateral Trustee that the assets the subject of the Security are disposed to them or to an associate of them;
 - b. they will not vote or direct the Collateral Trustee in connection with any variation to the terms of the financial accommodation of the Security which either advantages EMG in a material respect or disadvantages the Company in a material respect; and
 - c. neither they nor their associates will seek to purchase the assets the subject of the Security; in each case without first obtaining approval from the Company's shareholders under ASX Listing Rule 10.1.
4. The Security documents expressly provide that:
 - a. the Security is limited to the funds due under or in connection with the Notes; and
 - b. the Security will be discharged when the funds due under or in connection with the Notes have been repaid in full.
5. Any variation to the terms of the financial accommodation or the Security which:
 - a. advantages EMG in a material respect relative to third party Note holders;
 - b. disadvantages the Company in a material respect where EMG would receive preferential treatment compared to third party Note holders; or
 - c. is inconsistent with the terms of the waiver,must be subject to security holder approval under ASX Listing Rule 10.1.
6. For each year while they remain on foot, a summary of the material terms of the Notes and the Security is included in the related party disclosures in the Company's audited annual accounts.

Attachment C – Form 8-K

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (date of earliest event reported): May 4, 2021

Coronado Global Resources Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-56044
(Commission File Number)

83-1780608
(IRS Employer Identification No.)

**Level 33, Central Plaza One, 345 Queen Street
Brisbane, Queensland, Australia 4000**
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(61) 7 3031 7777**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 8.01 Other Events

On May 4, 2021 (May 5, 2021 in Australia), Coronado Global Resources Inc. (the “Company”) priced the previously announced offering by its wholly-owned subsidiary, Coronado Finance Pty Ltd, of US\$350 million aggregate principal amount of 10.750% Senior Secured Notes due 2026 (the “Notes”). The Notes will bear interest at an annual rate of 10.750 percent and will be issued at a price of 98.122 percent of their principal amount.

The Notes will be guaranteed on a senior secured basis by the Company’s wholly owned subsidiaries (subject to certain exceptions and permitted liens), and secured by (i) a first-priority lien on substantially all of the Company’s assets and the assets of the guarantors (other than accounts receivable and other rights to payment, inventory, intercompany indebtedness, certain general intangibles and commercial tort claims, commodities accounts, deposit accounts, securities accounts and other related assets and proceeds and products of each of the foregoing (collectively, the “ABL Collateral”)) and (ii) a second-priority lien on the ABL Collateral, which is junior to a first-priority lien, for the benefit of the lenders under a senior secured asset-based revolving credit agreement in an initial aggregate principal amount of US\$100 million (the “ABL Facility”) that the Company intends to enter into concurrently with the issuance of the Notes.

The Company intends to use the proceeds from the offering of the Notes, along with the proceeds of a proposed offering of shares of its common stock in the form of CHESS Depository Interests, with aggregate gross proceeds of at least US\$100 million that is expected to close promptly following the offering of the Notes (the “Equity Offering”), to (i) repay all outstanding obligations under the Company’s existing secured multi-currency revolving syndicated facility agreement, dated September 15, 2018 and as amended on September 11, 2019 (the “Syndicated Facility Agreement”), and to terminate such agreement; (ii) cash collateralize a US\$70 million credit support facility which will be used to replace and/or provide back-to-back support for bank guarantees which have been issued under the Syndicated Facility Agreement or to temporarily cash collateralize some or all such bank guarantees to allow for their orderly replacement under a credit support facility (the transactions in clauses (i) and (ii), the “Refinancing”); (iii) pay discounts, fees and expenses related to the offering of the Notes, the ABL Facility, the Equity Offering and the Refinancing; and (iv) fund working capital and other general corporate needs.

The Company expects the offering of the Notes to close on May 12, 2021, which will be prior to the consummation of the Equity Offering. Therefore, the gross proceeds from the sale of the Notes, less initial purchasers’ discounts and commissions, will be deposited into a separate escrow account for the benefit of the trustee and the holders of the Notes. The closing of the offering of the Notes will be subject to closing of the ABL Facility, and the release of the escrow proceeds will be subject to certain conditions, including the consummation of the Equity Offering, provided that the escrow proceeds, together with the proceeds of the Equity Offering, are used for the Refinancing.

The Notes and related guarantees are being offered only to qualified institutional buyers in reliance on the exemption from registration set forth in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on the exemption from registration set forth in Regulation S under the Securities Act. The Notes and the related guarantees have not been registered under the Securities Act, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws and foreign securities laws.

This Current Report on Form 8-K shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor shall there be any sales of securities mentioned in this Current Report on Form 8-K in any state or foreign jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or foreign jurisdiction.

Forward-Looking Statements

This Current Report on Form 8-K contains certain “forward-looking statements” concerning our business, operations, financial performance and condition, the coal, steel and other industries, the effect of the COVID-19 pandemic and related governmental and economic responses thereto, as well as our plans, objectives and expectations for our business, operations, financial performance and condition. Forward-looking statements are predictive in character and may be identified by words such as “may,” “could,” “believes,” “estimates,” “expects,” “likely,” “intends,” “considers,” “anticipate,” “forecast,” “outlook,” “target” and similar expressions in this Current Report on Form 8-K. Any forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed, implied or anticipated in these statements, many of which are beyond our control. Such forward-looking statements are based on an assessment of present economic and operating conditions on a number of best estimate assumptions regarding future events and actions. These factors are difficult to accurately predict and may be beyond our control. Factors that could affect our results or an investment in our securities include, but are not limited to: uncertainty and weaknesses in global economic conditions, including the extent, duration and impact on prices caused by reduced demand; the COVID-19 pandemic led to reduced market demand and risks related to government actions with respect to trade agreements, treaties or policies; severe financial hardship, bankruptcy, temporary or permanent shut downs or operational challenges, due to the ongoing COVID-19 pandemic or otherwise, of one or more of our major customers, including customers in the steel industry, key suppliers/contractors, which among other adverse effects, could lead to reduced demand for our coal, increased difficulty collecting receivables and customers and/or suppliers asserting force majeure or other reasons for not performing their contractual obligations to us; our ability to generate sufficient cash to service our indebtedness and other obligations; our indebtedness and ability to comply with the covenants and other undertakings under the agreements governing such indebtedness; our ability to collect payments from our customers depending on their creditworthiness, contractual performance or otherwise; the prices we receive for our coal; the demand for steel products, which impacts the demand for our metallurgical coal; risks inherent to mining; the loss of, or significant reduction in, purchases by our largest customers; risks unique to international mining and trading operations, including tariffs and other barriers to trade; unfavorable economic and financial market conditions; our ability to continue acquiring and developing coal reserves that are economically recoverable; uncertainties in estimating our economically recoverable coal reserves; transportation for our coal becoming unavailable or uneconomic for our customers; the risk that we may be required to pay for unused capacity pursuant to the terms of our take-or-pay arrangements with rail and port operators; our ability to retain key personnel and attract qualified personnel; any failure to maintain satisfactory labor relations; our ability to obtain, renew or maintain permits and consents necessary for our operations; potential costs or liability under applicable environmental laws and regulations, including with respect to any exposure to hazardous substances caused by our operations, as well as any environmental contamination our properties may have or our operations may cause; extensive regulation of our mining operations and future regulations and developments; our ability to provide appropriate financial assurances for our obligations under applicable laws and regulations; assumptions underlying our asset retirement obligations for reclamation and mine closures; concerns about the environmental impacts of coal combustion, including perceived impacts on global climate issues, which could result in increased regulation of coal combustion in many jurisdictions and divestment efforts affecting the investment community; the extensive forms of taxation that our mining operations are subject to, and future tax regulations and developments; any cyber-attacks or other security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us, our customers or other third parties; a decrease in the availability or increase in costs of key supplies, capital equipment or commodities, such as diesel fuel, steel, explosives and tires; the risk that we may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets; risks related to divestitures and acquisitions; and the risk that diversity in interpretation and application of accounting principles in the mining industry may impact our reported financial results.

For additional factors affecting the business of the Company, refer to Part I – Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2020 and other filings filed with the Securities and Exchange Commission.

SIGNATURES

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

CORONADO GLOBAL RESOURCES INC.

By: /s/ Richard Rose

Name: Richard Rose

Title: Vice President, Chief Legal Officer and Secretary

Date: May 4, 2021

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